

2021 BOARD OF DIRECTORS REPORT



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1. AT A GLANCE

A. CORE VALUES

Vision

“Best-in-Class Integrated Refining and Petrochemical Company, Operating in a Sustainable Manner”

Petro Rabigh is one of the world's largest integrated refining and petrochemicals complex, Petro Rabigh houses one of the world's largest high olefins fluid catalytic cracker (HOFCC) unit and a world-scale ethane cracker. We are one of the Kingdom's largest producers of polypropylene, polyethylene and mono ethylene glycol and are the first producer of propylene oxide in the Middle East. Our products have markets throughout Europe, the Middle East, North Africa and East Asia.

We believe in our Vision. It inspires us to strive for excellence to be best-in-class, and make a positive and sustainable impact on the world. That is who we are!

Mission

Our mission gives us a sense of purpose. It is a guiding principles that motivates us to be at our best, and work together towards one goal.

We are here to:

Maximize shareholder value, utilizing our integrated resources in a world-class manner.

We believe that we are all shareholders; investors and employees, and we have a collective obligation to maximize return on investment for all of us together

To achieve this goal, we have to maintain a reliable, sustainable level of productivity and optimum performance to drive growth and profitability.

Not only must our facilities and equipment be world-class, our people must be world-class too.

Petro Rabigh's engineers, operators, technicians, specialists, and administrators, are among the most capable in the industry.

All of this empowers our company with the tools of world leadership, and we will continue to strive and pursue our continuous mission in the future.

Values

Our corporate values form the guiding principles by which Petro Rabigh and its employees conduct their daily business dealings and relationships. These values are the elements which constitute our character and identity as a company.

Integrity

In Petro Rabigh, when we make a commitment, we keep it. We are fair and ethical Our conduct in business is beyond reproach, and we stand up against misconduct.

Excellence

We benchmark, innovate, and challenge ourselves continually improve.

Passion

We love what we do, and embrace the Company business as our own.

Teamwork

We work together, solve problems together, and get results in a collaborative manner to succeed together and celebrate together, and become best-in-class.

Accountability

We take our work with high professionalism. We take full responsibility for everything we do and the outcomes.

Citizenship

We act with full social responsibility, fueling economic growth for our communities, and creating trustful and lasting relations with our partners, for our precious Kingdom.

B. MAIN SCOPE

Company's Activities:

Petro Rabigh has two main activities: Refining and Petrochemicals Production. The two activities are fully integrated to maximize profit and minimize cost by recovering and converting low value products into higher margin products.

Refining

The Company has a capacity to process up to 400,000 barrels per day of Arabian light crude oil and produce 115 million barrels of gasoline, naphtha, jet fuel, diesel and fuel oil annually.

Petrochemicals

The Company has a capacity to produce up to 2.8 million tons annually of polyethylene, mono ethylene glycol, polypropylene and propylene oxide & other petrochemical derivatives, from crude oil, ethane and butane feedstock supplied by Saudi Aramco and 1.9 million tons of Para xylene, Benzene, Phenol, Acetone by upgrading Naphtha produced from crude.

The following table includes the two activities contribution to Petro Rabigh business during the year 2021:

Activity	2021 Sales (SAR Thousands)	Contribution to Sales (%)
Refining	27,925,978	61%
Petrochemicals	17,712,088	39%
Total	45,638,066	100%

2. BUSINESS PERFORMANCE

1. Assets, Liabilities and Results of Business for the Last Five Years

Statement of Profit or loss:

	In SAR Thousands				
	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
Sales	45,638,066	21,870,198	34,061,975	40,998,191	34,211,010
Refined Products	27,925,978	13,213,695	25,876,797	31,447,298	26,237,144
Petrochemical Products	17,712,088	8,656,503	8,185,178	9,550,893	7,973,866
Cost of sales	(40,881,573)	(22,772,807)	(32,344,064)	(38,683,150)	(31,514,986)
Gross profit (loss)	4,756,493	(902,609)	1,717,911	2,315,041	2,696,024
Selling, General and Administrative Expenses	(1,716,064)	(1,588,839)	(1,366,724)	(1,387,618)	(1,043,071)
Other (expense) income - net	(1,003,768)	(1,289,680)	(895,338)	(258,863)	(229,976)
Net profit (loss) after Zakat and tax	2,036,661	(3,781,128)	(544,151)	668,560	1,422,977

Statement of Comprehensive Income:

	In SAR Thousands				
	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
Net profit (loss) after Zakat and tax	2,036,661	(3,781,128)	(544,151)	668,560	1,422,977
Remeasurement gain (loss) on defined benefit plan	43,122	(61,619)	(69,187)	(13,367)	(18,040)
Tax effect	(3,234)	4,621	10,378	2,005	2,706
Items that will not be reclassified to statement of profit or loss in subsequent periods	39,888	(56,998)	(58,809)	(11,362)	(15,334)
Total comprehensive income (loss) for the year	2,076,549	(3,838,126)	(602,960)	657,198	1,407,643

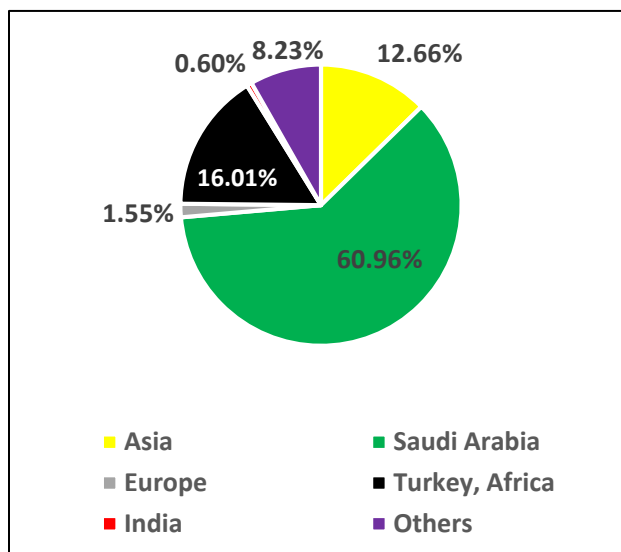
Statement of Financial Position:

	In SAR Thousands				
	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
Current assets	17,895,462	9,506,504	11,520,263	14,636,393	12,746,784
Non-current assets	55,466,561	61,187,505	62,509,385	49,457,574	48,928,193
Total assets	73,362,023	70,694,009	74,029,648	64,093,967	61,674,977
Current liabilities	33,801,080	20,185,156	27,946,114	24,889,853	13,873,999
Non-current liabilities	31,255,032	44,305,370	36,042,127	28,662,094	37,715,171
Equity	8,305,911	6,203,483	10,041,407	10,542,020	10,085,807
Total equity and liabilities	73,362,023	70,694,009	74,029,648	64,093,967	61,674,977

2. Geographical analysis of the Company's revenues

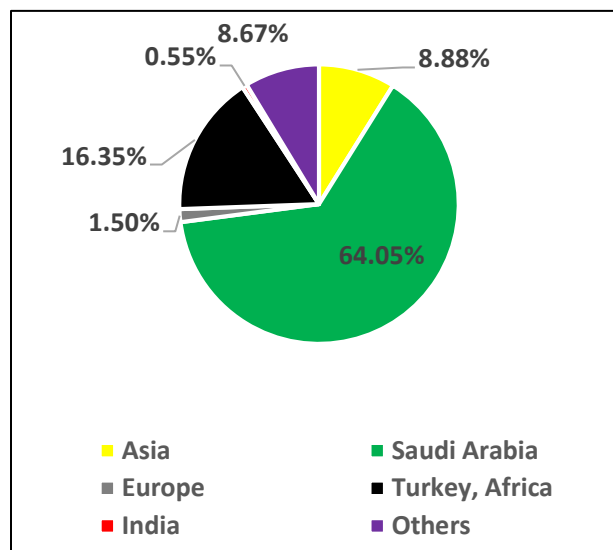
Refined Product Sales

Refined Products		
Destinations	Volume (BBL)	%
Asia	12,902,806	12.66%
Saudi Arabia	62,142,478	60.96%
Europe	1,576,424	1.55%
Turkey, Africa	16,319,722	16.01%
India	609,611	0.60%
Others	8,388,622	8.23%
Total	101,939,663	100%



Refined Product Gross Revenues ¹

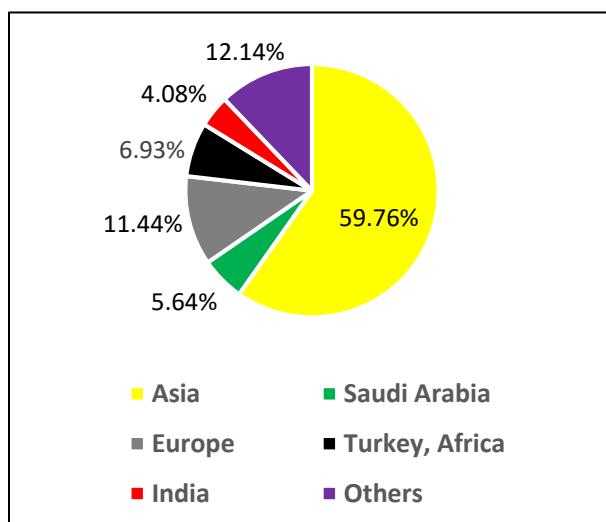
Refined Products		
Destinations	Sales (SAR)	%
Asia	2,480,574,627	8.88%
Saudi Arabia	17,886,917,155	64.05%
Europe	417,854,601	1.50%
Turkey, Africa	4,565,823,126	16.35%
India	154,096,571	0.55%
Others	2,420,711,968	8.67%
Total	27,925,978,048	100%



¹ Revenues for the year based on products destinations

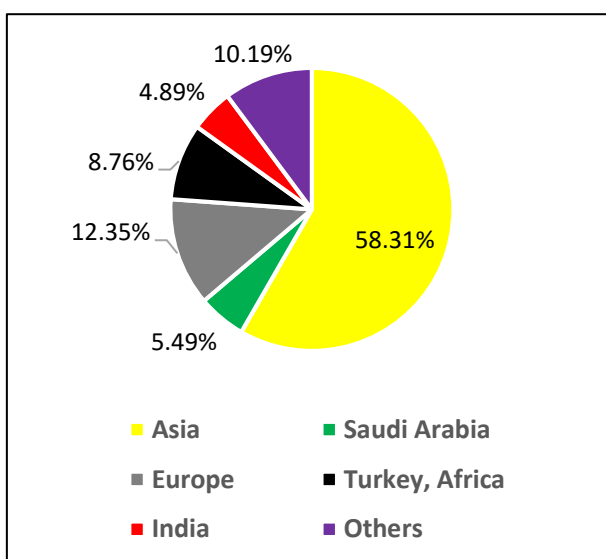
Petrochemical Product Sales

Petrochemical		
Destinations	Volume (MT)	%
Asia	2,572,908	59.76%
Saudi Arabia	242,965	5.64%
Europe	492,385	11.44%
Turkey, Africa	298,495	6.93%
India	175,645	4.08%
Others	522,863	12.14%
Total	4,305,260	100%



Petrochemical Product Gross Revenues ¹

Petrochemical		
Destinations	Sales (SAR)	%
Asia	10,328,563,333	58.31%
Saudi Arabia	973,034,419	5.49%
Europe	2,187,565,792	12.35%
Turkey, Africa	1,552,459,875	8.76%
India	865,658,202	4.89%
Others	1,804,805,906	10.19%
Total	17,712,087,528	100%



¹ Revenues for the year based on products destinations

3. Material differences in the operational results compared to the preceding year's results, along with any expectations announced by the Company

Following is a brief description of the 2021 financial outcome in comparison to the previous year:

- Net profit after Zakat and Tax for the year ended December 31, 2021 is SAR 2,037 million (December 31, 2020: net loss SAR 3,781 million).
- Earnings per share for the year ended December 31, 2021 is SAR 2.32 per share (December 31, 2020: loss per share SAR 4.32).
- The gross profit for the year ended December 31, 2021 is SAR 4,756 million (December 31, 2020: gross loss SAR 903 million).

