



Board Of Director's Report

Fiscal Year Ended December 31, 2022

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Board of Directors



**Sulaiman
Abdullah
Hamd Alqadi**

**Independent member
(Vice Chairman)
(Chairman of the audit
Committee)**

Bachelors of petroleum engineering – The University of Texas - USA
Member - Independent - Head of Nominations and Remunerations - Saudi United Cooperative Insurance Company
Member - Independent - Chairman of the Audit / Nominations and Remuneration Committee - Alawwal Bank



**Abdulaziz
Abdulla
Abdulaziz
AlNaim**

Independent Member

Bachelor of Business Administration – MIT- USA
Chairman of the Nominations and Remunerations Committee - GIB Capital
Member - Independent - Fund of Funds Company
Member - Executive - Companies within the Mayar Capital Group

**Abdullah
Muhanna
Abul Aziz
Al-Moaibed**

(Chairman)



Bachelor of Civil Engineering - Seattle University - USA
Partner / Chairman – Azmy Abdel Hadi and Abdullah Al-Moaibed engineering consultancy company.

**Tariq Ali
Abdulla
Al-Tamimi**

**Non-executive member
(Chairman of the
Nominations and
Remunerations Committee)**



Bachelors of Business Administration – Wirth Worth University - USA
Member - Non-Executive - Gulf Union Cooperative Insurance Company
Member - Independent - Chairman of the Audit Committee - Dammam Hotels Company
Member - Non-Executive - Jinan Real Estate Company
Member - Independent - Educational Services Company
Chairman of the Board of Directors - Saudi Electrical Materials Company
Chairman of the Board - Clarinet Co., Ltd.
Chairman of the Board of Directors - The Arab Company for the Construction of Electrical Installations
Chairman of the Board - Consolidated Gulf Contractors Company Ltd.
Chairman of the Board - Tunneling Construction Co. Ltd

Board of Directors



**Alaa
Abdullah
Abdul Karim
Al Sheikh**

CEO

Bachelor's degree in Mechanical Engineering from King Fahd University of Petroleum and Mining
Executive MBA from the same university.
Former CEO of Almajdouie Industries Company.
Vice President and General Manager for the Middle East and North Africa
Supervisor for Maintenance of Rebar Products Factory - SABIC



**Othman
Riyadh
Mohammed
Alhumaidan**

Independent member

Bachelor's degree in Financial Management - King Fahd University of Petroleum and Minerals
Member - Non-Executive National Glass Industries Company
Member - Independent - Fitaihi Holding Group
Investment Manager - Al-Hayat Pharmacies Group
Investment Manager - Life Towers Contracting
Financial Manager - Andalus Gate Company



**Nasser
Abdulaziz
Muhanna
Almuaibed**

Non-executive member

Master of Business Administration - Seattle University, USA
Executive Director - Home Garden Trading Company
Executive member - Home Garden Trading Company

**Abdul Aziz
Talal Ali
Altamimi**

Independent Member

Bachelor of Finance - King Fahd University of Petroleum and Minerals
Master of Business Administration - Coventry University - United Kingdom



**Muhanna
Abdulaziz
Muhanna
Almuaibed**

Non-executive member

Bachelor of Public Administration - Concordia University, Canada
Treasury Sales Officer - Banque Saudi Fransi
Senior Treasury Sales Officer, Corporate Department - Al Ahli Bank of Saudi Arabia

Executive Management



**Alaa
Abdullah
Abdul Karim
Al Sheikh**

CEO

Bachelor's degree in Mechanical Engineering from King Fahd University of Petroleum and Mining
Executive MBA from the same university.
Former CEO of Almajdouie Industries Company.

**Fares
Lahoud**

CFO



Former CFO of Al-Qahtani Group
Masters In Finance
BA in Accounting and Finance from Saint Joseph University-Beirut



**Bernie
Kelly**

Commercial Director

Former CEO of Clariant AG Oil and Mining Services – Asia
BSc Chemistry University of Strathclyde, Glasgow

**Mishari
Alghamdi**

HR Manager



Former Director of Human Resources for General Electric Saudi Arabia for Advanced Turbines
Bachelor of Science in Management from King Fahd University of Petroleum and minerals.
Master of Human Resources Management from University of Texas, USA.

Executive Management



**Syed
Ali
Akbar**

**Technical & Operations
Director**

Former Vice President, Production Manager, Engro Polymer & Chemicals Limited
Bachelor's degree in Chemical Engineering from Karachi - Pakistan



**Abdullah
Saklou**

Supply Chain Director

Supply Chain Manager at Ravigo Middle East -
Previously
Bachelor of Information Technology, Egypt University – Egypt



Adonis Munzer

**Director of Huntsman ABC
Corporation
a subsidiary company**

Site Manager for Huntsman ABC Corporation –
Formerly
BA in Chemistry from the American University in Lebanon



**Leopold
MIROW**

**General Manager
National Adhesive**

Former Head of Key Accounts EIMEA, Packaging & Labelling
Master (MSc) in Management from ESCP Europe

We Challenge Ourselves





The word of His Excellency the Chairman of the Board of Directors

In the Name of God, the Most Gracious, the Most Merciful, and may peace and blessings be upon the most honorable messengers, the seal of the Prophet, his family and all of his companions.

Dear shareholders of Basic Chemical Industries (BCI)

Peace, mercy and blessings of God,

On behalf of my colleagues, members of the company's board of directors, I am pleased to put in your hands the annual report of the Basic Chemical Industries Company (BCI) in order to keep you informed of the latest news and developments related to the company's performance during the year 2022 AD, and at the beginning I would like to extend my thanks and appreciation to the General Assembly of shareholders for their support and Their confidence in the members of the Board of Directors, and I would like to take the opportunity to extend my sincere thanks to my colleagues, members of the Board of Directors, for their efforts during this year, as well as the company's management for the great efforts made to improve the overall performance of the company and its subsidiaries and the positive results that were reflected in the operational activities of the company, I am also pleased to present to you, through this report, the results of the company's achievements in its past year on December 31, 2022.

The company achieved a net profit of 70.4 million riyals in the year 2022 AD compared with 57.7 million riyals for the year 2021 AD, and sales of 674.7 million riyals were achieved during the year 2022 AD compared with 513.4 million riyals for the year 2021 AD, and the total shareholders' equity during the year 2022 613.5 million riyals compared to 570.2 million riyals for the year 2021 AD, and these results have been achieved despite the successive local and global economic changes, in addition to what the chemical market is going through in terms of price change and severe shortage in Demand and intense competition.

Throughout this year, thanks to God and his grace, the company was able to continue the path of success and strengthen its competitive position among chemical companies, which were achieved by the grace of God, then the efforts of the employees and the directives of the Chairman and members of the Board of Directors and what the executive management is doing in order to improve its performance level, position and ability to achieve the aspirations of its shareholders and all its customers.

The Board is also pleased to respond to your inquiries related to this report during the next Ordinary General Assembly meeting, God willing.

Abdullah Muhanna Al Moaibed
Chairman of Board of Directors



A word from the CEO of Basic Chemical Industries Company BCI

Dear Shareholders of Basic Chemical Industries.

In the Name of God, the Most Gracious, the Most Merciful, and may peace and blessings be upon the most honorable messengers, the seal of the Prophet, his family and all of his companions.

I am pleased to extend my sincere gratitude to all the company's employees for their outstanding performance and their adoption of the new culture and different working methods. Thanks to the company's board of directors and its committees for their continuous support and guidance, and to the shareholders as well for their confidence in the company and its future.

Positive performance

In 2022, BCI achieved total revenues of 674,7 million riyals, which represents an increase of 31.4% over the year 2021. The company's net profit also increased to 70.4 million riyals, a growth rate of 22% compared to the adjusted net profit for the year 2021. The company's net profit from its wholly owned companies rose to 40.4 million riyals, at a rate of 18%, and to 29.9 million riyals, at a rate of 28% of its ownership in mixed companies.

We build a foundation for the future.

The company completed the fundamental restructuring during the year 2022 AD by merging the Saudi Water Treatment Company (SWTC) and the National Basic Chemicals Company (BCNC), and transferring their assets to the Chemical Marketing and Distribution Company (CMD), so that CMD is the commercial and primary arm of BCI for all its products from its wholly owned factories and operations. Thus, the company's four new business units were created: basic chemicals, industrial chemicals, water treatment chemicals, and contract manufacturing. The year 2022 saw the launch of BCI's strategy for the next three years under the name "BCI 25". Where the strategy is formed around three main axes: growth, people, and governance. The axes, in turn, are divided out into twelve targets through thirty projects, most of which will be completed, God willing, during the years 2023-2025, while some will be prepared to be launched in later stages.

Enabling expansion of the manufacturing and specialized chemical industries

As part of the BCI 25 strategy, the company empowers and serves its partners through the new factory based in Jubail industrial city in the Plaschem complex through the expansion of chlorine plant in stages. As well as looking for new investments in specialized chemicals in alignment with the national strategy for industry and the objectives of 2030 vision.

The 2023 Challenge

We are looking forward to a new year as we are fully prepared to seize opportunities and face challenges. We will work on initiating some projects and agreements during the year to move forward with their implementation. However, and we will face some challenges, such as the high cost of financing, in ways that ensure mitigating the impact resulting from these challenges in the best possible way.

Best wishes,

Alaa Abdullah Al Sheikh
Chief Executive Officer

We Reach Our Goals



1- Company Profile

vision, mission and values

Company profile

* The Basic Chemical Industries Company was established in Dammam in the year 1973 AD (corresponding to 1392 AH) as a simple partnership company in the name of "Muhanna Al Moaibed and Darwish Al Darwish Company" and its commercial name was "Basic Chemical Industries Company" with commercial register No. 2050002795 issued on 1392/28/02 AH corresponding to 1973/02/02 AD, with a capital of 16,000,000 riyals.

* The company transferred its legal status from a simple partnership company to a limited liability company in the name of «Chemical Industries Company Ltd.» on 1397/11/01 AH corresponding to 1977/01/01 AD and reduced its capital to 11,000,080 riyals.

* Based on the decision of the partners, the capital of the company was increased from 11,000,080 riyals in 1977 to 18,915,845 riyals in 1981, and then to 36,011,040 riyals in 1982 AD, and to 37,961,040 riyals in 1995, and then to 100,000,000 riyals in the year 2005 AD, all

capital increases of the company were funded by transferring from retained earnings and reserves.

* The company was transformed into a joint stock company under its current name «Basic Chemical Industries Company» (BCI) according to Ministerial Resolution No. 746 issued on 1427/24/03 AH corresponding to 2006/23/04 AD. The shareholders of the company voted in their extraordinary general assembly held on 1428/29/08 AH corresponding to 2007/11/09 AD to raise the company capital to 220,000,000 riyals.

* The company was listed on the Saudi stock market on 2008/16/06 AD, and the shareholders of the company voted in their extraordinary general assembly that was held on 1430/27/08 AH corresponding to 2009/18/08 AD to raise the company's capital. Through free grants at its current level, which is 275,000,000 Saudi riyals distributed over 27,500,000 shares, the nominal share value per share is 10 Saudi riyals.

The vision of the company

Basic Chemical Industries Company (BCI) is working to be a leading company in its field, distinguished by its customer focus, the quality of its production, the best operating methods, and the support of the national economy. We are fully prepared to seize opportunities and face challenges. We will work on initiating some projects and agreements during the year to move forward with their implementation. However, and we will face some challenges, such as the high cost of financing, in ways that ensure mitigating the impact resulting from these challenges in the best possible way

1- Company Profile

vision, mission and values

The company's mission

Steadily persevering to produce the finest and highest varieties of chemicals in the most efficient way, with a commitment to protecting and preserving the environment, in addition to maximizing the value for stakeholders.

company's values

Client: Focusing on the customer and achieving the highest benefit for him by providing all the company's chemical products and others with the most efficient, highest quality, and competitive prices while providing technical support to him.