- Operating profit for the year ended December 31, 2021 is SAR 3,192 million (December 31, 2020: operating loss SAR 2,436 million).

The reason for the net profit during the current year as compared to loss in the previous year is due to the fact that the current year has witnessed improved margins on petrochemical products, due to improvement in market conditions. This was caused by the gradual recovery of the global economy from the impact of Covid-19 pandemic. Additionally, last year the Company witnessed total complex shutdown for periodic Test & Inspection activities for 60 days coupled with lower demand and lower margin on petrochemical products due to the on-going pandemic. The current year ended December 31, 2021 has witnessed highest profit earned by the Company since its inception.

4. Compliance with the standards approved by the Saudi Organization for Certified Public Accountant (SOCPA)

The financial statements of the Company have been prepared in compliance with International Financial Reporting Standards (IFRS) as well as other standards and pronouncements as endorsed by SOCPA. There is no inconsistency with the standards approved by SOCPA.

5. Name of each Affiliate Company, its capital, the Company's ownership percentage, the main scope of business, country of operation and country of incorporation

N/A

6. Shares and debt instruments issued for each Affiliate Company

N/A

7. Loans (payable upon request or not), a statement of the total indebtedness of the Company, any amounts paid by the Company in repayments of loans during the year, the amount of the principal debts, the creditor name, the loan term and remaining amount

A) Loans from Banks and Financial Institutions

The Company entered into Consortium Loan Agreements with commercial banks and financial institutions for development, design, and construction of integrated refining and petrochemical complex (Phase I Project) and for the Expansion Project (Phase II Project). The loans relating to Phase I Project have been repaid in full during December 2021.

The following table shows loans from commercial banks and financial institutions:

Lender	In SAR Thousands					
	Loan Availed up to December 31, 2021	Loan Tenor (Years)	Balance on December 31, 2020	Additions during 2021	Repayments during 2021	Balance December 31, 2021
Japan Bank For International Cooperation	16,867,500	12.5 - 13	7,410,359	-	(1,627,753)	5,782,606
Commercial Banks	10,031,250	12.5 - 13	2,048,620	-	(169,764)	1,878,856
Public Investment Fund	8,625,000	12.5 - 13	4,544,419	-	(781,893)	3,762,526
Islamic Financial Institutions	5,756,250	12.5 - 13	541,139	-	(44,843)	496,296
Sumitomo Mitsui Banking Corporation - Equity Bridge Loans	11,250,000	5	11,250,000	-	-	11,250,000
Accrued Interest on loans	-	-	8,221	364,490	(363,741)	8,970
Total	52,530,000	-	25,802,758	364,490	(2,987,994)	23,179,254

B) Loan from Saudi Industrial Development Fund (SIDF)

During the year ended December 31, 2019, the Company entered into a loan agreement with SIDF to replace a portion of the loans for Phase II Expansion Project (see Note 15.3.1). The facility available under this loan agreement amounts to Saudi Riyals 3,600 million and is fully utilized as at December 31, 2021. The loan is repayable in unequal semi-annual instalments commencing from Rabi Aakhir 1443H corresponding to November 2021 to Shawwal 1453H corresponding to January 2032. Upfront fee amounting to Saudi Riyals 288 million was deducted at the time of receipt of the loan and is amortised over the loan term. The loan also bears a follow up fee to be paid on semi-annual basis. The loan has certain covenants, which among other things requires certain financial ratios to be maintained. The loan facility is secured by a mortgage on the property, plant and equipment of the Company amounting to Saudi Riyals 7,200 million.

C) Loans from Founding Shareholders

- (i) Loans from the founding shareholders are availed as part of the Credit Facility Agreement and bear financial charges. The Company has drawn down SAR 2,287.5 million from each of its founding shareholders (totaling to SAR 4,575 million). Repayment shall be made on demand on achieving the conditions set by the financial institutions under the Inter-creditor Agreement. The loans are secured by promissory note issued by the Company in favor of each shareholder equivalent to drawdowns.

The following table lists the loans from the founding shareholders:

Lender	In SAR Thousands					
	Loan Principal	Loan Tenor (Year)	Balance on December 31, 2020	Additions during 2021	Repayments during 2021	Balance December 31, 2021
Saudi Aramco	2,287,500	NA	2,287,500	-	-	2,287,500
Sumitomo Chemical	2,287,500	NA	2,287,500	-	-	2,287,500
Accumulated Interest	-	-	1,305,150	86,324	-	1,391,474
Total	4,575,000	NA	5,880,150	86,324	-	5,966,474

(ii) The Company also entered into the following agreements in 2020:

- Revolving corporate facilities with Saudi Aramco and Sumika Finance Company Limited, a wholly owned subsidiary of Sumitomo Chemical, based on prevailing market rates. The facilities available under each of these agreements amount to Saudi Riyals 2,812.5 million (collectively Saudi Riyals 5,625 million) and are fully utilized as at December 31, 2021. These facilities are secured by the promissory notes issued by the Company in favor of each lender.
- Corporate facility agreement with Saudi Aramco. The facility available under this agreement amounts to Saudi Riyals 1,875 million and is utilized to the extent of Saudi Riyals 562.5 million as at December 31, 2021. The facility bears financial charges based on prevailing market rates. The facility is secured by promissory note issued by the Company in favor of Saudi Aramco to the extent of drawdown made.

D) Other Facilities

- The Company has signed an agreement with local commercial bank on prevailing market rates for capital facilities. During the year ended December 31, 2021, drawdowns and repayments amounting to Saudi Riyals 12,698 million and Saudi Riyals 13,829 million, respectively have been made by the Company with a closing balance of Saudi Riyals Nil as at the statement of financial position date.
- The Company has a credit facility of Saudi Riyals 375 million with a local commercial bank on prevailing market rates. As at the statement of financial position date, the facility has been utilized to the extent of Saudi Riyals 111 million by the Company.

8. Convertible debt instruments, contractual securities, preemptive right or similar rights issued or granted by the company during the fiscal year, as well as stating any compensation obtained by the company in this regard

N/A

9. Conversion or subscription rights under any convertible debt instruments, contractually based securities, warrants or similar rights issued or granted by the company

N/A

10. Redemption, purchase or cancellation by the company of any redeemable debt instruments and the value of such securities outstanding

N/A

11. Transactions between the Company and any Related Party

Agreement Nature, Condition and Duration (<i>Amounts in SAR'000</i>)	
1) <u>Purchase of Goods</u> (Amount: 35,482,296)	
<p>(a) Crude Oil Feedstock Supply Agreement (COSA) with Saudi Aramco for the supply of crude oil feedstock requirements in respect of the Complex, up to a maximum supply of 400,000 bpd. Duration: 30 years commencing from October 1, 2008.</p> <p>(b) Ethane Feedstock Supply Agreements with Saudi Aramco for the supply of ethane feedstock requirements in respect of the Complex, up to a maximum supply of 125 million Standard Cubic Feet per Day (MMSCFD). Duration: 20 years commencing from respective effective dates stated in the Agreements.</p> <p>(c) Butane Feedstock Supply Agreement with Saudi Aramco for the supply of butane feedstock requirements in respect of the Complex, up to a maximum supply of 12,000 barrels per day (bpd). Duration: 20 years commencing from December 1, 2008.</p> <p>(d) Petroleum Product Sales Agreement with Saudi Aramco for the supply of fuel oil up to a maximum of 32 MBD monthly which the Company would, in turn, supply to Rabigh Arabian Water and Electricity Company (RAWEC) for use as fuel for the provision of certain utilities to the Company. Duration: 25 years commencing from June 1, 2008.</p> <p>(e) Fuel Oil Supply Agreement with Saudi Aramco for the supply of fuel oil up to a maximum of 20 MBD monthly, which the Company would, in turn, supply, to RAWEC for use as fuel for the provision of certain utilities to the Company. Duration: 25 years commencing from February 15, 2018.</p> <p>(f) Allocated Sales Gas Supply agreement with Saudi Aramco for the supply of Sales Gas up to a maximum of 50 MMSCF per day. Duration: 20 years commencing from July 1, 2020.</p> <p>(g) The Company also has various other agreements for materials, goods and services with Saudi Aramco and its affiliated Companies. Duration: Annual Charge.</p> <p><u>Related Party:</u> Saudi Aramco and its associated companies</p> <p><u>The 3 Board members associated with this agreement have indirect interest as employees of Saudi Aramco:</u></p> <p>Ibrahim Q. Al-Buainain / Othman A. Al Ghamdi / Suleman A. Al-Bargan</p>	
2) <u>Purchase of Goods</u> (Amount: SAR 182,893)	
<p>The Company has various agreements for materials, goods and services with Sumitomo Chemical Company and its affiliated Companies. Duration: Annual Charge</p> <p><u>Related Party:</u> Sumitomo Chemical Company and its associated companies</p>	

The 3 Board members associated with this agreement have indirect interest as employees of Sumitomo Chemical Company:

Noriaki Takeshita / Takashi Shigemori / Seiji Takeuchi

3) Sale of Refined Products & Petrochemical Products (Amount: SAR 35,718,493)

- (a) Phase I Refined Products Offtake Agreement (RPOA)** with Saudi Aramco as a “Buyer” of certain refined products listed therein. **Duration:** 5 years commencing from May 1, 2019, and further extendable for another 5 year period.
- (b) Sulphur and Refined Products Lifting and Marketing Agreement (SRPLMA)** with Saudi Aramco as a global “marketer” of certain refined products listed therein. **Duration:** 5 years commencing from May 1, 2019, and is further extendable for an additional 5 year period.
- (c) Liquefied Petroleum Gas and Light Naphtha Lifting and Marketing Agreement** with Saudi Aramco as global “Marketer” of liquefied petroleum gas and light naphtha. **Duration:** 10 years commencing from November 30, 2018 and further extendable for an additional 5 year period (also see d below).
- (d) Phase II Light Naphtha Offtake Agreement** with Saudi Aramco as “Buyer” of Light Naphtha produced by the Complex effective from September 1, 2021. **Duration:** Valid up to November 30, 2028, and further extendable for an additional 5 year period.
- (e) Phase I Petrochemical Products Marketing Agreement (PPMA)** with Saudi Aramco as global “Marketer” of Phase I petrochemical products. Pursuant to an Assignment and Assumption Agreement dated March 28, 2017, Saudi Aramco assigned its rights and obligations under its respective PPMA to its affiliate, Aramco Trading Company (ATC). Further, pursuant to Assignment and Assumption Agreements dated February 11, 2020, ATC assigned its rights and obligations under: (i) the Propylene Oxide PPMA, to Aramco Trading Singapore PTE. Ltd (ATS) and (ii) remaining respective PPMA, to Aramco Chemicals Company (ACC). During the year ended December 31, 2021, both ATS and ACC transferred their rights and obligations under their respective PPMA to Saudi Basic Industries Corporation (SABIC) pursuant to Transfer Agreements effective from October 5, 2021. **Duration:** 10 years commencing from April 1, 2014, and further extendable for another two consecutive 5 year periods.
- (f) Phase II Petrochemical Products Marketing Agreements** with Saudi Aramco as global “Marketer” of Phase II petrochemical products. Pursuant to Assignment and Assumption Agreements dated February 11, 2020, Saudi Aramco assigned its rights and obligations under its PPMA to its affiliates; Aramco Chemicals Company (ACC) and Aramco Trading Singapore PTE Ltd. (ATS). During the year ended December 31, 2021, ACC transferred its rights and obligations under its PPMA to Saudi Basic Industries Corporation (SABIC), Aramco Trading Company (ATC) and Arlanxco Netherlands B.V and ATS transferred its rights and obligations under its respective PPMA to Saudi Basic Industries Corporation (SABIC) pursuant to Transfer Agreements effective from October 5, 2021. **Duration:** 10 years commencing from the accumulated production date and further extendable for another 5 years.
- (g) Domestic Distribution Agreement (DDA)** with Aramco Trading Company (ATC) as local “Distributor” of certain petrochemical products for onward sale and distribution within the Kingdom. Pursuant to an Assignment and Assumption Agreement dated February 11, 2020 ATC transferred its rights and obligations under the DDA to ACC. During the year ended

December 31, 2021, ACC transferred its rights and obligations under the DDA to SABIC pursuant to a Transfer Agreement effective from October 5, 2021. **Duration:** The supply and distribution obligations of each party with respect to a given product will terminate upon the expiration or termination of the global product lifting and marketing agreement corresponding to the same product.

Related Party: Saudi Aramco and its associated companies

The 3 Board members associated with this agreement have indirect interest as employees of Saudi Aramco:

Ibrahim Q. Al-Buainain / Othman A. Al Ghamdi / Suleman A. Al-Bargan

ATC, ACC, ATS, SABIC and ARLANXEO are Saudi Aramco affiliates.

4 Sale of Petrochemical Products (Amount: SAR 8,218,070)

(a) **Phase I Petrochemical products marketing agreement (PPMA)** with Sumitomo Chemical Asia PTE Limited (Affiliate of Sumitomo Chemicals Company) as global “Marketer” of Phase I petrochemical products. **Duration:** 10 years commencing from April 1, 2014, and further extendable for another two consecutive 5 year periods.

(b) **Phase II Petrochemical products marketing agreements** with Sumitomo Chemical Asia PTE Limited (affiliate of Sumitomo Chemicals Company) as global “Marketer” of Phase II petrochemical products. **Duration:** 10 years commencing from the accumulated production date and further extendable for another 5 years.

(c) **Liquefied Petroleum Gas and Light Naphtha lifting and marketing agreement** with Sumitomo Chemical Company as global “Marketer” of liquefied petroleum gas and light naphtha. **Duration:** 10 years commencing from November 30, 2018 and further extendable for an additional 5 year period.

Related Party: Sumitomo Chemical Company and its associated companies

The 3 Board members associated with this agreement have indirect interest as employees of Sumitomo Chemical Company:

Noriaki Takeshita / Takashi Shigemori / Seiji Takeuchi

5) Financial Charges (Amount: SAR 175,222)

(a) **Credit Facility Agreement (CFA)** with Saudi Aramco pursuant to which, the founding shareholders have made a loan facility of up to a maximum aggregate amount of Saudi Riyals 6,206 million available to the Company, for the purposes of developing, designing and constructing the Complex. **Duration:** Annual Charge

(b) **Revolving Corporate Facility Agreement** with Saudi Aramco pursuant to which, a corporate facility of Saudi Riyals 2,812.5 million has been made available to the Company. **Duration:** Annual Charge

(c) **Corporate Facility Agreement** with Saudi Aramco pursuant to which, a facility of Saudi Riyals 1,875 million has been made available to the Company. **Duration:** Annual Charge

- (d) **Rabigh Community Agreement** with Saudi Aramco in respect of leases of land and infrastructure facilities. **Duration:** 25 years from October 1, 2014.
- (e) **Terminal Lease Agreement** with Saudi Aramco in respect of the existing Rabigh Marine Terminal. Pursuant to this agreement, Saudi Aramco grants to the Company an exclusive right to use and operate the Rabigh Terminal Facilities and the Rabigh Terminal Site. **Duration:** 30 years effective from October 1, 2008.
- (f) **Land Lease Agreement** with Saudi Aramco for lease of approximately 20 million square meters of land. **Duration:** 99 years, with effect from Nov 1, 2005 and subject to extension for additional consecutive periods as may be agreed between the parties.
- (g) **Land lease and Infrastructure Usage Agreement (LLIUA)** with Saudi Aramco, pursuant to which for an annual fee of Saudi Riyals 2.455 per square meter, the Company leases approximately 200,000 square meters of land located within the Rabigh PlusTech Park Site and is granted the right to access and use the industrial park infrastructure. **Duration:** This agreement expired on September 30, 2021 with the acquisition of Rabigh Plustech Park by the Company from Saudi Aramco and Rabigh Conversion Industry Management Services Company (RCIMS) effective on October 1, 2021.
- (h) **Rabigh PlusTech Park Land Lease Agreement** with Saudi Aramco pursuant to which, Saudi Aramco leases approximately 2.4 million square meters of land at PlusTech Park Site to the Company. **Duration:** 35 years effective from October 1, 2021 and subject to extension for additional consecutive periods as may be agreed between the parties.

Related Party: Saudi Aramco and its associated companies

The 3 Board members associated with this agreement have indirect interest as employees of Saudi Aramco:

Ibrahim Q. Al-Buainain / Othman A. Al Ghamdi / Suleman A. Al-Bargan

6) Financial Charges (Amount: SAR 99,624)

- (a) **Credit Facility Agreement (CFA)** with Sumitomo Chemical Company, pursuant to which, the founding shareholders have made a loan facility of up to a maximum aggregate amount of Saudi Riyals 6,206 million available to the Company, for the purposes of developing, designing and constructing the Complex. **Duration:** Annual Charge
- (b) **Revolving Corporate Facility Agreement** with Sumika Finance Company Limited (wholly owned subsidiary of Sumitomo Chemical Company) pursuant to which, a corporate facility of Saudi Riyals 2,812.5 million has been made available to the Company. **Duration:** Annual Charge.
- (c) **Land lease and infrastructure usage agreement (LLIUA)** with RCIMS - an affiliate of Sumitomo Chemical Company, pursuant to which, for an annual fee of Saudi Riyals 3.545 per square meter, the Company leases approximately 200,000 square meters of land located within the Rabigh PlusTech Park Site and is granted the right to access and use the industrial park infrastructure. **Duration:** This agreement expired on September 30, 2021 with the acquisition of Rabigh Plustech Park by the Company from Saudi Aramco and RCIMS effective October 1st 2021.

Related Party: Sumitomo Chemical Company and its associated companies

The 3 Board members associated with this agreement have indirect interest as employees of Sumitomo Chemical Company:

Noriaki Takeshita / Takashi Shigemori / Seiji Takeuchi

7) Rentals (Amount: SAR 21,943)

- (a) **Land Lease Agreement** with Saudi Aramco for lease of approximately 20 million square meters of land. **Duration:** 99 years, with effect from Nov 1, 2005 and subject to extension for additional consecutive periods as may be agreed between the parties.
- (b) **Terminal Lease Agreement** with Saudi Aramco in respect of the existing Rabigh Marine Terminal. Pursuant to this agreement, Saudi Aramco grants to the Company an exclusive right to use and operate the Rabigh Terminal Facilities and the Rabigh Terminal Site. **Duration:** 30 years effective from October 1, 2008.
- (c) **Rabigh Community Agreement** with Saudi Aramco in respect of leases of land and infrastructure facilities. **Duration:** 25 years effective October 1, 2014.
- (d) **Land Lease and Infrastructure Usage Agreement (LLIUA)** with Saudi Aramco, pursuant to which for an annual fee of Saudi Riyals 2.455 per square meter, the Company leases approximately 200,000 square meters of land located within the Rabigh PlusTech Park Site and is granted the right to access and use the industrial park infrastructure. **Duration:** This agreement expired on September 30, 2021 with the acquisition of Rabigh PlusTech Park by the Company from Saudi Aramco and RCIMS effective October 1st 2021.
- (e) **Rabigh PlusTech Park Land Lease Agreement** with Saudi Aramco pursuant to which, Saudi Aramco leases approximately 2.4 million square meters of land at PlusTech Park Site to the Company. **Duration:** 35 years effective from October 1, 2021 and subject to extension for additional consecutive periods as may be agreed between the parties.

Related Party: Saudi Aramco and its associated companies

The 3 Board members associated with this agreement have indirect interest as employees of Saudi Aramco:

Ibrahim Q. Al-Buainain / Othman A. Al Ghamdi / Suleman A. Al-Bargan

8) Rentals (Amount: SAR 265)

Land Lease and Infrastructure Usage Agreement (LLIUA) with RCIMS - an affiliate of Sumitomo Chemical Company, pursuant to which, for an annual fee of Saudi Riyals 3.545 per square meter, the Company leases approximately 200,000 square meters of land located within the Rabigh PlusTech Park Site and is granted the right to access and use the industrial park infrastructure. **Duration:** This agreement expired on September 30, 2021 with the acquisition of Rabigh PlusTech Park by the Company from Saudi Aramco and RCIMS effective October 1st 2021.

Related Party: Sumitomo Chemical Company and its associated companies

The 3 Board members associated with this agreement have indirect interest as employees of Sumitomo Chemical Company:

9) Secondees' Costs (Amount: SAR 21,499)

Secondment Agreement with Saudi Aramco dated June 12, 2006 pursuant to which, Saudi Aramco may, from time to time, second certain personnel to the Company to assist in the conduct of its business and operations. **Duration:** Continuous term to apply effective from June 12, 2006 until the date on which the shareholder ceases to be a shareholder of the Company

Related Party: Saudi Aramco and its associated companies

The 3 Board members associated with this agreement have indirect interest as employees of Saudi Aramco:

Ibrahim Q. Al-Buainain / Othman A. Al Ghamdi / Suleman A. Al-Bargan

10) Secondees' Costs (Amount: SAR 18,733)

Secondment Agreement with Sumitomo Chemical Company dated July 1, 2006 pursuant to which, Sumitomo Chemical Company may, from time to time, second certain personnel to the Company to assist in the conduct of its business and operations. **Duration:** Continuous term to apply effective from July 1, 2006 until the date on which the shareholder ceases to be a shareholder of the Company.