Investor: preserving shareholders' rights and maximizing return on investment.

The employee: providing a safe and competitive, highly professional work environment that contributes to attracting and maintaining competencies.

Supplier: Creating a long-term business relationship between the company and the supplier based on trust and a balance of interests.

Environment: working within the highest environmental standards and developing work systems that contribute to the continued preservation of the environment.

Society: Enriching the social position of the company through developing the national workforce and contributing to the service and development of society.

2- Description of the company's important plans and decisions

including structural changes, expansion of its business, or suspension of its operations

Future plans

The year 2022 saw the launch of BCI's strategy for the next three years under the name «BCI 25». Where the strategy is formed around three main axes: growth, people, and governance. The axes, in turn, are divided out into twelve targets through thirty projects, most of which will be completed, God willing, during the years 2025-2023, while some will be prepared to be launched in later stages.

* Operational efficiency: The company's management is keen to qualify and develop human resources to meet the needs of the company from an experienced technical workforce, as the local labor market faces a challenge in providing the business with manpower in general, and specially trained, to keep pace with the contemporary business boom, and the company is working to attract Saudi skilled workers through the material benefits granted to workers, training them, and benefiting from their skills and experiences. The total number of employees of the company and its subsidiaries in 2022 AD reached the following:

Number of employees	2022	2021	(Increase/ decrease)
Number of Saudis	156	106	50
Number of foreigners	282	240	42
Total	438	346	92
Total	35.62%	30.64%	4.98%

* Distinguished management: The company is distinguished by the presence of a distinguished administrative team with a high level of competence, experience and accurate knowledge in the markets, and continuous work to explore appropriate opportunities to develop the activity of the company.

* Quality of products: The company provides high-quality products that are able to compete in the regional and global markets. The company pursues a policy of providing marketing support for its products and always searching for new products in order to preserve its customers and establish its presence in the local and global markets.

* Industrial security and environmental safety: The Basic Chemical Industries Company (BCI) pays special attention and top priority to the safety and health of its employees and all other parties affected by its industrial operations, along with its keenness to protect the environment and considers this an integral part of all its operations. Through structured training and preparing periodic qualification programs to follow safety and implementing courses at the group level for all employees and workers, according to an approved methodology that adheres to the highest international standards, and the result of those efforts was a marked decrease in the rate of work injuries, and this has the company contracted with King Fahd University of Petroleum and Minerals to evaluate the performance of the company in the field of industrial security and environmental safety, and comparing it with companies in developed countries, and based on the final report, the company is preparing in the classification of international companies in terms of commitment and adherence to environmental safety and human resources.

2- Description of the company's important plans and decisions

including structural changes, expansion of its business, or suspension of its operations

Important decisions during the year 2022 AD

- The Company announced on the “Tadawul” website on February 2022 ,20 AD the completion of the electrical current connection to the company’s factory in Jubail, as well as the completion of the supply of all equipment and all construction and engineering works, and the start of implementing the trial operation plan for some equipment, systems and operating stages in the factory.
- The company announced on “Tadawul” website on February 2022 ,24 the recommendation of the Board of Directors to the General Assembly not to distribute dividends to shareholders for the fiscal year 2021 AD, due to the company’s continued completion of building and financing the chlorine production project in Jubail.
- The company announced on the “Tadawul” website on March 2022 ,23 AD, the opening of the door for candidacy for membership of the company’s Board of Directors for the next term, which begins its duties as of June 2022 ,15 AD and ends on June 2025 ,14 AD, provided that the candidates are elected at the meeting of the General Assembly.
- The company announced on the “Tadawul” website on June 2022 ,22 AD, the election of a new board of directors for the term that begins on June 2022 ,15 AD, for a period of three years that ends on June 2025 ,14 AD.
- The company announced on the “Tadawul” website on July 2022 ,24 AD, the commercial operation of the company’s new factory in Jubail that is planned to reach the design capacity of (50 thousand tons of chlorine) within a month of the announcement date. In addition, production has been stopped at the chlorine plant in the industrial complex in the city of Dammam, in conjunction with the start of commercial operation of the new plant in Jubail.
- The company announced on the “Tadawul” website on October 2022 ,4 AD that it had signed an agreement to amend the existing credit facilities with the Arab Bank, by increasing the value of the facilities granted to the company to 412 million Saudi riyals, the value of the previously granted facilities amounted to 262 million Saudi riyals. the financing repayment period has been modified to 12 years and four months, previously was 10 years and one month. The aim of this financing was to partially finance the cost of establishing the chlorine and derivatives factory project in Jubail Industrial City to have better cash flow position.
- The company announced on the “Tadawul” website, on October 2022 ,4, that it had signed a credit facilities agreement with Gulf International Bank at a value of 125 million Saudi riyals, to finance working capital requirements and treasury facilities.

3- Future expectations for the company's business and the risks it faces

Future expectations

The company's management expects that the company will continue to maintain its distinguished position in the coming years, God willing, by endeavoring to provide an integrated assortment of high-quality basic chemical products in accordance with the highest international and local standards and specifications, and to provide its customers with high-level services and competitive prices in a manner that meets their needs and expectations as well. In achieving this, the company relies on the elements of strength that characterize the company and its subsidiaries, which are: -

- **Successful operational record:** The company has a strong record in manufacturing and operating chlorine gas, caustic soda and hydrochloric acid plants, as well as being one of the best companies that manufacture chlorine acid, which is mainly supplied to giant companies such as Aramco, Sabic, Sadara, Sasref and SATORP And the major companies in the Kingdom. As well as the subsidiary companies that produce chemicals and adhesives of the highest quality and are recognized in the local and regional markets.
- **Availability of raw materials:** Since its inception in 1973, the company has succeeded in securing the raw materials needed for production from its own sources through its long-time approved suppliers.
- **Diversity of products:** The company continues to search for opportunities for expansion through the production of more chemicals and the entry of new markets supported by its partners outside the Kingdom, including Huntsman and Henkel.
- **Shared services and facilities:** The similarity of the needs required by the subsidiaries of the company in addition to their proximity to each other within the same location provides the company with a great opportunity to save capital and operational costs by building and operating a common infrastructure that serves all its subsidiaries. In addition, the subsidiary companies participate in Administrative, financial, maintenance and storage services provided by the Basic Chemical Industries Company, which gives the company a number of important advantages such as administrative experience and the ability to secure financing facilities at favorable prices and reduce costs.
- **Geographical location and proximity to markets:** The company has established its factories in the first industrial city in Dammam and in Yanbu Industrial City, And the new factory in Jubail Industrial City and its branches inside and outside the Kingdom, which provides the subsidiary companies with important positive advantages such as the availability of infrastructure and geographical proximity to the locations of the presence of raw materials in addition to the strategic location between the markets. The company is mainly responsible for exporting its products in the Middle East and North Africa, and this provides the company with a competitive advantage not available to other producers.

3- Future expectations for the company's business and the risks it faces

Future expectations

- The ability to secure financing: The company was able to secure adequate financing for itself and its subsidiaries. This contributed to enhancing the ability of the company to complete its projects on time and reducing financing costs. This was strengthened by obtaining the approval of a local bank to finance a gas production project. Chlorine and its derivatives.
- The reputation of the company: The company managed to secure a number of major strategic shareholders for its subsidiaries, such as Huntsman ABC and the National Labels Company, and from these individual investors and private sector companies in the world (such as Huntsman and Henkel), which provides the projects with an opportunity Benefit from extensive experience and global reliability.
- Strong relations with leading technology companies: The company was able to build strong alliances with a number of leading companies in the technology of the chemical industry that provide the company and its subsidiaries with the necessary technical resources and participate in some companies as a shareholder in its capital, and this reflects the confidence of international technology companies in The company and its departments, one of the subsidiary companies has concluded exclusive representation contracts with several leading companies in the fields of chemicals specializing in water treatment, which gives the company high preferential advantages and gives it a competitive ability in the Gulf markets
- Successful performance record: Basic Chemical Industries Company (BCI) and its subsidiaries and sister companies have achieved a successful record of strong growth and a distinguished reputation in customer service, which made the Company a leader in the chemical market in the Gulf region.
- Exports growth: There are strong opportunities to increase exports to regional markets in the coming years, as the latest sales figures indicate an increase in exports of products such as chlorine chemicals and adhesives, and this reflects the great competitiveness of the company.

The risks the company faces

No economic sector is devoid of potential risks, and there is no doubt that there are some risks that the Company's business may be exposed to according to the development of the chemical sector in the Kingdom, including: -

Currency risk: Currency risk is the risk of change in the value of financial instruments due to changes in foreign exchange rates. Most of the group's transactions are carried out in Saudi riyals, US dollars and euros. We believe that currency risk is not material to the group.

* Interest rate risk on cash flows and fair value: Interest rate risk on cash flows and fair value is exposure to various risks related to the impact of interest rate fluctuations in the market on the group's financial position and cash flows. The group's financial assets and liabilities are not exposed to fair value interest rate risks. And cash flows. Management monitors changes in interest rates and we believe that the interest rate risk on cash flows and fair value has little impact on the Group.

* Price risk: It is the risk that the value of a financial instrument is exposed to fluctuations as a result of changes in market prices, whether those changes are caused by specific factors of the instrument or its issuer, or factors affecting all instruments traded in the market. The group does not have financial instruments exposed to price risk.

* Credit risk: Credit risk is the inability of the company to fulfill its obligations, which leads to other parties incurring a financial loss, and the group does not have medium or small credit risks and that this results from conservative credit policy, whereby cash is deposited with banks with a high credit rating, Accounts receivable are recorded after deducting the allowance for doubtful debts.

3- Future expectations for the company's business and the risks it faces

The risks the company faces

- * Liquidity risk: Liquidity risk is the risk of the group's inability to secure the liquidity necessary to meet commitments related to financial instruments. Liquidity risk may result from the inability to sell a financial asset quickly at a value close to its fair value. Liquidity risk is managed by ensuring management periodically of Availability of sufficient liquidity to meet future liabilities.
- * Fair value: The fair value is the value at which an asset is exchanged or a liability settled between knowledgeable and willing parties in the same terms of dealings with independent parties, as the group's financial instruments are compiled on the basis of the historical cost method, and differences may arise between the value. Carrying and fair value estimates, and management believes that the fair value of the group's financial assets and liabilities are not materially different from their carrying value.
- * Risks of entering competitors and changing demand: the company works to sell its products in competitive markets that are subject to the forces of supply and demand, which exposes the company to competitive risks.
- * Deflation and recession in the global economy: the company is affected by fluctuations in the global economy, which may expose the company to reducing the demand for the company's sales.
- * Change in the prices of raw materials and energy: the company is affected by changes in raw and energy prices, which results in an increase in operating costs, which affects the financial impact of the group, and the management deals with these changes and works to reduce their effects on the company's performance. The company "decisions to deal with such assumptions by re-evaluation of cost control and a comprehensive study of selling prices and the geographical division of sales areas. It is possible that there are other risks that the company does not know at the present time or that it considers unimportant until the date of preparing this report, which could hinder its operations in the future.

We Work Safely



4- The name of each subsidiary company, its capital, the percentage of ownership of the company in it, its main activity, the state, the main place of its operations, and the country of its incorporation.

Home country	Operation Country	Main Activity	BCI Share	Capital	Company
Saudi Arabia Dammam	Saudi Arabia Dammam	Production of hydrochloric acid, caustic soda, hypochlorite, chlorine gas, calcium chloride, hot and cold adhesives, detergents, concrete curing chemicals, hydrogen peroxide, aluminum chloride, potassium hydroxide.	100%	275,000,000 Saudi Riyal	Basic Chemical Industries Corporation
Saudi Arabia Dammam	Saudi Arabia Dammam	Wholesale and retail trade in commercial and industrial .chemicals	100 %	1,108,072 Saudi Riyal	Chemicals Marketing and Distribution .Company Ltd
Saudi Arabia Dammam	Saudi Arabia Dammam	Production of hot and cold .adhesives	47 %	20,795,000 Saudi Riyal	National Adhesive .Company Ltd
Saudi Arabia Dammam	Saudi Arabia Dammam	Production of polyurethane and polyether blended polyol systems	49 %	3,200,000 Saudi Riyal	Huntsman ABC Corporation

At the beginning of 2022, the group's management decided to reorganize the structure of the group by changing the legal status of its subsidiaries, ("BCNC"), ("SWTC"), from limited liability companies to become branches of the company ("CMDC") and the legal procedures related to the reorganization of the group's structure were completed. The restructuring did not result in any gains or losses as the restructuring takes place between entities under common control.

5- A description of the main types of activities of the company and its subsidiaries and a statement of each activity and its impact on the volume of the company's business and its contribution to the results

A description of the main types of activities of the company and its subsidiaries:

Company name	Main activity
Basic Chemical Industries Corporation	Production of hydrochloric acid, caustic soda, sodium hypochlorite, chlorine gas, calcium chloride, hot and cold adhesives, detergents, concrete processing chemicals, ferric chloride, hydrogen peroxide, aluminum chloride, potassium hydroxide.
Chemicals Marketing and Distribution Company Ltd (Subsidiary)	Wholesale and retail trade in commercial and industrial chemical materials, maintenance and repair of onshore and offshore stations for petroleum refineries, maintenance and repair of gas production and distillation plants, pumping stations and their purification, import and export.
National adhesive Company Ltd. (Subsidiary)	Production of water-based adhesives and hot-melt adhesives.
Huntsman ABC Corporation (Subsidiary)	Production of polyurethane and polyether blended polyol systems..

A statement of each activity and effect on the volume of the company's business and its contribution to the results:

The following table shows the main activities of the company, according to the different strategic business units, and their impact on the volume of business in 2022 compared to 2021: -

Main product	Production 2022	(000 TON) 2021	Increase/ (decrease)	% of total production
Basic Chemicals	172.98	128.51	44.47	%67.49
Industrial Chemicals	6.76	8.61	(2.85)	%2.63
Toll Manufacturing	41.02	40.01	1.01	16%
Water Treatment	1.08	0.82	0.26	0.42%
Polyurethane chemicals	13.48	9.79	3.69	%5.25
Adhesives	20.97	20.22	0.75	%8.18
Total	256.3	207.96	47.33	%100

*Others (water treatment chemicals, concrete, and other chemicals) (all the numbers shown in the table are in thousands of tons)

5- A description of the main types of activities of the company and its subsidiaries and a statement of each activity and its impact on the volume of the company's business and its contribution to the results

The following table shows the impact of the main activities on the company's sales and profits, as the company's revenues were distributed by activity in 2022 compared to 2021 AD as follows:

Main product	net sales 2022	net sales 2021	net profit 2022	net profit 2021	total assets 2022	total assets 2021
Basic Chemicals	135,179,134	90,122,047	-	-	-	-
Industrial Chemicals	66,201,068	58,982,841	-	-	-	-
Toll Manufacturing	42,992,525	39,437,468	-	-	-	-
Water Treatment	10,690,119	7,075,022	-	-	-	-
Total Chemicals	255,062,846	195,617,378	9,811,408	9,918,010	1,014,354,960	1,066,432,494
Polyurethane chemicals	154,056,541	99,492,467	25,821,463	16,469,639	86,307,564	63,156,984
Adhesives	265,546,195	218,268,767	34,762,516	31,791,560	155,118,661	126,191,707

Net profit for the year attributable to:

Shareholders of the Basic Chemical Industries Corporation	40,432,242	34,368,495
Non-controlling interests	29,963,145	23,350,584

Net profit for the year	70,395,387	57,719,079
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- The amount of sales for the year 2022 AD amounted to about 256.3 thousand metric tons, compared to the amount of sales for the year 2021, which amounted to 213.6 thousand metric tons, an increase of 71.1%, while the sales revenues in 2022 reached 674,665,582 Saudi riyals, compared to the sales revenues for the year 2021, which amounted to 513,378,612 Saudi riyals, an increase of 31.4%, and the details are as follows: -

- The amount of Basic Chemicals sold during the year 2022 AD (172.98) thousand tons, with a total value of (135,179,134 Saudi riyals), which is the main activity affecting the volume of the company's main business and its results, at a rate of 67.48%.

- The quantity of Industrial chemicals sold during the year 2022 AD (6.76) thousand tons, with a total value of (66,201,068 Saudi riyals), which is an additional resource and affects the volume of the Company's business by 2.64%.

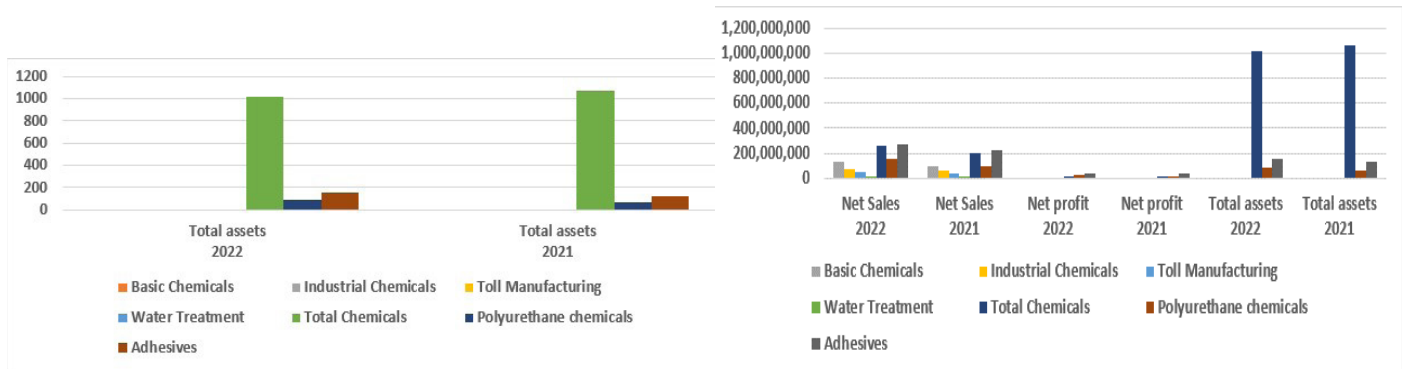
- The amount of Toll Manufacturing sold during the year 2022 AD (41.02) thousand tons, with a total value of (42,992,525 Saudi riyals), which is a major activity and affects the volume of the Company's business by 16%.

- The amount of Water Treatment sold during the year 2022 AD (1.08) thousand tons, with a total value of (10,690,119 Saudi riyals), which is a major activity and affects the volume of the Company's business by 0.42%.

- The amount of polyurethane sold during the year 2022 AD (13.48) thousand tons, with a total value of (154,056,541 Saudi riyals), which is a major activity and affects the volume of the Company's business by 5.26 %.

- The amount of adhesives sold during the year 2022 AD (20.97) thousand tons, with a total value of (265,546,195 Saudi riyals), which is a major activity and affects the volume of the Company's business by 8.18%.

5- A description of the main types of activities of the company and its subsidiaries and a statement of each activity and its impact on the volume of the company's business and its contribution to the results



Figures (Thousand Riyals)	2022 AD	2021 AD	2020 AD	2019 AD	2018 AD
Sales	674,666	513,379	500,240	534,561	605,190
Sales cost	(498,521)	(369,617)	(368,942)	(400,023)	(450,405)
Gross profit	176,145	143,762	131,298	134,538	154,785
Other revenue	(8,243)	59	3,056	4,715	6,688
Administrative and marketing expenses	(86,470)	(69,428)	(66,829)	(70,055)	(78,593)
Other expenses	(9,754)	(91)	(137)	(159)	-
Gain (Loss) on the fair value measurements of the derivative financial statements	8,355	(5,500)	(7,100)		
Net profit before zakat and taxes	80,033	68,802	60,288	69,039	82,880
Zakat and tax expense	(9,638)	(11,083)	(9,098)	(9,653)	(12,361)
Profit for the year	70,395	57,719	51,190	59,386	70,519
Less: non-controlling interests	(29,963)	(23,350)	(19,665)	(18,164)	(20,851)
Net profit for the year attributable to shareholders of the Chemical Industries Company	40,432	34,369	31,525	41,222	49,668
Retained earnings at the beginning of the year	225,686	197,528	213,033	174,201	160,618
Restatement	-		(9,900)		
Profit for the year	40,432	34,369	31,525	41,222	49,668
Transferred to legal reserve	(4,043)	(3,437)	(3,863)	(4,122)	(4,967)
(Other comprehensive income (loss	2,886	(2,773)	(5,767)	1,732	(3,618)
Other distributions		-	(27,500)	-	(27,500)
Retained earnings at the end of the year attributable to the shareholders of the Basic Chemical Industries Company	264,961	225,686	197,528	213,033	174,201

5- A description of the main types of activities of the company and its subsidiaries and a statement of each activity and its impact on the volume of the company's business and its contribution to the results

The company's assets and liabilities and the results of its business in the last five years