Related Party: Sumitomo Chemical Company and its associated companies

The 3 Board members associated with this agreement have indirect interest as employees of Sumitomo Chemical Company:

Noriaki Takeshita / Takashi Shigemori / Seiji Takeuchi

11) Services and Other Cost Charges, Net (Amount: SAR 493)

Services agreements with Saudi Aramco and its affiliates in respect of various operational and logistical support services. These agreements cover the provision of support services to and by the Company such as human resources, training and recruitment, legal, utilities, information technology, general management, technical and pre-marketing support. These agreements also cover the ongoing technical support needed for continuous operations, and the marketing technical services, engineering and safety best practices and training being provided by Saudi Aramco. The Company pays for these services at the mutually agreed prices specified in each agreement. **Duration:** Annual Charge

Related Party: Saudi Aramco and its associated companies

The 3 Board members associated with this agreement have indirect interest as employees of Saudi Aramco:

Ibrahim Q. Al-Buainain / Othman A. Al Ghamdi / Suleman A. Al-Bargan

12) Services and Other Cost Charges, Net (Amount: SAR 4,356)

Services Agreements with Sumitomo Chemical Company and its affiliates in respect of various operational and logistical support services. These agreements cover the provision of support

services to and by the Company such as human resources, training and recruitment, legal, utilities, information technology, general management, technical and pre-marketing support. These agreements also cover the ongoing enhancements (such as refining and petrochemical process know-how) and the marketing technical services, engineering and safety best practices and training being provided by Sumitomo Chemical Company. The Company pays for these services at the mutually agreed prices specified in each agreement. **Duration:** Annual Charge

Related Party: Sumitomo Chemical Company and its associated companies

The 3 Board members associated with this agreement have indirect interest as employees of Sumitomo Chemical Company:

Noriaki Takeshita / Takashi Shigemori / Seiji Takeuchi

12. Businesses or contracts to which the Company is a party and in which a director of the Company, a Senior Executive or any person related to any of them is or was interested, including the names of persons in relation, the nature, conditions, durations and the amount of the businesses or contracts.

The Board of Directors of the Company declared that except for the information mentioned in Item 11 above, there are no businesses or contracts to which the Company is a party, and in which a Director of the Company or its Senior Executives or any person related to any of them is or was interested.

13. Paid and outstanding statutory payment on account of any zakat, taxes, fees or any other charges that have not been paid until the end of the annual financial period with a brief description and the reasons therefore

The Company's outstanding amounts to Zakat, Tax and Customs Authority (ZATCA) and General Organization for Social Insurance (GOSI) are as follows:

	2021		Brief description	Reasons
	Paid SAR ('000s)	Charges that have not been paid until the end of the annual financial period SAR ('000s)		
Zakat	Nil	40,089	During the year 2021, the Company filed its Zakat and Tax Return relating to year ended 31 December 2020, with ZATCA and the Zakat and Tax payable for the year 2020 as per the filed Return was Nil.	Zakat payable as at 31 December 2021 amounting to SAR 40,089 thousands will be paid when the Zakat and Tax Return for Year 2021 will be filed with ZATCA during 2022.
Tax	Nil	1,725	During the year 2020, the Company filed its Zakat and Tax Return relating to year ended 31 December 2019, with ZATCA.	Income Tax payable as at 31 December 2021 amounting to SAR 1,725 thousands will be paid when the Zakat and Tax

			Income Tax payable was Nil as per the filed Return.	Return for Year 2021 will be filed with ZATCA during 2022.
General Organization for Social Insurance	115,402	8,679	During the year 2021, the Company paid SAR 115,402 thousands to GOSI.	Balance GOSI payable as at 31 December 2021 is paid to GOSI Authority in the subsequent month of January 2022.
Costs of visas and passports	1,340	0	Paid to Ministry of Interior (MOI).	Renewal of Iqamas, Passports and Visas.
Labor Office Fees	609	0	Paid to Ministry Labor Office (MOL).	Renewal of the work permits.

14. Investments made or any reserves set up for the benefit of the employees of the Company

A. Shares Ownership Incentive Program for Employees

In 2008, the Board of Directors approved implementation of an Employee Share Ownership Plan (ESOP) which provided 800 shares to eligible employees at the end of a 5-year maturity period. To implement this, the Company arranged with a commercial bank to subscribe for 1.5 million shares during the IPO period at the offer price of SAR21 per share. These ESOP shares are managed by Riyadh Capital under an open ended mutual fund which has offered to subscribe and hold such shares “on trust” for the employees as part of an Administrative Service Agreement. These shares, as service awards to employees, were to be amortized evenly over a period of five years and allocated to eligible employees when the vesting period was fully completed. Out of 1,894 employees who originally participated in the Program, a total of 1,650 employees completed the 5-year vesting period and became eligible for the allotted shares ownership.

B. Home Ownership Incentive Program

The Board of Directors of Petro Rabigh approved implementing an incentive program for the Saudi employees to own housing units. The program aims at providing stability for staff and the convenience of living near the Company's Facilities, which should positively reflect on their performance and continued employment with the Company. As per this program, the employee can own or build a housing unit for a single family. As of the end of 2021, a total of 733 employees have already joined the program.

C. Employee Lot Allowance

Part of the Home Ownership Program (HOP) the Company provides an amount of SAR 200,000 as a land lot allowance. This amount is considered as a personal loan depreciating over 10 years of Company service. The employee will only be required to repay this loan, if he/she leaves the Company before completing 10 years of continuous service from the loan date.

D. Annual Variable Bonus Scheme

The Company administers an Annual Variable Bonus Scheme that is performance and profitability driven, with profitability as a bonus trigger (no profitability, no bonus) and a bonus ceiling of 3.5 monthly basic salaries. The Scheme allocates 70% weight to the Company Performance as measured by a set of specific KPIs, and 30% to Employee Performance. Detailed KPIs covering the Company's Corporate

Objectives are established to measure the Company performance, reflect quantified results, and drive employee positive behavior, with special emphasis on Safety and Compliance.

E. Supplemental Cost of Living Allowance

Following the Royal Decree issued in 2018 to offset rising costs of living, the Board of Directors approved, in January 2018, the payment of a similar allowance to all Saudi Regular Employees and Apprentices with basic monthly salaries not exceeding SAR20,000. In line with the new Royal Decree issued in December 2019 ordering an extension of the monthly Cost-of-Living Allowance of SAR1,000 until end-2020, however, it was suspended by the government effective June 1, 2020 as part of measures to address the impact of the COVID-19.

F. Employee Savings Plan

The Company offers its employees the opportunity to enroll in a savings plan program where the employee contributes a percentage not exceeding 10% of his/her basic salary. The Company then rewards the employee at the rate of 10% for each year of continuous service, up to 100% of the monthly employee's contribution starting with the 10th year of continuous service.

The Balance as of December 31, 2021 for the above mentioned Programs and Funds is as follows:

Description	Balance In SAR Thousands
Shares Ownership Incentive Program for Employees	4,510
Employee Housing Loan- Home Ownership Program (10% Fund)	23,592
Employee Lot Allowance (Home Ownership Program)	31,994
Employer's contribution to Employee Savings Plan	104,603

15. If the External Auditor's report contains reservations on the annual financial statements, the Board report shall highlight this mentioning the reasons and any relevant information

N/A

16. Treasury shares held by the Company and details of the uses of such shares

N/A

17. Company's significant plans and decisions (including changes to the structure, expanding the Company's operations or halting them) and the future expectations

- A. As a part of Plant Utilization improvement, the Company started the evaluation targeting to increase the capacity of core plants.
- B. Company is focusing on the production of new grades with better physical properties to capture higher margins.
- C. Modifications were implemented to receive by ship a sweeter and lighter Crude Oil (e.g. Arabian Extra Light) from Saudi Aramco as a contingency to reduce the impact of future potential low margins associated with the high volume production of High Sulfur Fuel Oil (HSFO). Implementing the change in Crude Oil type will be an economic based decision, however the near term future market projections do not warrant changing from the current intake of Arab Light Crude Oil. Every month, as part of the Short Range Operating Plan, the change in Crude Oil type is being evaluated.

3. RISK MANAGEMENT

The business of Petro Rabigh relies on Oil Refining and Petrochemical Production which is exposed to the following potential risks:

A. Financial Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Credit Risk principally arises from cash and cash equivalents, trade receivables, long-term loans and other receivables. Cash and cash equivalents are placed with banks with sound credit ratings. The majority of trade receivables representing 99.3% (December 31, 2020: 97.4%) is from founding shareholders and their affiliates with historically strong credit ratings, and is stated at respective realizable values. In the event of disagreement on any invoice, the marketer is required to pay the full value of the invoice prior to resolution of the disagreement. The Company does not obtain collaterals over receivables. As at December 31, 2021, there were overdue debts equivalent to 2% (December 31, 2020: 7%) of the trade receivables of Company's allowed credit periods. The loans are receivable from employees and are secured by mortgages on the related housing units. The Company is not exposed to significant credit risk on other receivables.

Commodity Price Risk

The Company is exposed to the risk of fluctuations in the prevailing market prices on the Refined and Petrochemical Products it produces. The Company's policy is to manage these risks through the use of contract-based prices with major customers, based on the agreements entered by the Company. The Company does not enter into commodity price hedging arrangements.

Fair Value and Cash Flow Interest Rate Risks

The Company is exposed to the risk associated with the effect of fluctuations in the prevailing interest rates on the Company's financial positions and cash flows. The Company's interest rate risks arise mainly from its short-term deposits, loans from banks and financial institutions and loans from founding shareholders, which are at floating rate of interest and are subject to re-pricing on a regular basis.

Fair value of financial assets and liabilities carried at amortized cost approximate their carrying amounts.

Interest rate sensitivity

As of December 31, 2021, it is estimated that a general increase / decrease of 50 basis points in floating interest rates on loans and borrowings, with all other variables held constant, would increase / decrease the Company's profit for the year by approximately Saudi Riyals 170.2 million (December 31, 2020: Saudi Riyals 192.8 million).

Liquidity risk is the risk that the Company will not be able to meet its commitments associated with financial liabilities when they fall due.

Liquidity requirements are monitored on regular basis and the Company ensures that sufficient liquid funds are available to meet any commitments as they arise. The Company aims to maintain sufficient level of its cash and cash equivalents to meet expected cash outflows of financial liabilities.

The Company's financial liabilities consist of trade and other payables, loans and borrowings, lease liabilities and accrued expenses and other liabilities. All financial liabilities except for loans and borrowings, lease liabilities, are non-commission bearing and expected to be settled within 12 months from the date of statement of financial position.

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Company's transactions are principally in Saudi Riyals and US Dollars. The Company monitors the fluctuation in currency exchange rates and believes that currency risk is not significant to the Company.

B. Risks Related to the Economic Situation

The Company realizes that it operates in a competitive market and the demand of Petro Rabigh products is influenced by global as well as local economic conditions. There are number of influential factors; Crude & Naphtha price volatility in response to COVID-19 lockdowns, higher shipping freights impacted the global trade flow caused by the supply chain disruptions & natural disasters (e.g. Suez Canal blockage, hurricanes in the west & typhoons in the east). The downturn of both international and local economic conditions will likely set off a decline in demand for both refined and petrochemical products that would impact Petro Rabigh's planned sales and targeted revenues. Upward inflationary risks and risks associated with government actions can further put pressure on the demand of company's products. Therefore, the Company continuously and closely monitors market condition, supply and demand condition, interest and exchange rates to forecast and plan for any potential downturns.

C. Risks Related to Operations

The Company's sources of revenue heavily rely on the smooth operation of plants and facilities that are dependent on the risk factors including but not limited to the plant performance & capacity utilization, Crisis management including the Pandemic Covid-19, protection of the HSSE essentials, strong engineering support, reliable operational technology infrastructure, dependable supply chain, adherence to the applicable legal and regulatory requirements etc.