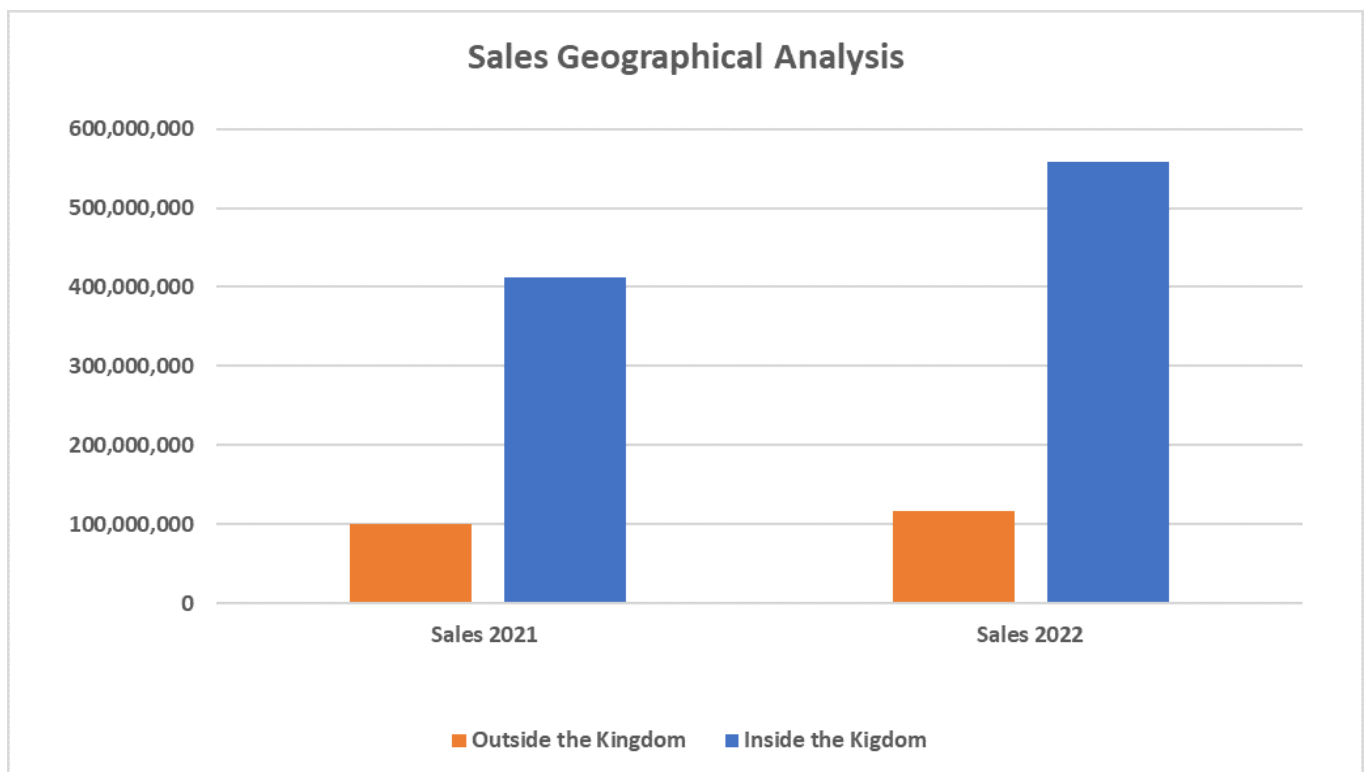
Figures (Thousand Riyals)	2022 AD	2021 AD	2020 AD	2019 AD	2018 AD
Financial position indicators					
Current assets	366,579	304,293	280,170	330,641	360,102
Investments	21,000	-	-	-	-
fixed assets	868,202	771,406	583,964	425,711	332,487
Total assets	1,255,781	1,075,699	864,134	756,352	692,589
Current liabilities	185,312	160,792	174,619	89,522	77,472
Non-current liabilities	379,487	286,512	87,497	55,919	29,377
Shareholders' equity	613,463	570,145	538,550	540,292	507,239
Non-controlling rights	77,518	58,250	63,468	70,619	78,501
Total liabilities and shareholders' equity	1,255,781	1,075,699	864,134	756,352	692,589

Figures (Thousand Riyals)	2022 AD	2021 AD	2020 AD	2019 AD	2018 AD
Cash flow statement indicators					
Profit before taxes and zakat	80,033	68,802	60,288	69,039	82,880
Other changes in operations activities	(35,159)	(28,499)	100,772	32,407	14,403
Net cash flow of investing activities	(142,355)	(178,198)	(170,406)	(116,935)	(114,866)
Net cash flow of financing activities	88,076	144,792	14,043	(11,656)	(48,400)
Net change in cash and cash equivalents	(9,404)	(13,083)	4,698	(27,145)	(65,983)
Cash at the beginning of the period	71,365	84,448	79,751	106,895	172,878
Cash at the end of the period	61,960	71,365	84,448	79,750	106,895

6- Geographical analysis of the total revenues of the company and its subsidiaries

Total sales for the year 2022 AD

Sales 2021	Sales 2022	Description
412,155,051	558,176,040	Within the Kingdom (Kingdom of Saudi Arabia)
101,223,561	116,489,542	Outside the kingdom
513,378,612	674,665,582	Total



7 - The material differences in the operating results compared to the results of the previous year or any expectations announced by the company

Income Statement Indicators	Saudi Riyal 2022	Saudi Riyal 2021	Change	%
Sales	674,665,582	513,378,612	161,110,930	+%31,4
Cost of Sales	(498,520,468)	(369,616,789)	(128,903,679)	+%34.9
Gross profit	176,145,114	143,761,823	32,383,291	+%22,5
Selling and distribution expenses	(54,069,166)	(44,847,758)	(9,221,408)	+% 20.5
General and administrative expenses	(32,401,125)	(24,580,050)	(7,821,075)	+%31.8
Other income (expenses)	(19,279,436)	(16,614,936)	(2,664,500)	+%16
Profit for the year	70,395,387	57,719,079	12,676,308	+%22

The most important reasons for changes in operating results from the results of the previous year:

- The increase in sales is due to an increase in the internal and external demand for the company's products, where the increase in sales represents %31.4
- The increase in gross profit by %22.5 is due to the increase in sales.
- The increase in general and administrative expenses by %31.8 is due to a company's restructuring and the change in employee grades.
- The increase in profit for the year amounted to %22.5 due to the increase in sales.
- In addition to the other reasons that were announced on the Tadawul website at the time during the year 2022 AD.

8- A description of any transaction between the company and a related party

Transactions with related parties as on 12/31/2022 are as follows: -

The name of the stakeholder company	Related parties	The purpose of the contract	Balance as 2022/12/31	Balance as 2021/12/31
Basic Chemical Industries Corporation	Huntsman Corporation Netherlands (Related party)	Purchase of Material	70,797,674	43,899,516
Basic Chemical Industries Corporation	Henkel Group of Companies in the Middle East (Related party)	Purchase of Material	3,872,636	3,265,193
Basic Chemical Industries Corporation	Henkel UK Limited (Related party)	Franchise fees	9,739,985	8,016,162
Basic Chemical Industries Corporation	Henkel Group of Companies in the Middle East (Related party)	Sale of material	23,421,839	15,909,107

Other than the above, there are currently no commercial dealings with any of the company's board members, its executive directors, who owns a share (5%) or more of the company's shares, or any of their relatives who has a direct or indirect material interest in this. Transactions, and there are no powers that give any of them the right to vote on these transactions.

Noting that all these contracts with related parties are based on commercial bases without any preferential conditions and achieve the interest of the company and do not negatively affect its performance and do not constitute a financial burden, but rather increase the profitability of shareholders and that the prices specified in these contracts provide savings for the company compared to those popular in Local markets are therefore in the interest of shareholders and are considered preferential prices for the company.

9- A statement of the value of the statutory payments due for the payment of any zakat, taxes, fees, or any other dues, with a brief description of them and their reasons

A-The company has paid dues to government agencies as follows: -

Statement	Reason	2022	2021
Department of Zakat and Income	Under the zakat and income tax system	8,102,170	7,971,964
The Public Institution for Social Security	Under the social security system	3,833,999	3,028,583
Saudi Market Company Tadawul	Shareholder registry services fees and a stock registry report request	392,348	426,326
Passports, work office, certifications, government fees and others	Fees for visas, accommodations and certifications	1,424,482	1,354,160
Total		13,752,999	12,781,033

10- A statement of the value of any investments or reserves established for the benefit of the company's employees:

Except for the end of service gratuity, there are no investments or reserves established for the employees' health during the year 2022.

Item	2022	2021	%
End of service	24,019,278	35,332,477	%-32

11 - Information related to any loans on the company (whether they are payable on demand or otherwise) and a disclosure of the total indebtedness of the companies and its subsidiaries and any sums paid by the company in repayment of loans during the year

On 28/05/2018 AD, the company signed an agreement to increase and amend the limit of credit facilities granted to the company that are compatible with Islamic Sharia from the Arab National Bank, and the balance of the debt owed to the bank as on 2020/31/12 AD amounted to 85,565,944 Saudi riyals (compared to: \$ 15 million Saudi riyals in the year 2019 AD) of the total credit facilities granted amounting to 262 million Saudi riyals, due for repayment starting from 31/12/2021 AD and therefore the company did not pay any dues to the Arab National Bank as of 31/12/2020.

In 2021 The Group renegotiated the terms of the agreement and rescheduled the repayment period. In accordance with the terms of the amended loan agreement, these loans will be repaid in twenty equal quarterly installments of SAR 13.1 million each starting from March 2021.

Subsequently, after the date of the financial statements for the year ending on December 31, 2021 the loan repayment terms were rescheduled to become the first payment due in December 2022. The costs of capitalized loans during the year ending on December 31, 2021 amounted to SAR 13.3 million (December 31, 2021 SAR 2.3 million).

In 2022, the group renegotiated the terms of the agreement, increased and modified the financing to become 412 million Saudi riyals in accordance with the terms of the amended loan agreement, the loan repayment terms were rescheduled. These loans will be repaid in twenty-eight unequal quarterly installments starting from March 2023, and the last payment will be due in December 2029

12- Contingent liabilities and obligations on the annual financial statements included in the external auditor's report for the year ended 2022/31/12:

1- The Group has contingent liabilities for bank guarantees issued to the Group in the normal course of business, amounting to SR 10.26 million as on December 31, 2022 against 8.2 million riyals for the year 2021.

2- The company did not bear the capital expenditures incurred by the group, and no amounts were incurred until December 31, 2022 AD, compared to 108.5 million riyals for the year 2021 AD..

3- Potential Zakat liabilities: The group received additional zakat assessments from the Authority the amount of 12.9 million Saudi riyals for the years 2011 AD until 2015 AD the group had objected to these additional assessments with the various objecting bodies, and before the end of the year, the authority issued an amended assessment in which the additional assessments were reduced to an amount of 3.2 million Saudi riyals. The administration considers that there is no additional zakat that may be generated upon completion of the objections.

4- During the year ending on December 31, 2020, the General Authority of Zakat and Income issued an assessment for one of the subsidiaries for the years from 2015 to 2018, and the assessment resulted in an additional zakat amounting to 11.1 million Saudi riyals. December ,31 2022 AD. The management's opinion is that no additional zakat obligations will arise upon completion of the appeal.

5- During the year ending on December 31, 2021 AD, the

General Authority for Zakat and Income issued a link to one of the subsidiary companies for the years from 2016 AD to 2017 AD. The assessment resulted in additional zakat in the amount of 2.1 million Saudi riyals. The company submitted an objection to the authority asking it to issue a modified link based on the company's payments in this objection and to correct the material errors. The case for the year 2016 was raised to the appeal Committee, while the case for the year 2017 is still before the preliminary committee. The company's management strongly believes that no additional zakat obligation will arise upon completion of the objection.

The Authority issued zakat and tax assessments relating to subsidiaries for some years, which were approved by the subsidiaries. That the zakat and tax assessments for some years are currently under review by the Authority. All subsidiaries received zakat and tax certificates for the years until 2021.

The management believes that all of what was stated in the external auditor's report regarding potential liabilities and obligations are potential liabilities and may not occur. They represent bank guarantees in the normal course of the company's business, and that the capital expenditures contracted by the group are not material and in the context of the company's operational work.

13- Details of shares and debt instruments issued for each subsidiary company

One of the subsidiaries purchased sukuk on 01/17/2022 from Al-Rajhi Capital for a period of five years, with a total value of 21 million Saudi riyals, with an annual interest of 14%, and the profits of these sukuk are received on a quarterly basis. Other than that, the company acknowledges that there are no debt instruments on the company or its subsidiaries that are convertible into shares, bonds, sukuk, or any option rights, subscription right notes or similar rights.

14- A description of the categories and numbers of any convertible debt instruments and any contractual securities, subscription right notes, or similar rights issued or granted by the company during the fiscal year ending 12/31/2022 AD

The company acknowledges that there are no debt instruments, contractual securities, subscription right notes, or any similar rights issued or granted by the company during the year 2022 AD.

15- A description of any transfer or subscription rights under convertible debt instruments, contractual securities, subscription right notes, or similar rights issued or granted by the company.

The company acknowledges that during the year 2022 AD it did not grant or issue any convertible debt instruments, any contractual securities, subscription warrants, or similar rights.

16- A description of any redemption, purchase or cancellation by the company of any redeemable debt instruments and the value of the remaining securities, with a distinction between the listed securities purchased by the company and those purchased by its subsidiaries

The company acknowledges that there are no redemptions, purchases or cancellations by the company or its subsidiaries for any redeemable debt instruments during the year 2022.

17- A description of the company's policy for distributing profits

The distribution of profits is the prerogative of the ordinary general assembly of the company based on the recommendation of the board of directors, as the policy of the company in the distribution of profits is in line with Article (42) of the articles of association of the company which states: - "The net profits of the company are distributed in the following manner: -

- He sets aside ten percent (%10) of the net profits to form the statutory reserve for the company. The Ordinary General Assembly may decide to discontinue this reserve when the aforementioned reserve reaches %30 of the paid-up capital.
- The Ordinary General Assembly, based on the proposal of the Board of Directors, may set aside (%5) of the net profits to form an agreement reserve to be allocated for a specific purpose or purposes for the benefit of the company.
- The Ordinary General Assembly may approve the formation of other reserves, to the extent that it serves the interest of the company or ensures that fixed profits are distributed as much as possible to the shareholders. The aforementioned assembly may also deduct from the net profits amounts for the establishment of social institutions for the company's employees or to assist what may exist from these institutions.
- From the remainder after that, a percentage representing (%5) of the company's paid-up capital shall be distributed to the shareholders.
- Taking into account the provisions stipulated in the articles of association of the company and the companies' system, after the aforementioned, a percentage (%10) of the remainder is allocated to the members of the Board of Directors with a maximum of 500,000 Saudi riyals, provided that the entitlement of this reward is proportional to the number of sessions attended by the member.
- The rest is then distributed to shareholders as an additional share in profits.
- The company may also distribute interim dividends to its shareholders on a semi-annual or quarterly basis after fulfilling the statutory requirements

The company distributes profits according to the following policy:

- The net profits after calculating the statutory provisions mentioned in Article (42) of the Articles of Association are sufficient to ensure their ability to be distributed.
- Availability of necessary liquidity.
- The dividend distribution does not conflict with any banking agreements, if any.
- That the profit distribution process does not limit the ability of the company to continue its growth.
- Profits to be distributed to shareholders shall be paid out of their net profits after deducting zakat after the approval of the Ordinary Assembly, and the entitlement to dividends is distributed to shareholders registered in the company records at the end of the trading day of the assembly.
- The Board of Directors determines the date for payment of profits, which will be announced through the Tadawul website and official newspapers.
- Profits are distributed to shareholders through direct deposit in their portfolios automatically and in coordination with Tadawul.

The following is a statement of the profits that have been distributed since the listing of «the company» in the Saudi stock market on June 2008 ,16 until December 2022 ,31:-

Bank Name	Distributed profit per share	Distribution method	Distribution date	Due date	Announcement date
Arab national Bank	One Riyal	Account transfer	17/03/2020	09/03/2020	19/12/2019
Arab national Bank	One Riyal	Account transfer	06/06/2018	15/05/2018	27/02/2018
Arab national Bank	One Riyal	Account transfer	23/05/2017	10/05/2017	05/03/2017
Arab national Bank	One Riyal	Account transfer	09/06/2016	15/05/2016	10/04/2016
Arab national Bank	One Riyal	Account transfer	07/05/2015	28/04/2015	19/01/2015
SAAB	One Riyal	Account transfer	11/05/2014	21/04/2014	13/01/2014
SAAB	One and half Riyal	Account transfer	13/05/2013	21/04/2013	12/01/2013
SAAB	One Riyal	Account transfer	16/05/2012	01/05/2012	25/01/2013
Arab national Bank	One Riyal	Account transfer	24/04/2011	05/04/2011	11/12/2010
Arab national Bank	One Riyal	Account transfer	03/05/2010	14/04/2010	16/01/2010
SAAB	One Riyal	Account transfer	21/07/2009	30/06/2009	21/04/2009

We Do the Right Thing



18 - A description of any interest in the category of shares eligible to vote belonging to persons (other than members of the company's board of directors, senior executives and their relatives) who informed the company of those rights under Article (45) of the registration and listing rules and any change in those rights during the last fiscal year:

The company acknowledges that there is no interest in a class of voting-eligible shares belonging to persons (except for members of the board of directors, senior executives and their spouses and minor children) who informed the company of those rights according to Article (45) of the registration and listing rules, and none of the shareholders To inform the company of any change in the ownership of shares during the fiscal year ending 31/12/2022 AD.

19- A description of any interest, contractual securities and subscription rights of the members of the company's board of directors, senior executives and their relatives in the shares or debt instruments of the company or any of its subsidiaries and any change in that interest or those rights during the last fiscal year:

A-A description of any interest of the previous members of the board of directors and their wives and minor children in the shares or debt instruments of the company or its subsidiaries

%	Net change	2021		2022		Name	S
		Debt instruments	Shares	Debt instruments	Shares		
-	-	None	6,066,185	None	6,066,185	Tariq Ali Abdullah Al-Tamimi *	1
-	-	None	2,724,796	None	2,724,796	Abdullah Muhanna Abdul Aziz Al-Muaybad	2
,%040	50,000	None	1,344,273	None	1,294,273	Abdul Aziz Muhanna Abdul Aziz Al Moaibed	3
-	-	None	1,000	None	1,000	Abdul Aziz Abdullah Al-Na'im	4
-	-	None	455	None	455	Suleiman Abdullah Hamad Al-Qadi	5
%100	10,443	None	10,443	None	-	Khaled Abdullah Ibrahim Al-Muammar	6
%100	15,000	None	15,000	None	-	Abdel-Latif Azmy Abdel-Hadi	7
%100	2,675,228	None	2,675,228	None	-	Hussa Abdul Mohsen Muhammad Al-Sheikh **	8
-	-	None	-	None	-	Abdul Aziz Talal Al-Tamimi	9

* Mr. Tariq Ali Al-Tamimi does not own any personal shares, but he represents the company that owns the shares (Ali Abdullah Al-Tamimi Company).

** Mrs. Hassa Abdul-Mohsen Muhammad Al-Sheikh does not own any personal shares, but she represents the corporation that owns the shares (the Public Pension Agency and the pioneering investment company "Raed").

** Except for the above, there is no interest, contractual securities and subscription rights belonging to the members of the company's board of directors, senior executives and their relatives in the shares or debt instruments of the company or any of its subsidiaries.

B- A description of any interest of the new members of the board of directors and their wives and minor children in the shares or debt instruments of the company or its subsidiaries

%	Net change	2021		2022		Name	S
		Debt instruments	Shares	Debt instruments	Shares		
-	-	None	6,066,185	None	6,066,185	Tariq Ali Abdullah Al-Tamimi *	4
-	-	None	2,724,796	None	2,724,796	Abdullah Muhanna Abdul Aziz Al-Muaybad	1
	10,000	None	-	None	10,000	Uthman Riyadh Alhomidan	11
0.4%	1,350		-		1,350	Muhanna Abdulaziz Al Moaibed	
-	-	None	455	None	455	Suleiman Abdullah Hamad Al-Qadi	2
-	-	None	1000	None	1000	Abdul Aziz Abdullah Al-Na'im	8
-	-	None	125	None	125	Nasser Abdulla Muhanna Al-Moaibed	12
-	-	None	-	None	-	Abdul Aziz Talal Al-Tamimi	9
-	-	None	-	None	-	Alaa AlShaikh	13

C- A description of any interest of the senior executives and their wives and minor children in the shares or debt instruments of the company or its subsidiary companies

%	Net change	2021		2022		Name	S
		Debt instruments	Shares	Debt instruments	Shares		
-	-	None	None	None	None	Alaa Abdullah Abdul Al Sheikh	1
-	-	None	None	None	None	Sayed Ali Akbar*	2
-	-	None	None	None	None	Fares Lahoud	3
-	-	None	None	None	None	Abdullah Saklou **	4
-	-	None	None	None	None	Bernie Kelly	5
-	-	None	None	None	None	Mishari Alghamdi	6

* Mr. Syed Ali Akbar was appointed as the Company's Operational Director on 15/02/2022

** Mr. Abdullah Saklou was appointed as the Company's Supply Chain Director on 13/03/2022

20- The number of board meetings held during the year 2022 AD and the record of attending each meeting indicating the names of the attendees.

During the year 2022 AD, the term of the previous board of directors ended on 14/06/2022 AD, and on 25/05/2022 AD, the current board of directors was elected, which began its term on 15/06/2022 AD for a period of three years, and accordingly the meeting schedule will be displayed for each board separately according to the following tables:

During the year 2022 AD, the previous Board of Directors held (1) sessions, the following is a statement of attendance: -

Total	Second meeting 22/05/2022	First meeting 30/03/2022	Name	S
2	✓	✓	Abdullah Muhanna Abdul Aziz Al-Muaybad	1
2	✓	✓	Suleiman Abdullah Hamad Al-Qadi	2
2	✓	✓	Abdul Aziz Muhanna Abdul Aziz Al-Moebed	3
-	-	-	Tariq Ali Abdullah Al-Tamimi	4
2	✓	✓	Khaled Abdullah Ibrahim Al-Muammar	5
2	✓	✓	Abdel-Latif Azmy Abdel-Hadi	6
1	-	✓	Hussa Abdul Mohsen Muhammad Al-Sheikh	7
1	-	✓	Abdul Aziz Abdullah Al-Na'im	8
1	-	✓	Abdul Aziz Talal Al-Tamimi	9

The new Board of Directors held (2) sessions during the year 2022. The following is a statement of attendance:

Total	Second meeting 07/11/2022	First meeting 22/06/2022	Name	S
2	✓	✓	Abdullah Muhanna Abdul Aziz Al-Muaybad	1
2	✓	✓	Suleiman Abdullah Hamad Al-Qadi	2
2	✓	✓	Muhanna Abul Aziz Al-Moaibed	3
2	✓	✓	Tariq Ali Abdullah Al-Tamimi *	4
2	✓	✓	Abdul Aziz Abdullah Al-Na'im	5
2	✓	✓	Abdul Aziz Talal Al-Tamimi	6
2	✓	✓	Uthman Riyadh Alhomidan	7
2	✓	✓	Nasser Abdulla Muhanna Al-Moaibed	8
2	✓	✓	Alaa AlShaikh	9

21- A statement of any arrangements or agreement under which a member of the company's board of directors or a senior executive waived any salaries, compensation, or any loans granted by the company to members of the board of directors.

The company acknowledges that there is no arrangement or agreement under which a member of the board of directors or a senior executive has waived any salary or compensation. The company also acknowledges that it did not provide any cash loans of any kind to members of its board of directors or guaranteed any loan contracted by one of them with others.

22- A statement of any arrangements or agreement under which a shareholder of the company waived any rights to profits.

The company acknowledges that there is no arrangement, agreement or assignment under which any of the shareholders of the company has waived any rights in profits.

23- The number of the company's requests for the shareholders' register and the dates of those requests:

S	Request date	Request purpose
1	22/05/2022	General Assembly
2	29/06/2022	General Assembly

24- Social responsibility

In continuation of the company's policy in supporting social work, the company is always keen to support some charitable societies licensed by government agencies in Dammam and other regions across the Kingdom. The Board of Directors has approved the following payments: -

Name of the donor's association	Amount
Charitable societies licensed by government agencies in Dammam and other regions in the Kingdom	340,000

25- Declarations of the Board of Directors

Based on the information available to us, and based on the auditor's report, current market results and data and future indicators, the Board of Directors of the Basic Chemical Industries Company declares the following: -

- That the account records were properly prepared.
- That the internal control system was prepared on a sound basis and has been effectively implemented.
- There is no doubt about the source's ability to continue its activity.