The ongoing Pandemic Covid-19 risk is well mitigated so far by strict adherence with the rules set out by Ministry of Health / Petro Rabigh's COVID -19 Management Team and the operational continuity plans established by PRC Management. In order to maintain steady operations, Petro Rabigh Management has reviewed all operations related risks and developed mitigation plans.

D. Risks Related to Governance

The Board of Directors, among its other responsibilities, performs the role of setting the Company's strategic direction. In doing so the Board relies on management's reports and representations regarding the Company's operations and activities. Accordingly, there is a potential risk in exercising this role if inaccurate or incomplete information is delivered to the Board of Directors, which could lead to ineffective direction and possibly result in an impact on profitability. To manage and to mitigate against this risk, the Company's Board of Directors continuously reviews the Company's compliance to Corporate Governance Rules and Regulations by exercising control mechanisms including but not limited to:

- i. Establishing Board committees which meet regularly, prior to Board meetings, to monitor, evaluate, review and report, or make recommendations, to the Board on various matters including but not limited to Safety, Corporate Planning, Sales, Marketing, Company Compensation Plans, Audit Reviews, etc.

- ii. Ensuring that Key Performance Indicators (KPI's) are directly aligned to key strategic objectives and targets set by the Board.
- iii. The Board of Directors assumes responsibility for the overall management and supervision of the Company and provides strategic leadership, guidance to company's management. Petro Rabigh has developed a Corporate Governance Framework, which includes policies and procedures that promote effective governance principles and best practices. Petro Rabigh Corporate Governance Framework sets out roles, responsibilities, and methods of decision-making. To build good governance capabilities, enhance performance and achieve Company's objectives, Petro Rabigh has also established Management Steering Committees including the Risk Management Steering Committee (RMSC). The purpose of the RMSC is to assist the BAC in fulfilling its responsibilities related to risk and compliance. The RMSC Charter includes the Committee's' related Duties, Responsibilities, Authorities and Risk Management Policy. A new department (Governance & Risk Management Department) was established with the defined roles and responsibilities to facilitate, coordinate, monitor and improve corporate governance and risk management performance to help and support the RMSC.

Strategic success of any organization begins with effective and efficient Enterprise Risk Management (ERM), as an effective ERM program can help organizations to manage their risks and maximize opportunities.

Petro Rabigh apprehended and implemented Enterprise Risk Management (ERM); ERM includes the methods and processes used by the Company to manage risks and seize opportunities related to the achievement of its objectives.

ERM is established in line with the BAC approved Risk Management Policy and the Risk Appetite Statement, which defined the level of risk that the organization is willing to accept in the pursuit of its objectives. The ERM Framework addresses the enterprise risk from a holistic perspective, considering six (6) risk descriptors (Health & Safety, Environment, Legal & Regulatory Compliance, Project Delivery, Reputation and Financial Impact) and a 5 x 5 Risk Assessment Matrix based on 5 risk "Severity" levels (from Insignificant to Catastrophic) with 5 levels of "likelihood" (from Rare to Almost Certain). The Risk Assessment Matrix and Risk Thresholds were approved by the RMSC and BAC as part of "Risk Appetite Statement Guidelines". The BAC formally endorsed nine (09) risks as corporate risks and the status of these corporate risks along with other ERM important activities are periodically reported to BAC. Comprehensive Risk Registers are established throughout the Company and at different levels i.e. Department, Function and Corporate level. Risk Registers are periodically reviewed and updated, as and when required to keep the risk related information up-to-date. Risk management activities are continuously monitored at different levels and risk reporting is also performed at different levels e.g. Reporting to the RMSC on quarterly basis and to the BAC on bi-annual basis. During 2021, Risk maturity assessment was also conducted to identify the improvement opportunities and improvement plans. IAO is also auditing Risk Management activities on a regular basis, as per the audit schedule to ensure the effectiveness of the Risk Management System. Under the supervision of RMSC, Governance & Risk Management Department is building and fostering a risk aware - culture within the Company that emphasizes and demonstrates the benefits of risk management including the risk based thinking and risk based decision-making practices.

E. Risks Related to Regulations

The Company is operating in a dynamic environment and its business operation is governed by local as well as international applicable laws and regulations. In case of changes in regulations or legislation(s), the Company operations may be affected. Companies must abide by regulations set by governing bodies that oversee their industry. Therefore, any change in regulations can cause a rippling effect across an industry. Regulations can increase costs of operations, introduce legal and administrative hurdles, and sometimes even restrict a company from doing business. To mitigate such risks, Petro Rabigh has established a Governance & Risk Management (GRM) Department which is an organization that carries the responsibilities and is accountable for following up on the development of local and international mandatory and voluntary regulations pertaining to the petrochemical and refining industry and is in-charge of taking steps necessary to report to management, within a reasonable timeframe, any changes to regulations that are deemed to have direct or implied restraint on the Company's operations, as well as communicating the need to comply to certain regulations and suggesting the appropriate steps to do so. This includes local governmental regulations such as regulations and laws by The Ministry of Energy, Ministry of Industry and Mineral Resources, Ministry of Commerce and Investment, the CMA, in addition to International regulations such as trade and anti-dumping laws and environmental regulations, etc. The information regarding current and future changes comes through the Corporate Affairs & Investor Relations Department, that is responsible for assuring such surveillance of the regulatory environment and is used by the Governance & Risk Management (GRM) Department to monitor and promote compliance. Governance & Risk Management (GRM) Department work closely with proponent departments e.g. Safety, Environment and Health, Office of Legal Affairs, etc. The Risk Management Steering Committee (RMSC) also oversees the Compliance Management affairs and the Governance & Risk Management (GRM) Department periodically reports on compliance management to the RMSC.

F. Risk Related to Effective Control by Founding Shareholders

Since the Company's IPO in 2008, the founding shareholders have maintained ownership of 75% of the Company's issued shares. This allows the founding shareholders majority voting rights and as a result, the founding shareholders may be able to influence matters requiring approval of the General Assembly. It is possible for this influence to be exercised in a manner that could have a significant effect on the Company's business, financial condition and results of operations including the election of directors, significant corporate transactions and capital adjustments. Furthermore, any change in the founding shareholders' own business strategy and/or policies toward the Company could result in consequences for the Company's business. On the other hand, the founding shareholders are considered major supporters of the Company's business and a guarantee to its continuity. Saudi Aramco for one is Saudi Arabia's economic backbone and a global catalyst in the oil and gas industry. Likewise, Sumitomo Chemical Co., Ltd. is a highly respected international company that is deeply rooted in a history that extends for more than 300 years. The two companies are vigorously committed to their investment in Petro Rabigh. Evidence of this commitment is the establishment of the second phase of Petro Rabigh where the founding shareholders undertook development of the project, transferred ownership of the project from the founding shareholders to the company and provided financial guarantees to ensure completion of the project. Moreover, as has been previously announced to the public, the founding shareholders have entered into a number of commercial agreements that ultimately benefit of Petro Rabigh. In addition, there are several ways that the Company ensures protection of minority shareholders, including the following:

- i. Consistent with CMA Corporate Governance Regulations, Petro Rabigh's bylaws require that at least one-third of the members of the Board of Directors be independent, which currently means that no less than three of nine directors are independent. And in order for a resolution of the board

to be adopted it must be approved by at least seven of the nine directors with, thus ensuring that no resolution may be adopted solely without the approval of one of the independent directors.

- ii. The Chairman positions of the BAC, NRC and the MSC are currently occupied by independent Directors.
- iii. The Company's bylaws require that the Board approves the Company's entry into or modification of terms for transactions with any of the Shareholders' or related parties.
- iv. Related-party transactions are voted by non-related members in the BAC and Board of Directors, and are disclosed in the Board Report and at General Assembly meetings.

G. Risk Related to COVID-19 Pandemic

COVID-19 Pandemic may be considered as phenomenal era in the 21st century that hits small and large scale companies across the globe, which caused major impact in financial, sales, logistics, and business operations with restriction in the mobility of the individuals, etc. since it began in the latter part of year-2019. The Company established a Taskforce to handle such fast rising pandemic and implement the health & safety protocols, reporting & communication in the most effective and efficient way in parallel to government authorities protocols to mitigate the spread of COVID-19.

4. SOCIAL RESPONSIBILITY AND ESG

A. Company's Social Contributions (CSR)

This year was a tremendous challenge for CSR function due to the COVID-19 pandemic. Despite the stringent COVID-19 precautionary measures, CSR carried out some initiatives that complement ongoing programs and maintained a broad impact on society's wellbeing, culture, and health by working responsibly with the society it operates within.

The Kingdom of Saudi Arabia (KSA) launched the National Campaign for Charitable Activities on its National Platform for Charitable Work (Ehsan) to support charitable giving in KSA which is developed by the Saudi Data and Artificial Intelligence Authority (SDAIA). Petro Rabigh contributed 1,000,000 Saudi Riyals to the program in the month of Ramadan.

Makkah Gov. Prince Khalid Al-Faisal established the new headquarters of the Prince Khalid Al-Faisal Institute for Moderation at King Abdul Aziz University. Since its establishment, the Institute has begun providing educational programs and training sessions to build and enhance capacities cognitively and professionally, according to society's demands. In 2021, Petro Rabigh contributed 1,000,000 Riyals to the Institute.

Another program from the Makkah Region Projects Digital Exhibition, which attracted more than 100 development ventures in the fields of building a developing place with a human face. The weeklong exhibition, held at the Jeddah Super Dome, witnessed the launch of the fifth round of the Makkah Days for Programming and Artificial Intelligence. A pioneering initiative of the Makkah Cultural Forum, under the title "How to Be a Role Model in the Digital World", as well as discussion sessions on the latest technology developments in the media and advertisement fields. Petro Rabigh contributed 2,000,000 Saudi Riyals to the Makkah Electronic Achievements Exhibition project.

Ramadan programs were very successful as Petro Rabigh implemented the Care Baskets program, which provided basic food commodities and distributed them to the needy families in Rabigh. The Company

contributed more than 880,000 Saudi Riyals, which provided 1,600 food baskets, and in collaboration with Al-Bir Charity Association, distributed the baskets to the local villages and in Rabigh town.

To develop and promote Petro Rabigh CSR programs in 2022, a plan is being developed to partner with leading organizations and launch new programs that will encourage employee participation and volunteerism. Ensure that the implementation plan is on track and that the objectives and initiatives (programs, projects, and indicators) are being implemented on schedule. Maintain Petro Rabigh's commitment to social responsibility and continuously support the social and economic development of the local community and the Kingdom, and serve as a role model for others.

B. Environmental, Social, and Governance (ESG)

On the other hand, Sustainable growth is the core of the Saudi Arabia Vision 2030, and Petro Rabigh's Sustainability (Environmental, Social, and Governance -ESG) strategy and practices continue to contribute to the goals of Saudi Vision 2030. Organizations face an evolving landscape of environmental, social, and governance (ESG) related risks that can affect their profitability, success, and even survival. Globalization has already changed the competitive environment of companies, and a more globalized economy is compelling companies to change the ESG practices in emerging markets and challenging environments. Nowadays, more than ever, corporate leadership recognizes measurable Environmental, Social, and Governance performance. Petro Rabigh is transforming its business by focusing on ESG integration in every aspect of the company. In 2021, Petro Rabigh had revitalized its vision, mission, and strategic objectives that set out clearly ESG focused directions to do the business.