26- Information to be disclosed under the Corporate Governance Regulations

A.Compliance with the Corporate Governance Regulations.

On November 12, 2006, the Board of the Capital Market Authority issued the guiding regulation for the governance of joint stock companies, followed by circulars issued by the Capital Market Authority, obligating some articles in the guiding regulation. The company complies with the requirements and decisions of the Authority, and in accordance with the joint stock companies' system and the requirements of the Capital Market Authority, and was presented to the Board of Directors in its session held on Saturday, 21/04/2012 AD, and after reviewing it, it was approved and recommended to be presented to the General Assembly, which was held on Tuesday, 1/05/2012 AD, and was approved by the Assembly, the company provided the Capital Market Authority with a full copy of the regulation after its approval by the General Assembly, where the Authority expressed some of its observations on the regulation regarding some of the articles contained. It has been amended in accordance with the requirements of the Authority and approved by the Board of Directors.

Terms that are not applied and the reason why:

Article number	Discription	Reasons for non-adopting
72 & 71, 70	Formation, terms of reference and meetings of the Risk Committee	These articles are indicative, noting that the audit committee covers most of these tasks. The company has not currently established a separate committee to manage risks, but the company has many procedures and policies for managing risks and reducing their impact

B. Composition of the Board of Directors and classification of its members (executive / non-executive / independent):

The Board of Directors consists of nine members in accordance with Article (15) of the Articles of Association which states: "The company shall be managed by a board of directors consisting of nine members elected by the Ordinary General Assembly of shareholders for a period not exceeding three years and may be re-appointed for several terms". In 2022 AD, a new Board of Directors was elected, whose term begins on 15/06/2022 AD and ends on 14/06/2025 AD for a period of three years. The Ordinary General Assembly of Shareholders approved the election of the new Board in its meeting held on 25/05/2022 AD. The Board of Directors consist of four non-executive members, four independent members and one executive member.

C. A brief description of the competencies of the main board committees, their tasks, the names of the committees, their heads and members, and the number of their meetings:

The Ordinary General Assembly formed the Audit Committee and the Board of Directors formed the Nomination and Remuneration Committee, both of which play an important and main role to assist the Board of Directors in carrying out the statutory duties entrusted to it to achieve optimal performance, and to benefit from the various experiences of its members in developing policies, programs, review and raising recommendations, and the corporate governance regulation has been organized. The purpose, responsibilities, duties and tasks assigned to these committees are as follows:

C.1 Audit Committee:

The previous audit committee members as of the end of 14/06/2022 consisted of:

Name	Designation
Sulaiman Abdullah Hamd Alqadi	Head – Independent
Abdul Aziz Muhanna Abul Aziz Al-Moaibed	Member – non executive
Hessa Abdulmohsin Mohammed Alalshaikh	Member – non executive

26- Information to be disclosed under the Corporate Governance Regulations

The current audit committee members as of 14/06/2025 consists of:

Name	Designation
Sulaiman Abdullah Hamd Alqadi	Head – Independent
Abdul Aziz Muhanna Abul Aziz Al-Moaibed	Member – non executive
Aziz Mohammed Al-Qahtani	Member – independent member

C.1.1 The number of audit committee meetings and the attendance record of members:

The previous Committee held (2) two meetings during the year 2022 AD. the Committee discussed among these meetings the tasks entrusted to it and issued its recommendations regarding them to the Company's Board of Directors. The following is a statement of the number of the previous Committee's meetings during the year 2022 AD, indicating the attendance record of the members:

Total	Second meeting 01/06/2022	First meeting 30/03/2022	Name	S
2	✓	✓	Sulaiman Abdullah Hamd Alqadi	1
2	✓	✓	*Abdul Aziz Muhanna Abul Aziz Al-Moaibed	2
1	–	✓	Hessa Abdulmohsin Mohammed Alalshaikh	3

The current Committee held (2) two meetings during the year 2022 AD. the Committee discussed among these meetings the tasks entrusted to it and issued its recommendations regarding them to the Company's Board of Directors. The following is a statement of the number of the previous Committee's meetings during the year 2022 AD, indicating the attendance record of the members:

Total	Second meeting 07/11/2022	First meeting 31/07/2022	Name	S
2	✓	✓	Sulaiman Abdullah Hamd Alqadi	1
2	✓	✓	Abdul Aziz Abdullah Al-Na'im	2
2	✓	✓	Aziz Mohammed Al-Qahtani	3

C.1.2 The duties of the audit committee, its terms of reference and its term of work:

- Ensure that the financial reports have been prepared in accordance with the accounting policies followed by the company.
- Identify and review the accounting problems that affect the process of preparing financial reports and understand the extent of their impact on the validity of those reports.
- Studying the draft financial statements before submitting them to the Board of Directors and giving opinions and recommendations regarding them.
- Preparing recommendations for the Board of Directors regarding the appropriateness of accounting policies applied to the nature of the company and its evaluation of the financial reports issued by the company and the nature of the review process.
- Preparing recommendations for the Board of Directors regarding the annual report of the company, prior to its approval by the Board.
- Preparing recommendations related to establishing, improving and disseminating the control environment within the company.
- Preparing an evaluation of the internal control systems, developing reports on its opinion and recommendations, and supervising the internal audit department.
- Make recommendations related to the selection of the chartered accountant, which includes the committee's review of his professionalism and independence, the expected risks of having a conflict of interest, as well as the fees that he will receive.
- Conducting an annual review of the performance of the chartered accountant and making recommendations related to his appointment, reappointment, or termination of his contract.

26- Information to be disclosed under the Corporate Governance Regulations

- Working with the chartered accountant in order to coordinate the preparation of the audit plan and procedures, taking into account the circumstances of the company and any changes that occurred in the conditions required by the legal supervisory authorities during the current year.
- Discussing the important findings and recommendations reached by the chartered accountant and the degree of management's response to them, as well as the corrective measures taken by them based on those recommendations.
- Preparing recommendations for company policy regarding determining the period required to change the chartered accountant.
- Preparing recommendations for establishing the company's internal audit department and its budget, selecting the department head, and monitoring the degree of independence of the internal auditors.
- Preparing an evaluation of the performance of the internal audit department and preparing the necessary recommendations to improve its effectiveness.
- Discussing deviations and errors contained in the reports prepared by the internal audit department and ensuring that the management takes appropriate corrective actions.
- Ensure that the executive management follows the company's rules and regulations, and that there are no violations.
- The term of the committee's work is three years, starting from 06/15/2022, and for a period of 3 years.

During the year 2017 AD, the management worked on updating the audit committee regulation in line with the government laws and rules, and the administration has completed preparing and updating these bylaws the audit committee at the beginning of 2018 and it was presented to the company shareholders and they approved it in the ordinary general assembly meeting that was held On 06/02/2018 AD, the results of the meeting were published on Tadawul on 02/07/2018.

The main tasks of the audit committee in the updated regulations are to form a conviction about the adequacy and effectiveness of the internal control system, and to submit any recommendations to the Board of Directors that would activate and develop the system in order to achieve the company's objectives and protect the interests of shareholders and investors with high efficiency. The audit committee has the right to view the information, data, reports, or other matters that the committee deems important to have access to. The audit committee is responsible for monitoring the company's business and verifying the integrity and integrity of the reports, financial statements, and internal control systems. The scope of the committee's work includes carrying out all the work that enables it to achieve its tasks, including:

A-Financial reporting:

1. Study the interim and annual financial statements before submitting them to the Board of Directors in order to express opinion and recommendation on them (if any), to ensure their integrity, fairness and transparency.
2. Expressing a technical opinion upon the request of the Board of Directors on whether the report of the Board of Directors and the financial statements of the company is fair, balanced and understandable, and includes information that allows shareholders and investors to evaluate the financial position of the company, its performance, business model and strategy.
3. Study any important or unfamiliar issues included in the financial reports.
4. Carefully researching any issues raised by the company's financial manager, whoever assumes his duties, the company's compliance officer, or the auditor.
5. Verify the accounting estimates in the fundamental issues mentioned in the financial reports.
6. Study the accounting policies followed in the company and express opinion and recommendation to the Board of Directors in this regard.

26- Information to be disclosed under the Corporate Governance Regulations

B-Internal Audit:

1. Coordination with the Internal Audit Department with regard to studying and reviewing the company's internal and financial control and risk management systems to form a conviction that the internal control system is effective and meets the company's objectives in this regard.
2. Reviewing and approving the annual and strategic audit plan for the internal audit department.
3. Study the reports of the Internal Audit Department and follow up on the implementation of corrective measures for the observations contained in the reports.
4. Control and supervise the performance and activities of the Internal Audit Department, in order to verify the availability of the necessary resources, their effectiveness in performing the tasks and tasks assigned to them, their independence and objectivity.
5. Recommending to the Board of Directors to appoint, exempt or remunerate a director of an internal audit unit or department.

C-External Auditor:

1. Recommending to the Board of Directors to nominate and dismiss auditors, determine their fees and evaluate their performance, after verifying their independence and reviewing the scope of their work and the terms of contracting with them.
2. Verifying the auditor's independence, objectivity and fairness, and the effectiveness of the audit work, taking into account the relevant rules and standards.
3. Reviewing the auditor's plan and work, verifying that he has not submitted technical or administrative works outside the scope of the audit work, and expressing her views on this.
4. Answer the inquiries of the company's auditor.
5. Study the auditor's report and his notes on the financial statements and follow up on what has been taken in their regard.

D-Compliance:

1. Review the results of the reports of the supervisory authorities and verify that the company has taken the necessary actions regarding them.
2. Verify the company's compliance with the relevant laws, regulations, policies and instructions.
3. Review the contracts and proposed transactions that the company conducts with related parties, and submit their opinions on this to the Board of Directors.
4. Raise the issues it deems necessary to take action in their regard to the Board of Directors, and make recommendations on the measures to be taken.

E- Formation of the Committee:

1. The Board of Directors shall, by a decision of the Company's Ordinary General Assembly, form a review committee consisting of three members selected by the Company's Board of Directors, whether from shareholders or others, for the duration of the Board's term, which is three years, subject to renewal. The members of the committee must be independent or non-executive, and in all cases one of the committee members must be independent.
2. It is not permissible for anyone who works or has been working during the past two years in the executive or financial management of the company, or with the company's auditor, to be a member of the audit committee.

F- The authorities of the Committee:

1. The Audit Committee is responsible for monitoring the company's business, and for this purpose it may:
2. The right to view the company's records and documents.
3. Requesting any clarification or statement from members of the Board of Directors or the executive management.
4. It may request the board of directors to call the general assembly of the company to convene if the board of directors impedes its work or the company suffers heavy damage or losses.

26- Information to be disclosed under the Corporate Governance Regulations

C.2 Nomination and Remuneration Committee:

The previous Nomination and Remuneration Committee (Before 14/06/2022) consisted of:

Name	Designation
Tariq Ali Abdulla Al-Tamimi	Head / non-executive
Abdulla Muhanna Abul Aziz Al-Moaibed	Member / non-executive
Abdullatif Azmi Abdullatif Abdul Hadi	Member / non-executive

The current Nomination and Remuneration Committee (After 14/06/2025) consists of:

Name	Designation
Othman Riyadh Al-Homaidan	Head / non-executive
Abdulla Muhanna Abul Aziz Al-Moaibed	Member / non-executive
Tariq Ali Abdulla Al-Tamimi	Member / non-executive

6.2.1 Number of Nomination and Remuneration Committee meetings:

The previous Nominations and Remuneration Committee held a meeting during the year 2022 (1) on 22/03/2022 AD and all members attended the committee meeting.