5. CORPORATE GOVERNANCE

1. Compliance with the CMA's Corporate Governance Regulations

Petro Rabigh implements all the provisions of the Corporate Governance Regulations issued by the Capital Market Authority.

2. Names, qualifications, and experience of the Board and Committees members and Executive Management

Board Members:

Name	Current Position	Previous Position	Qualifications	Experience
Ibrahim Q. Al-Buainain	Chairman (Non-Executive Director)	Chairman (Non-Executive Director)	<ul style="list-style-type: none"> - BS Mechanical Engineering - MBA Global Management - Master's Degree - Innovation & Global Leadership 	32 years
Noriaki Takeshita	Deputy Chairman (Non-Executive Director)	Deputy Chairman (Non-Executive Director)	<ul style="list-style-type: none"> - BS Law 	39 years
Othman A. Al-Ghamdi	President & CEO (Executive Director)	-	<ul style="list-style-type: none"> - MS Chemical Engineering - MBA 	32 years

Seiji Takeuchi	Non-Executive Director	Executive Director	- BS Chemical Engineering - MS Applied Chemistry	35 years
Takashi Shigemori	Non-Executive Director	Non-Executive Director	- Bachelor of Liberal Arts - MBA	36 years
Suleman A. Al-Bargan	Non-Executive Director	Non-Executive Director	- BS Chemical Engineering - MBA	40 years
Abdullah J. Al-Faifi ¹	Independent Director	-	- BS Accounting	37 years
Saleh F. Al-Nazha	Independent Director	Independent Director	- BS Chemical Engineering	38 years
Mohammed A. Al-Omar	Independent Director	Independent Director	- BS Civil Engineering	36 years
Saud A. Al-Ashgar ¹	Independent Director	Independent Director	- BS Chemical Engineering	41 years

¹Abdullah J. Al-Faifi replaced Saud A. Al-Ashgar from the board as an Independent Director effective November 3, 2021.

Committees Members:

Name	Current Position	Previous Position	Qualifications	Experience
Ibrahim Q. Al-Buainain	Chairman of Executive Committee	Chairman of Executive Committee	- BS Mechanical Engineering - MBA Global Management - Master's Degree - Innovation & Global Leadership	32 years
Noriaki Takeshita	Member of Audit Committee	Member of Audit Committee	- BS Law	39 years
Othman A. Al-Ghamdi	Member of Marketing Steering Committee	-	- MS Chemical Engineering - MBA	32 years
Takashi Shigemori	Member of - Nomination & Remuneration Committee - Marketing Steering Committee - Executive Committee	Member of - Nomination & Remuneration Committee - Marketing Steering Committee - Executive Committee	- Bachelor of Liberal Arts - MBA	36 years
Suleman A. Al-Bargan	Member of - Audit Committee - Nomination & Remuneration Committee	Member of - Audit Committee - Nomination & Remuneration Committee	- BS Chemical Engineering - MBA	40 years
Seiji Takeuchi	-	-	- BS Chemical Engineering - MS Applied Chemistry	35 years
Saud A. Al-Ashgar ^{1 & 2}	Chairman of - Audit Committee	Chairman of - Audit Committee	- BS Chemical Engineering	41 years

	- Nomination & Remuneration Committee	- Nomination & Remuneration Committee		
Abdullah J. Al-Faifi ¹	Chairman of - Audit Committee Member of - Nomination & Remuneration Committee	-	- BS Accounting	37 years
Saleh F. Al-Nazha	Chairman of - Marketing Steering Committee Member of - Executive Committee	Chairman of - Marketing Steering Committee Member of - Executive Committee	- BS Chemical Engineering	38 years
Mohammed A. Al-Omair ²	Chairman of - Nomination & Remuneration Committee Member of - Audit Committee	Member of - Audit Committee	- BS Civil Engineering	36 years

¹Abdullah J. Al-Faifi replaced Saud A. Al-Ashgar from the board as an Independent Director and Chairman of the Audit Committee effective November 3, 2021.

²Mohammed A. Al-Omair replaced Saud A. Al-Ashgar as Chairman of the Nomination & Remuneration Committee effective November 3, 2021.

Executive Management:

Name	Current Position	Previous Position	Qualifications	Experience
Othman A. Al-Ghamdi	President & CEO	-	- BS Chemical Engineering - MBA	32 years
Naoyuki Inoue ⁴	Chief Financial Officer	Chief Financial Officer	- BS Law	36 years
Noriaki Oku ¹	Sr. Vice President (A), Manufacturing	-	- BS Chemical Engineering - MS Chemical Engineering	29 years
Seiji Takeuchi ¹	Sr. Vice President, Manufacturing	Sr. Vice President, Manufacturing	- BS Chemical Engineering - MS Applied Chemistry	35 years
Bander S. Al-Juaid	Vice President (A), Industrial Relations	Vice President (A), Industrial Relations	- BS Computer Science	19 years
Mohammed M. Farsi ²	Vice President (A), Engineering & Support	-	- BS Chemical Engineering	19 years

			- MS Chemical Engineering	
Hassan H. Al-Yami ²	Vice President (A), Engineering & Support	Vice President (A), Engineering & Support	- BS Mechanical Engineering	31 years
Yasser D. Al-Ghamdi ³	Vice President (A), Market Development	Manager, Production Planning	- BS Chemical Engineering	19 Years
Hiroshi Shimizu ³	Vice President (A), Market Development	Vice President (A), Market Development	- BS Law	34 years
Sami S. Al-Dossary	Vice President (A), Industrial Security	Manager Industrial Security	- BS Computer Science	35 Years

¹Noriaki Oku was appointed acting Sr. VP for Manufacturing effective January 18, 2021 replacing Seiji Takeuchi who completed his assignment in Petro Rabigh.

²Mohammed M. Farsi was appointed acting VP for Engineering & Support effective March 1, 2021 replacing Hassan Al-Yami.

³Yasser D. Al-Ghamdi was appointed acting VP for Market Development effective December 7, 2021 replacing Hiroshi Shimizu.

⁴Akihiko Hiraoka was appointed CFO replacing Naoyuki Inoue who will be completing his assignment in Petro Rabigh effective March 1, 2022.

3. Name of the companies inside and outside the Kingdom in which a Board member is a member of their current or previous Board member or manager

Name	Current	Inside / Outside the Kingdom	Previous	Inside / Outside the Kingdom
Ibrahim Q. Al-Buainain	Petreddec *	Outside the Kingdom	-	-
	Bahri *	Inside the Kingdom	-	-
	Bahri Chemicals **	Inside the Kingdom	-	-
	Aramco Trading Company **	Inside the Kingdom	-	-
	Aramco Trading Singapore **	Outside the Kingdom	-	-
	Aramco Trading Fujairah **	Outside the Kingdom	-	-
	Aramco Trading Limited (London) **	Outside the Kingdom	-	-
	Aramco Chemical Company **	Inside the Kingdom	-	-
	Hyundai Oil Bank Co. Ltd.	Outside the Kingdom	-	-
	S-Oil *	Outside the Kingdom	-	-
	SATORP **	Inside the Kingdom	-	-
Noriaki Takeshita	Sumitomo Chemical Company *	Outside the Kingdom	-	-
Othman A. Al-Ghamdi	-	-	S-Oil *	Outside the Kingdom
Suleman A. Al-Bargan	SATORP **	Inside the Kingdom	Johns Hopkins Aramco Healthcare (JHAH) ***	Inside the Kingdom
	YASREF **	Inside the Kingdom	-	-
	MOTIVA **	Outside the Kingdom	-	-

Seiji Takeuchi	Sumitomo Chemical Company *	Outside the Kingdom	-	-
Takashi Shigemori	Sumitomo Chemical Company *	Outside the Kingdom	-	-
	Sumitomo Seika Chemicals Company	Outside the Kingdom	-	-
Saud A. Al-Ashgar ¹	-	-	S-Oil **	Outside the Kingdom
Saleh F. Al-Nazha	-	-	-	-
Mohammed A. Al-Omair	-	-	SAMREF**	Inside the Kingdom
	-	-	SATORP **	Inside the Kingdom
	-	-	SASREF**	Inside the Kingdom
	-	-	Motor Oil Hellas*	Outside the Kingdom
	-	-	Avin *	Outside the Kingdom
	-	-	MARAFEQ**	Inside the Kingdom
Abdullah J. Al-Faifi ¹	Nama Petrochemical Co.*	Inside the Kingdom	-	-
	AlOthaim Investment Co.*	Inside the Kingdom		
	AlOthaim Market Co.*	Inside the Kingdom		
	Tanami Arabia Co.*	Inside the Kingdom		

¹Abdullah J. Al-Faifi replaced Saud A. Al-Ashgar from the board as an Independent Director effective November 3, 2021.

* Listed

** Limited Liability

*** Unlisted

4. Composition of the Board and classification of its members as follows

No.	Name	Membership Classifications
1	Ibrahim Q. Al-Buainain	Non-Executive Director
2	Noriaki Takeshita	Non-Executive Director
3	Othman A. Al-Ghamdi	Executive Director
4	Seiji Takeuchi	Non-Executive Director
5	Suleman A. Al-Bargan	Non-Executive Director
6	Takashi Shigemori	Non-Executive Director
7	Abdullah J. Al-Faifi ¹	Independent Director
8	Saud A. Al-Ashgar ¹	Independent Director
9	Saleh F. Al-Nazha	Independent Director
10	Mohammed A. Al-Omair	Independent Director

¹Abdullah J. Al-Faifi replaced Saud A. Al-Ashgar from the board as an Independent Director effective November 3, 2021.

5. Procedure taken by the Board to inform its members, Non-Executive Directors in particular, of the shareholders' suggestions and remarks on the Company and its performance

Petro Rabigh Corporate Affairs & Investor Relations Department, compiles shareholders' suggestions, comments and questions about the company's performance into a quarterly report for the Board of Directors.

6. A brief description of the competencies and duties of the committees

Board Audit Committee:

The BAC consists of four members who are fully experienced in Accounting Standards, Audit and Business Laws, which enables them to fulfill their duties smoothly. The responsibilities and duties of this Committee include, but not limited to, the following:

- a. Reviewing; Management's high-level summary of the top existing and emerging risks facing the Company, and Management's mitigation plan for the most significant enterprise-wide risks.
- b. Overseeing and supervising the Internal Audit Office (IAO) to ensure that the IAO had the appropriate standing and independent to effectively fulfill its responsibilities.
- c. Ensuring that the General Auditor had the authority to report significant observations to the Committee without interference or censorship and that the issues are appropriately acted by Management.
- d. Reviewing the effectiveness of the IAO including its compliance with the applicable standards for the professional practices of internal auditing
- e. Approving, with the External Auditors, the annual audit plan and all changes to the plan.
- f. Submitting recommendations to the Board regarding the appointment, dismissal, and remuneration of the External Auditors after reviewing their scope of work, terms of engagement and qualifications, with such recommendation having regard to the independence of the External Auditors.
- g. Reviewing the performance and supervising the activities of the External Auditors and approving any activity beyond the scope of the audit work assigned to them during the performance of their duties.
- h. Reviewing the External Auditors' reports, and comments in relation to the Company's financial statements, and following up on the actions taken in relation to the same.
- i. Reviewing significant accounting and reporting issues, including recent professional and regulatory pronouncements and understanding their impact on financial reports
- j. Reviewing, expressing opinions on, and make recommendations to the Board regarding the interim and annual financial statements of the Company prior to their presentation to the Board to ensure integrity, fairness and consistency.
- k. Reviewing the overall system of internal controls implemented by Management and consider its effectiveness, including financial reporting controls and information technology security and controls
- l. Reviewing the contracts and transactions to be entered into by the Company with any related party and making recommendations to the Board in relation to the same.