Total	First meeting 22/03/2022	Name	S
1	✓	Tariq Ali Abdulla Al-Tamimi	1
1	✓	Abdulla Muhanna Abul Aziz Al-Moaibed	2
1	✓	Abdullatif Azmi Abdullatif Abdul Hadi	3

A number of (1) decisions were issued by passing by the committee state the following:

- Approval of opening the door for candidacy for membership of the Board of Directors for the company for the next term, which will start on 06/15/2022 until 06/15/2025, for a period of three years, provided that the candidates are elected at the General Assembly meeting after obtaining the necessary approvals from the relevant authorities.

- Recommending to the Board of Directors and presenting to the Extraordinary General Assembly at its next meeting the approval of the remunerations and allowances of the Chairman and members of the Board of Directors for the fiscal year ending on December 31, 2021.

The current Nominations and Remuneration committee issued on 08/08/2022 AD, (3) decisions by circulation, all members of the committee agreed on these decisions:

- Recommending to the Board of Directors to add an item (remuneration for members of the Board of Directors and sub-committees), The disbursement of the annual remuneration for the members of the Board and Committees shall be prepared in coordination between the secretaries of the board with the financial management of the company, provided that its disbursement is approved by the Chief Executive Officer on a semi-annual basis and that it is approved at the Ordinary General Assembly meeting.

- Reshaping the roles of the members of the Nominations and Remuneration Committee to become as follows:

Othman Riyadh Muhammad Al-Humaidan (Chairman)
 Abdullah Muhanna Abdul-Aziz Al-Moaibed (Member)
 Tariq Ali Abdullah Al-Tamimi (Member)

- Approval of the organizational structures and job grades within the company as prepared by the management.

26- Information to be disclosed under the Corporate Governance Regulations

C.2.2 The duties of the Nomination and Remuneration Committee, its terms of reference and its term of work:

- Annual review of the required needs of appropriate skills for membership of the Board of Directors, preparing a description of the capabilities and qualifications required for membership of the Board of Directors, and recommending to the Board of Directors the nomination in accordance with the approved policies and standards.
- Reviewing the structure of the Board of Directors and making recommendations regarding the changes that can be made.
- Determining the strengths and weaknesses of the board of directors and proposing remedies in accordance with the company's interest.
- Setting standards to determine the independence of a member of the board of directors, ensuring his independence on an annual basis, and ensuring that there is no conflict of interest if the member is a member of the board of directors of another company.
- Preparing recommendations for the Board of Directors related to defining certain criteria for selecting people to fill the position of CEO and heads of the main departments of the company.
- Preparing an initial evaluation of the persons nominated for the position of the CEO and the heads of departments and divisions of the company and setting appropriate standards and procedures for evaluating performance.
- Organizing training programs for executives related to corporate governance and ethical behavior.
- Establishing a policy for rewards and incentives for members of the Board of Directors and executives of the company aimed at increasing the value of the company.
- Examine nomination applications for membership of the Board of Directors in accordance with the experiences, controls, conditions and standards set by the Corporate Governance Regulations, and ensure that those previously convicted of a crime involving dishonesty and breach of trust are not nominated.

The period of the committee's work is three years, starting on 15/06/2022 AD and ending with the end of the current term of the Council on 14/06/2023 AD.

During the year 2017 AD, the management worked on updating the list of the Nominations and Remuneration Committee in line with the laws and rules of the government, and the administration has completed preparing and updating this list of the Nominations and Remuneration Committee at the beginning of 2018 AD and it was presented to the shareholders of the company and they approved it at the Ordinary General Assembly meeting Which was held on 02/06/2018 AD, and the results of the meeting were published on Tadawul website on 02/07/2018.

26- Information to be disclosed under the Corporate Governance Regulations

The Nominations and Remuneration Committee, according to the updated regulations, shall be responsible for the following:

- Propose clear controls and criteria for membership in the Board of Directors and executive management.
- Recommending to the Board of Directors to nominate its members and re-nominate them in accordance with the approved controls and standards, taking into account not to nominate any person previously convicted of a breach of trust.
- Prepare a description of the capabilities and qualifications required for membership in the Board of Directors and occupying executive management positions.
- Annual review of the necessary needs of skills or appropriate expertise for board membership and executive management functions.
- Reviewing the structure of the Board of Directors and the executive management and submitting recommendations to the Board regarding the changes that can be made.
- Determine the strengths and weaknesses of the board and propose solutions to address them in accordance with the interests of the company.
- Checking on an annual basis the independence of the members and the absence of a conflict of interest if the member is a member of the board of directors of another company.
- Establish job descriptions for executive members, non-executive members, independent members and senior executives.
- Establishing special procedures in case the position of a member of the Board of Directors or a senior executive becomes vacant.
- Preparing a clear list of remuneration for members of the Board of Directors and the committees emanating from the Board and the Executive Management, and submitting them to the Board of Directors for consideration in preparation for approval by the General Assembly, taking into account in this policy the following standards related to performance, disclosure of them, and verification of their implementation.
- Clarify the relationship between the granted rewards and the applicable remuneration list, and indicate any fundamental deviation from this bylaw.
- Periodic review of the rewards list, and evaluation of their effectiveness in achieving the desired goals.
- Recommending to the Board of Directors the remuneration of the members of the Board of Directors and the committees emanating from it and the senior executives of the company in accordance with the approved by law.

Details of remuneration and compensation paid to board members and senior executives:

The remuneration of the Board of Directors consists of the percentage stipulated in Article (4-18) of the Articles of Association and within the limits of what is stipulated in the Companies Law or any other regulations, decisions or instructions that complement it.

Remuneration and compensation for the previous board of directors during the year 2022: -

Independent / Non executives BOD members	Executives BOD members	Description
-	-	Salaries and compensation
65,000	-	Allowances for attending board meetings
-	-	Travel allowance for members of the Board of Directors
1,400,000	-	Periodic and annual bonuses
300,000	-	Periodic remuneration for committee members
40,000	-	Allowances for attending committee meetings
The company provides a car to the Chairman of the Board of Directors	-	Any compensation or other benefits in kind paid monthly or annually
1,805,000	-	total

(The term "remuneration and compensation" means salaries, wages, allowances and the like, periodic or annual bonuses linked to performance, short or long-term incentive plans, and any other benefits in kind.)

26- Information to be disclosed under the Corporate Governance Regulations

Remuneration and compensation for the current board of directors during the year 2022: -

Independent / Non executives BOD members	Executives BOD members	Description
-	-	Salaries and compensation
80,000	10,000	Allowances for attending board meetings
6,000	-	Travel allowance for members of the Board of Directors*
625,000	75,000	Periodic and annual bonuses**
150,000	-	Periodic remuneration for committee members
30,000	-	Allowances for attending committee meetings
The company provides a car to the Chairman of the Board of Directors	-	Any compensation or other benefits in kind paid monthly or annually
891,000	85,000	total

*The travel allowance for committee members includes an amount of 4 thousand Saudi riyals for an independent member from outside the council.

** It represents 50% of the annual remuneration for members of the board and committees.

(The term "remuneration and compensation" means salaries, wages, allowances and the like, periodic or annual bonuses linked to performance, short or long-term incentive plans, and any other benefits in kind.)

Details of remuneration and compensation paid to senior executives.

Amount	Description
5,272,279	Salaries and compensation
1,868,148	Fixed allowances
1,248,893	Periodic and annual rewards
8,389,320	Total remunerations of senior executives, including the CEO and CFO

8- Any penalty or precautionary restriction imposed on the company by the Authority or any other supervisory, regulatory or judicial authority.

There is no fine, penalty, precautionary measure or other reserve restriction imposed on the company by the competent authority or from any other supervisory, regulatory or judicial authority.

8- Results of the annual review of the effectiveness of the company's internal control procedures:

The annual report shows the results of the internal audit as follows:

- The internal audit work has been directed to the activities and functions of high risk and to raise the effectiveness and efficiency of the company's operations.
- The internal auditor has coordinated fully with the external auditor in a satisfactory and effective manner.
- The internal auditor does not have any reservations or restrictions to access any information, documents, records or assets of the company.
- All observations related to internal control are submitted by the audit committee to the board of directors, and it is not clear that there are substantial observations that can be mentioned.

Independence, powers and responsibilities:

The internal audit provides independent objective services with the aim of assisting the board of directors, the audit committee, and the executive management in carrying out their responsibilities with a high degree of efficiency and effectiveness. The internal audit is not subject to any influence by the executive management, and it has full powers for unrestricted full access to any records (manual or electronic), properties and employees of the company, according to what is required to perform its work.

26- Information to be disclosed under the Corporate Governance Regulations

Internal audit responsibilities:

- Preparing the strategic plan for the work of the internal audit.
- Executing inspections according to the annual plan.
- Submit reports on examination results.
- Identifying financial and operational risks, and cooperating with management to provide effective control tools at an appropriate cost to limit the effects of these risks and discover them as soon as they arise.
- Coordination between the various departments in the companies and the external supervisory bodies including the external auditor.
- Developing the audit implementation policies and procedures to be consistent with best professional practices.

Scope of work:

The internal audit adopted, when carrying out its work, a systematic approach to evaluate and improve the effectiveness of internal control in order to achieve the goals of the company and protect its assets. To achieve the company's objectives, the scope of the internal audit has included:

- Periodic checking and examination.
- Informing officials of the results of the examination carried out by the internal audit in order to verify that the necessary measures have been taken to address the identified weaknesses.
- Evaluating the plans and procedures presented by officials in the various departments of external relationship to deal with the observations and recommendations included in the audit report, and in the event that the measures that have been taken are not sufficient, the matter has been discussed with the officials to ensure the efficiency and adequacy of the measures taken.

27- Shareholders' rights and general assemblies:

The Basic Chemical Industries Company (BCI) represented on its board of directors is very keen to know the valued shareholders of their rights guaranteed by the company's articles of association, internal bylaws and corporate governance regulations, which were approved by the General Assembly on 2012/01/05 AD, in order to The importance of the shareholders' role in monitoring and following up the company's business and participation in order for the company to prosper and develop as a leading company in the world of the chemical industry, which includes all the rights related to the share, and in particular the right to obtain a share of the profits that are decided to be distributed.

The right to obtain a share of the company assets upon liquidation, the right to attend shareholders' assemblies, participate in their deliberations and vote on their decisions, the right to dispose of shares, the right to monitor the business of the board of directors and file a liability lawsuit against the members of the board, and the right to inquire and request information in a manner that does not harm the interests of The company does not conflict with the financial market system and the executive regulations, according to the following articles of the company's articles of association:

1-The right to receive a share of the profits to be distributed:

Article number	Discription
Article No. (42) of the Articles of Association	The net profits of the company are distributed as follows.....: -6) The remainder is then distributed to the shareholders as an additional share in the profits.
Article No. (43) of the Articles of Association	The shareholder is entitled to a share in the profits in accordance with the decision of the General Assembly issued in this regard, and the decision specifies the date of entitlement and the date of distribution, and the eligibility of the profits shall be for the owners of the shares registered in the shareholders' records at the end of the day specified for entitlement.
Article 2/4 of the Corporate Governance Law	The Board of Directors protects and facilitates shareholders' exercise of their basic rights, which include: 6) Sharing the company's profits.
Article 5/1 of the Corporate Governance Law	General rights of the shareholders: Shareholders are guaranteed all rights related to their shares, in particular: 1) The right to share distributable profits
Article 5/3 of the Corporate Governance Law	Shareholders' equity in profits: The Board of Directors shall set a clear policy related to dividend distributions in a manner that achieves the interests of the shareholders and the company. Shareholders must be informed of this policy during the General Assembly and referred to in the report of the Board of Directors. The General Assembly will approve the dividends and the date of their distribution, whether in cash or additional shares, which will be given to the shareholders - as their right - whose names appear in the Securities Depository Center as stated at the end of the trading session on the day that the General Assembly was held.
Article 110 of the Companies Law 2015	Shares set equal rights and obligations and prove to the shareholder all the rights related to the share, and in particular he has the right toobtain a share of the net profits to be distributed

27- Shareholders' rights and general assemblies:

2- The right to obtain a share of the company's assets upon liquidation

Article number	Discription
Article No. (47) of the Articles of Association	«As soon as the company expires, the company enters the role of liquidation and retains the legal personality to the extent necessary for liquidation. The voluntary liquidation decision is issued by the extraordinary general assembly. The liquidation decision must include the appointment of the liquidator, specifying his powers, his fees, the restrictions imposed on his powers and the time required for liquidation. The period of voluntary liquidation must not exceed five years. It may be extended to more than that except by a court order and the authority of the company's board of directors ends with its dissolution. Nevertheless, these remain in charge of managing the company and are prepared with regard to the change in the liquidators' judgment until the liquidator is appointed. Shareholders' associations remain in place during the liquidation period and their role is limited to exercising their jurisdiction that does not conflict with the terms of reference. Liquidator. «
Article 5/1 of the Corporate Governance Law	Shareholders are guaranteed all rights related to their shares, in particular: 2) The right to share the company's assets upon liquidation

3- The right to attend general assemblies, participate in its deliberations, and vote on its decisions

Article number	Discription
Article No. (23) of the Articles of Association	«Every shareholder, regardless of the number of his shares, has the right to attend the general assembly of shareholders, and he has the right to delegate on him another person other than members of the board of directors or company employees to attend the general assembly.»
Article No. (30) of the Articles of Association	Every shareholder has a vote for every share in the general assemblies, and the cumulative vote is used in the election of the Board of Directors, so that the right to vote for the share may not be used more than once. Also, members of the Board of Directors may not participate in voting on the Assembly's decisions related to absolving them of responsibility for managing The company or that is related to a direct or indirect interest to them. «
Article 5/1 of the Corporate Governance Law	Shareholders are guaranteed all rights related to their shares, in particular: 2) The right to attend general assemblies, especially the right to debate and vote - in person or by proxy - on decisions that concern them. 3) Every shareholder has the right to attend the general assemblies of the shareholders even if the company statute stipulates otherwise..... Every shareholder has the right
Article 96 of the Companies Law 2015	Every shareholder has the right to discuss the topics on the assembly's agenda and direct questions about them to the members of the board of directors and the auditor.

4- The right to dispose of shares

Article number	Discription
Article No. (12) of the Articles of Association	The company's shares trade in accordance with the provisions of the Capital Market Law.
Article 5/1 of the Corporate Governance Law	General rights of the shareholders: Shareholders are guaranteed all rights related to their shares, in particular: 4) The right to dispose of shares by selling, assigning, or transferring ownership.

27- Shareholders' rights and general assemblies:

5- The right to monitor the activities of the board of directors and file a liability lawsuit against the members of the board

Article number	Discription
Article No. (46) of the Articles of Association	«Every shareholder has the right to file a liability lawsuit for the company against the members of the board of directors if the mistake made by them would cause a special harm to him. The shareholders may not file the aforementioned lawsuit unless the company's right to file it is still valid. The shareholder must inform the company of his intention to file a filing. The lawsuit. «
Article 5/1 of the Corporate Governance Law	General rights of the shareholders: Shareholders are guaranteed all rights related to their shares, in particular: 5) The right to supervise the activities of the members of the Board of Directors, and to file liability claims against them.
Article 80 of the Companies Law 2015	Every shareholder has the right to file a lawsuit for the liability established for the company against the members of the Board of Directors

6- The right to inquire and request information in a manner that does not harm the interests of the company and does not oppose the financial market system and its implementing regulations

Article number	Discription
Article No. (32) of the Articles of Association	«Every shareholder has the right to discuss the topics on the assembly's agenda and to direct questions about them to the members of the board of directors and the auditor. Every text depriving the shareholder of this right is void, and the board of directors or the auditor answers the shareholders' questions to the extent that does not expose the interest of the company to harm
Article 5/1 of the Corporate Governance Law	General rights of the shareholders: Shareholders are guaranteed all rights related to their shares, in particular: 6) The right - upon request and on a regular basis - to obtain inquiries about and access to essential information and information about the company that are relevant to them without prejudice to the interests of the company, and in a manner that does not conflict with the Capital Market Law and its implementing regulations.

7- Facilitating shareholders' exercise of their rights and access to information

7.1 The company's articles of association and its internal regulations specify the procedures and precautions necessary to be taken so that the shareholders can exercise all their legal rights.

Article number	Discription
Clause (3/5) of the approved corporate governance law	The company must take all the necessary legal procedures and precautions for the shareholders to exercise all their legitimate rights, and all information that enables shareholders to properly exercise their rights shall be made available to them, and the information available in this way must be comprehensive and accurate, and it must be available and updated within the specified times. By using the most effective means of communicating with shareholders in a decent and respectful manner.

27- Shareholders' rights and general assemblies:

7.2 The company is keen to provide all information on a regular basis in accordance with the standards of disclosure through annual reports, Tadawul website, visual and readable media (local newspapers) in a comprehensive and accurate manner and publish the financial statements on the company's website.

7.3 The company is keen to provide information to the shareholders without discrimination among them, and for that, the company has created a special department «Shareholders Affairs Department» that aims to respond to all shareholders' inquiries and provide them with information that does not harm the interests of the company and does not conflict with the financial market system and the executive regulations.

8- The extraordinary general assembly's held in 2022 AD and the reasons for their convening

No extraordinary shareholders' assemblies were held during the year 2022.

9- Ordinary general assembly's held in 2022 AD and the reasons for their holding

• An Ordinary General Assembly was held on 24/10/1443 AH corresponding to 25/05/2022 AD At the company's main headquarters (in Dammam) by means of modern technology, and the results were as follows:

- Approval of the Company's external auditor's report for the fiscal year ending on 31/12/2021.
- Approval of the Board of Directors' report for the fiscal year ending on 31/12/2021.
- Approval of the financial statements for the fiscal year ending on 31/12/2021.
- Agreeing to absolve the members of the board of directors from liability for the fiscal year ending on 31/12/2021AD.
- Approving the election of members of the Board of Directors from among the candidates for the next term, which starts on 15/6/2022 and for a period of three years, ending on 14/06/2025.
- Approval of the formation of the audit committee and defining its tasks, work controls and remunerations for its members for the new term, which starts from the date of 15/06/2022 AD and for a period of three years ending on 14/06/2025 AD.
- Approval of the disbursement of a total amount of (2,238,000) Saudi riyals to remunerate the members of the Board of Directors for the fiscal year ending on December 31,2021 AD.
- Approval of authorizing the Board of Directors, whose session begins on 15/06/2022, with the powers of the Ordinary General Assembly.

• An Ordinary General Assembly was held on 30/11/1443 AH corresponding to 29/06/2022AD At the company's main headquarters (in Dammam) by means of modern technology, and the results were as follows:

- Approval of the appointment of RSM as an auditor for the company from among the candidates nominated by the Audit Committee, in order to examine, review and audit the financial statements for the second, third and annual quarters of the fiscal year 2022 AD and the first quarter of the fiscal year 2023 AD and determine their fees.
- Approval of authorizing the Board's General Assembly to not distribute dividends to shareholders for the fiscal year 2021.

28- Confirmations:

1. The company confirms that it did not receive from the Company's external auditor a request to convene the general assembly during the year ending 31/12/2022 AD, and it has not been held.
2. The company confirms that it has not received from shareholders who own %5 of the capital or more, a request to convene the general assembly during the fiscal year ending 31/12/2022, and it has not been held.
3. The company announced the date of the two ordinary general assemblies (the first announcement), their location and their agenda on the "Tadawul" website, the first meeting on 25/05/2022 AD, and the results of the assembly were published on the "Tadawul" website on 26/05/2022 AD. The second assembly was held on 29/06/2022 AD, and the results of the assembly were published on the "Tadawul" website on 30/06/2022.
4. Shareholders are informed of the rules governing general assembly meetings and voting procedures by announcing the invitation to the assembly and in the local newspapers, and by distributing written procedures that are distributed before the meeting, and shareholders have the opportunity to actively participate and vote in the general assembly meetings.
5. Work has been done to facilitate the participation of the largest number of shareholders in the general assembly meeting, including choosing the location of the first meeting at the company's main headquarters in the first industrial city in Dammam, and the appropriate time, as the ordinary general assembly meetings were held at seven in the evening.
6. The company confirms that the shareholders who own %5 or more of the company's shares did not ask to add one or more subjects to the agenda of the general assembly when preparing it.
7. The company confirms that it enables the shareholders to exercise their right to discuss the topics on the agenda of the general assembly and to ask questions to the members of the board of directors and to the chartered accountant, and the chairman of the association announces the opening of discussion during the session for the shareholders and directs questions to the members of the board or the chartered accountant and confirms during the session that it is the shareholder's right if He saw that the answer to an unconvincing question is to refer to the general assembly and its decision is enforceable, All inquiries and questions of the shareholders were answered by the Chairman of the Board of Directors, the Chief Executive Officer or the external auditor, and this was recorded in the minutes of the assembly.
8. The company confirms that it is keen that all issues presented to the general assembly are accompanied by sufficient information that enables the shareholder to make a decision.
9. The company works to enable shareholders to view the meeting minutes readily during the session and distribute the meeting minutes at the company's headquarters. The Capital Market Authority is informed of the results of the meeting as soon as the meeting ends. The Capital market Authority was informed of the results of the general assembly upon its completion and copy of the minutes was sent by e-mail on May 05,2022 and June 06 ,2022.
The Capital Market Authority has been informed of the Ordinary General Assembly as soon as the meeting ends on the Tadawul website on May 26,2022 at 3:30 PM and June 30, 2022 at 8:00 AM. The results of the assembly were also published on the company's website.
10. The company confirms that there are no obstacles to the shareholder's exercise of the right to vote, and the company seeks to facilitate that.
11. The company used the cumulative voting method to elect the current members of the board.

29- Recommendation of the Board of Directors to replace the external auditors:

The Board of Directors did not recommend replacing the external auditor before the expiry of the period for which he was appointed

Conclusion:

Finally, the Board of Directors thanks you for the precious confidence that you have placed in it, which it appreciates and cherishes and it is directed to God Almighty, the Almighty, with sincere supplication to preserve for this country the leader of its march and the symbol of its renaissance, the Custodian of the Two Holy Mosques King Salman bin Abdulaziz, and his trustworthy Crown Prince His Royal Highness Prince Muhammad bin Salman bin Abdulaziz, and to guide them and our rational government to what is good for this country and its citizens.

The Board of Directors also extends its thanks to all the employees of the company for their hard work and sincerity in order to maintain the company's continued progress and prosperity.

Chairman

Abdulla Muhanna Abul Aziz Al-Moaibed

We Collaborate