The following table shows the names of the BAC members and the number of its meetings and the dates of the meeting and the number of attendance for each meeting:

Name	Title	Audit Committee Meeting Attendance in 2021				
		1 st Feb 17	2 nd Apr 27	3 rd July 27	4 th Oct 26	Number of Attendance
Saud A. Al-Ashgar ¹	Chairman	√	√	√	√	4
Abdullah J. Al-Faifi ¹	Chairman	-	-	-	-	0
Noriaki Takeshita	Member	√	√	√	√	4
Suleman A. Al-Bargan	Member	√	√	√	√	4
Mohammed A. Al-Omair	Member	√	√	√	√	4

¹ Abdullah J. Al-Faifi replaced Saud A. Al-Ashgar as Chairman effective November 3, 2021.

Nomination and Remuneration Committee (NRC):

The NRC consists of four members. The responsibilities and duties of this committee include, but are not limited to, the following:

- Preparing, recommending to the Board, and overseeing policies and criteria in relation to the appointment of Directors and members of the Company's executive management;
- Ensuring that all necessary and appropriate inquiries are made into the backgrounds and qualifications of Board candidates before recommending them to the Board for nomination;
- At least annually, reviewing, assessing, and recommending to the Board the skills, qualifications, and credentials required for membership in the Board and the Company's executive management, including setting the time commitment required for such membership and the job specifications for executive, non-executive, and independent Directors and members of the Company's Executive Management;
- Reviewing, regularly, the structure, size, composition, strengths, and weaknesses of the Board (including the skills, knowledge, and experience) and the Company's Executive Management; endorsing appropriate recommendations to the Board that are compatible with the interests of the Company;
- Preparing, recommending to the Board, and overseeing the implementation and disclosure of a policy for the remuneration of Directors, Executives of the Company, and members of the Committees of the Board, which shall be presented before the General Assembly for approval;
- Determining the points of strengths and weakness in the Board, and recommending remedies that are compatible with the Company's interest;
- Regularly reviewing and assessing the effectiveness and appropriateness of the remuneration policy and make recommendations to the Board in relation to the same;

The following table shows the names of the NRC members and the number of its meetings and the dates of the meeting and the number of attendance for each meeting:

Name	Title	NRC Meeting Attendance in 2021				
		1 st Mar 28	2 nd Jun 17 ²	3 rd Sep 1	4 th Nov 29	Number of Attendance
Saud A. Al-Ashgar ¹	Chairman	√	√	√	-	3
Mohammed A. Al-Omair ¹	Member/ Chairman	√	√	√	√	4
Takashi Shigemori	Member	√	√	√	√	4
Suleman A. Al-Bargan	Member	√	√	√	√	4
Abdullah J. Al-Faifi ¹	Member	-	-	-	√	1

¹ Mohammed A. Al-Omair replaced Saud A. Al-Ashgar as Chairman effective November 3, 2021 while Abdullah J. Al-Faifi was appointed as new member.

² No meeting was conducted in June 17, however, a resolution in lieu of the meeting has been routed for endorsement.

Marketing Steering Committee (MSC):

The MSC consists of three members. The tasks and responsibilities of this committee include, but are not limited to, the following:

- Reviewing the Company's annual and quarterly production and supply plan for the Company's Products for the following period, which the Company will provide to the Marketers;
- Working with each of the Marketers (separately) in developing their respective Annual Marketing Plan for the Products, which plan will be submitted to the Board for approval;
- Reviewing and making recommendations regarding the Company's and the Marketers' strategies and actions related to legal compliance (e.g. with regard to anti-trust laws and export regulations);
- Monitoring the Company's compliance with the marketing and lifting agreements and reviewing and approving any amendment with necessary consideration of any related agreements;
- Developing, endorsing and recommending to the Board of Directors for its approval; (a) a Refined Products Annual Marketing Plan, and (b) a Petrochemical Products Annual Marketing Plan for the Company;
- Ensuring that all such Marketing Plans are developed with the Company's operating and production plans to be prepared by the Company;
- Ensuring that Marketers' pricing methodologies do not expose the Company to any anti-dumping risks anywhere in the world where the Company's products are being sold.

The following table shows the names of the MSC members and the number of its meetings and the dates of the meeting and the number of attendance for each meeting:

Name	Title	MSC Meeting Attendance in 2021			
		1 st Mar 18	2 nd June 27	3 rd Sept 5	Number of Attendance
Saleh F. Al-Nazha	Chairman	√	√	√	3
Othman A. Al-Ghamdi	Member	√	√	√	3
Takashi Shigemori	Member	√	√	√	3

Executive Committee (EXCOM):

The EXCOM may adopt resolutions by circulating the proposed resolutions in writing or in electronic format to all the Members for their approval and signature. Promptly following the conclusion of each meeting of the EXCOM, or the adoption of a written resolution, the Secretary shall distribute the meeting minutes and/or the resolutions of the EXCOM to the Board and to each Member.

The EXCOM shall have the authority to undertake the following:

- Review and approve contract award and expenditure requests for items covered in approved business plans, budgets and programs, provided that no individual item shall exceed SAR187.5million;
- Review the business plan and recommend such plan to the Board for approval;
- Review and approve additions to the annual budgets, plans, and programs approved by the Board, as the EXCOM may deem necessary from time to time, provided that no individual addition shall exceed SAR187.5 million in value;
- Review and approve redefinitions, cancellations and supplements of previously approved expenditure requests, provided that no individual item shall exceed SAR187.5 million;
- Receive informational reports on miscellaneous subjects and advise the Company's Management thereon;
- To the extent permitted under the law, and without prejudice to the responsibilities of the BAC, approve the entry of the Company into transactions with any of the Shareholders or related persons, and modify the terms of any agreement in connection with the same;
- Consider reports submitted to it in accordance with specific functions and subjects delegated by the Board from time to time;
- Perform such other tasks as delegated to it by the BOD from time to time.

The following table shows the names of the EXCOM members and the number of its meetings and the dates of the meeting and the number of attendance for each meeting:

Name	Title	EXCOM Meeting Attendance in 2021			
		1 st May 25	2 nd Aug 10	3 rd Oct 19	Number of Attendance
Ibrahim Q. Al-Buainain	Chairman	√	√	√	3
Saleh F. Al-Nazha	Member	√	√	√	3
Takashi Shigemori	Member	√	√	√	3

During 2021, members of the Executive Committee had ratified a number of resolutions by circulation, in accordance with the Committee's charter.

7. The means used by the Board to assess its performance, the performance of its Committees and members and the external body which conducted the assessment and its relation with the Company

The Board of Directors has established a mechanism for an annual 'Board Effectiveness Evaluation'. The mechanism elaborates on specific aspects of Board performance to ensure that the evaluation findings clarify any potential problems; identify the root cause(s) of these findings; and test the practicality of specific governance solutions. The annual Board evaluation exercise provides an assessment of the Board performance by the Board members themselves (including the P&CEO) as the sole sources of information for the evaluation process. This "Board-as-a-Whole" evaluation ensures that the Directors develop a shared understanding of their governance role and responsibilities. The assessment includes ten parameters covering the following premium axis: Membership Accountability; Governance; Board Operations; Legal Responsibility; Financials; Planning; and Board Member Relations. The NRC presides over the evaluation process, hence, the NRC Secretary will be in charge of conducting the analysis and reporting of the results.

8. Remuneration of the Board members and Executive Management

Directors Remuneration

Rules of Remuneration Determination

- a. The remuneration of all Directors shall be recommended by the Board to the General Assembly for approval on an annual basis. The recommendation of the Board to the General Assembly shall be based on the recommendation of the NRC. The recommendations of the NRC and the Board shall be in compliance with applicable laws, regulations, and policies (including this Policy).
- b. The remuneration of Directors could be in the form of specific cash payments, in kind benefits, attendance allowances, a percentage of the Company's annual net profits, or a combination of any of the foregoing.
- c. Where the remuneration of Directors is distributed as a percentage of the Company's net profits, the maximum total annual remuneration may not exceed 10% of the Company's net profits after deducting the relevant reserves and after distributing profits to the Company's shareholders at a minimum rate of 5% of the Company's paid-up capital.
- d. In all cases, the total annual remuneration and benefits for each Director, in cash or in kind, must not exceed SAR 500,000.
- e. Notwithstanding Paragraphs b and c above, the remuneration of independent Directors shall not be in the form of a percentage of the Company's net profits and shall not be, directly or indirectly, based on the profitability of the Company.
- f. The remuneration of Directors may vary based on the experience, expertise, duties, independence, and attendance record of each Director as well as other relevant considerations.

Additional Remuneration

- D. The Chairman of the Board may receive remuneration in addition to his remuneration as a Director. Such additional remuneration (if any) shall be recommended by the NRC and approved by the Board on an annual basis.

- E. Directors serving in any of the Committees may receive remuneration in addition to their remuneration as Directors.
- F. Directors serving as Senior Executives may receive remuneration in addition to their remuneration as Directors.
- G. If the Secretary of the Board is one of the Board Director, then he may receive remuneration in addition to his remuneration as a Director. Such additional remuneration (if any) shall be determined by the Board (based on the recommendation of the NRC) on an annual basis.

Board: (In SAR Thousands)

Name	Fixed remunerations								Variable remunerations					End-of-service award	Aggregate Amount	Expenses Allowance
	Specific amount	Allowance for attending Board meetings	Total Allowance for attending committee meetings	In-kind benefits	Remunerations for technical, managerial and consultative work	Remunerations of the chairman, Managing Director or Secretary, if a member	Total	Percentage of the profits	Periodic remunerations	Short-term incentive plans	Long-term incentive plans	Granted shares (insert the value)	Total			
First: Independent Board Directors																
1- Saud A. Al-Ashgar ¹	350	0	0	0	0	0	350	0	0	0	0	0	0	0	350	0
2- Saleh F. Nazha	350	0	0	0	0	0	350	0	0	0	0	0	0	0	350	0
3-Mohammed A. Al-Omair	350	0	0	0	0	0	350	0	0	0	0	0	0	0	350	0
4-Abdullah J. Al-Faifi ¹	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	1,050	0	0	0	0	0	1,050	0	0	0	0	0	0	0	1,050	0
Second: Non-Exec. Board Directors																
1- Ibrahim Q. Al-Buainain	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2- Noriaki Takeshita	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3- Suleman A. Al-Bargan	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4- Takashi Shigemori	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5-Seiji Takeuchi	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Third: Exec. Directors																
1-Othman A. Al-Ghamdi	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

¹Abdullah J. Al-Faifi replaced Saud A. Al-Ashgar as an Independent Director effective November 3, 2021.

Senior Executives Remuneration

Rules of Remuneration Determination

- The remuneration of all Senior Executives shall be recommended by the NRC and approved by the Board in accordance with the relevant employment contracts and internal policies and compensation plans.
- The NRC shall review and approve the employment contracts with Senior Executives, including contracts with new appointments. It shall also review and approve any contract with an employee with compensation equivalent to Senior Executives.

Benefits and Incentive Plans

- Senior Executives are entitled to certain benefits provided by the Company. Besides pension, benefits are primarily in the areas of medical services, access to the Company's recreational facilities, housing-related allowances (or equivalent), and transportation-related allowances (or equivalent). The nature and levels of benefits for Senior Executives shall be periodically reviewed by the NRC and approved by the Board.
- The Company may offer Senior Executives variable compensation that is market-informed and subject to the fulfillment of pre-defined performance goals, whether short-term or long-term. Such variable compensation plans shall be subject to the recommendation of the NRC and the approval of the Board.
- The Company may offer Senior Executives and other employees the opportunity for share ownership through an employee share plan or similar programs. Such plans and programs shall be subject to the recommendation of the NRC and the approval of the Board and shall be in accordance with applicable laws, regulations, and instructions.

Senior Executives: (In SAR Thousands)

The following table sets out the aggregated remuneration paid to the Company's five highest paid Senior Executives, inclusive of the CEO and CFO positions.

	Fixed remunerations				Variable remunerations						End-of- service award	Total remunerations for Board executives, if any	Aggregate Amount
	Salaries	Allowances	In-kind benefits	Total	Periodic remunerations	Profits	Short-term incentive plans	Long-term incentive plans	Granted shares (insert the value)	Total			
Total	3,765	1,894	0	5,659	0	0	0	0	0	0	0	0	5,659

Committee Members Remuneration

Rules of Remuneration Determination

- The members of the Committees shall be remunerated in accordance with the charter of the relevant Committee.
- Notwithstanding Paragraph above, the NRC shall review and recommend to the Board the remuneration of the members of the Committees.

Committee members: (In SAR Thousands)

	Fixed Remuneration (Except for the allowance for attending Board meetings)	Allowance for attending meetings	Total
Audit Committee Members			
1- Saud A. Al-Ashgar ¹	0	0	0
2- Noriaki Takeshita	0	0	0
3- Suleman A. Al-Bargan	0	0	0
4- Mohammed A. Al-Omair	0	0	0
5- Abdullah J. Al-Faifi ¹	0	0	0
Total	0	0	0
Remuneration & Nomination Committee Members			
1- Saud A. Al-Ashgar ²	0	0	0
2- Mohammed A. Al-Omair ²	0	0	0
3- Takashi Shigemori			
4- Suleman A. Al-Bargan	0	0	0
5- Abdullah J. Al-Faifi ²			
Total	0	0	0
Marketing Committee Members			
1- Saleh F. Al-Nazha	0	0	0
2- Takashi Shigemori	0	0	0
3- Othman A. Al-Ghamdi	0	0	0
Total	0	0	0
Executive Committee Members			
1- Ibrahim Q. Al-Buainain	0	0	0
2- Saleh F. Al-Nazha	0	0	0
3- Takashi Shigemori	0	0	0
Total	0	0	0

¹ Saud A. Al-Ashgar was replaced by Abdullah J. Al-Faifi as Chairman of the Audit Committee effective November 3, 2021

² Saud A. Al-Ashgar was replaced by Mohammed A. Al-Omair as Chairman of the Remuneration & Nomination Committee effective November 3, 2021 while Abdullah J. Al-Faifi was appointed as member

9. Punishment, penalty, precautionary procedure or preventive measure imposed on the Company by the CMA or any other supervisory, regulatory or judiciary authority

No punishment, penalty, precautionary procedure or preventive measure was imposed on the Company by any supervisory, regulatory or judiciary authority during 2021.

10. Results of the annual review of the effectiveness of the internal control procedures and practices of the Company and the opinion of the BAC with respect to the adequacy of the Company's internal control system

The primary role of the IAO is to assess and monitor the implementation of Petro Rabigh internal control system and verify the compliance of the Company and its employees with the applicable laws, regulations, instructions and Company policies and procedures.

In accordance with the 2021 annual audit plan approved by the BAC, the IAO audited the internal control procedures of the Company's major activities. The General Auditor presented the results and recommendations to the BAC during the Committee regular meetings. Executive Management of the Company is committed to implement Internal Audit recommendations within a reasonable time frame established in conjunction with the IAO in order to improve the internal control procedures.

It is the opinion of BAC, the system of internal control is sound in design and has been duly implemented and that its financial practices in all material respect are in line with accepted accounting standards followed in the Kingdom of Saudi Arabia. Further, there were no critical or major observations observed during the 2021 audits that can impair the effectiveness of the Company's internal control systems.

11. The BAC's recommendation on the need for appointing an internal auditor for the Company

Petro Rabigh has an established IAO headed by General Auditor and consists of a team of experienced Internal Auditors.

12. The BAC recommendation with conflict with Board resolution or those which the Board disregards relating to the appointment, dismissal, assessment or determining the remuneration of an External Auditor, as well as justifications for those recommendations and reasons for disregarding them

There was no conflict between the Audit Committee recommendations and the Board resolutions.

13. The General Assembly meetings held during the last fiscal year

There were two General Assembly Meetings held in Rabigh on April 7, 2021 and on October 20, 2021. Ibrahim Q. Al-Buainain, Chairman of the Board of Directors, chaired the General Assembly in both occasions.

Names of the Board Members who attended:

April 7, 2021

1. Ibrahim Qassim Al-Buainain
2. Othman Ali Al-Ghamdi
3. Suleman Amer Al-Bargan
4. Saud Abdulrahman Al-Ashgar
5. Saleh Fahad Al-Nazha
6. Mohammed Abdullatif Al-Omair

October 20, 2021

1. Ibrahim Qassim Al-Buainain
2. Othman Ali Al-Ghamdi
3. Suleman Amer Al-Bargan
4. Saud Abdulrahman Al-Ashgar
5. Saleh Fahad Al-Nazha

6. Mohammed Abdullatif Al-Omair
7. Noriaki Takeshita – (proxy by Mohammed A. Al-Omair)
8. Takashi Shigemori – (proxy by Saud A. Al-Ashgar)

14. Dividends Distribution Policy

After deducting all general expenses and other costs, including taxes and zakat imposed under Shari'a, the Company's annual net profits shall be allocated as follows:

- Ten percent (10%) of the annual net profits shall be set aside to form a statutory reserve. Such setting aside may be discontinued by the Ordinary General Assembly when said reserve equals one-half (1/2) of the Company's paid-up capital.
- The Ordinary General Assembly may, upon the recommendation of the Board of Directors, set aside a percentage of the annual net profits to form an additional reserve to be allocated for the purpose or purposes decided by the Ordinary General Assembly.
- The Ordinary General Assembly may resolve to form other reserves to the extent they serve the Company's interests, or to ensure the distribution of fixed dividends – so far as possible – to the Shareholders. The Ordinary General Assembly may also deduct amounts from the net profit to create social institutions for the Company's employees, or to support existing institutions of such kind.
- A percentage of no less than 1% of the remaining amounts of the annual net profits shall be distributed to the shareholders unless the Ordinary General Assembly decided otherwise.

15. Interest in a class of voting shares held by persons (other than the Company's directors, Senior Executives and their relatives) who have notified the Company of their holdings, together with any change to such interests during the last fiscal year

N/A

16. Interest, contractual securities or rights issue of the Board members, Senior Executives and their relatives on shares or debt instruments of the Company, and any change on these interest or rights during the last fiscal year

Board Members:

Name	Position	Period Start		Period End		Net Change	Change %
		Stocks	Debt Instruments	Stocks	Debt Instruments		
Ibrahim Q. Al-Buainain	Chairman (Non-Executive Director)	-	-	-	-	-	-
Noriaki Takeshita	Deputy Chairman (Non-Executive Director)	-	-	-	-	-	-

Othman A. Al-Ghamdi	President & CEO (Executive Director)	-	-	4,400	-	-	-
Suleman A. Al-Bargan	Non-Executive Director	-	-	-	-	-	-
Seiji Takeuchi	Non-Executive Director	-	-	-	-	-	-
Takashi Shigemori	Non-Executive Director	-	-	-	-	-	-
Saud A. Al-Ashgar ¹	Independent Director	85,400	-	85,400	-	-	-
Abdullah J. Al-Faifi ¹	Independent Director	-	-	100	-	-	-
Saleh F. Al-Nazha	Independent Director	1,000	-	1,000	-	-	-
Mohammed A. Al-Omair	Independent Director	12	-	12	-	-	-

¹Abdullah J. Al-Faifi replaced Saud A. Al-Ashgar as an Independent Director effective November 3, 2021.

Senior Executives:

Name	Position	Year Start		Year End		Net Change	Change %
		Stocks	Debt Instruments	Stocks	Debt Instruments		
Naoyuki Inoue	Chief Financial Officer	-	-	-	-	-	-
Noriaki Oku ¹	Senior Vice President (A), Manufacturing	-	-	-	-	-	-
Seiji Takeuchi ¹	Senior Vice President, Manufacturing						
Mohammed M. Farsi ²	Vice President (A), Engineering & Support	-	-	-	-	-	-
Hassan A. Al-Yami ²	Vice President (A), Engineering & Support						
Yasser D. Al-Ghamdi ³	Vice President (A), Market Development	-	-	-	-	-	-
Hiroshi Shimizu ³	Vice President (A), Market Development						

Bander S. Al-Juaid	Vice President (A), Industrial Relation	800	-	800	-	-	-
Sami S. Al-Dossary	Vice President (A), Industrial Security	7,000		7,000			

¹Noriaki Oku was appointed acting Sr. VP for Manufacturing effective January 18, 2021 replacing Seiji Takeuchi who completed his assignment in Petro Rabigh.

²Mohammed M. Farsi was appointed acting VP for Engineering & Support effective March 1, 2021 replacing Hassan Al-Yami.

³Yasser D. Al-Ghamdi was appointed acting VP for Market Development effective December 7, 2021 replacing Hiroshi Shimizu.

17. Board meetings held during the last financial year

Name	Title	1 st Meeting March 22, 2021	2 nd Meeting June 28, 2021	3 rd Meeting Sept. 8, 2021	4 th Meeting Dec. 6, 2021	Total Meetings Attended
Ibrahim Q. Al-Buainain	Chairman (Non-Executive Director)	√	√	√	√	4
Noriaki Takeshita	Deputy Chairman (Non-Executive Director)	√	√	√	√	4
Othman A. Al-Ghamdi	President & CEO (Executive Director)	√	√	√	√	4
Seiji Takeuchi	Non-Executive Director	√	√	√	√	4
Takashi Shigemori	Non-Executive Director	√	√	√	√	4
Suleman A. Al-Bargan	Non-Executive Director	√	√	√	√	4
Mohammed A. Al-Omair	Independent Director	√	√	√	√	4
Saud A. Al-Ashgar ¹	Independent Director	√	√	√	-	3
Abdullah J. Al-Faifi ¹	Independent Director	-	-	-	√	1
Saleh F. Al-Nazha	Independent Director	√	√	√	√	4

¹Abdullah J. Al-Faifi replaced Saud A. Al-Ashgar from the board as an Independent Director effective November 3, 2021.

18. Numbers of Company's requests of shareholders records, dates and reasons thereof

Ten records were requested for the shareholders of the Company during the year 2021 as shown in the following table:

No.	Reason	Date
1	Corporate Action	March 23, 2021
2	Annual General Meeting	April 7, 2021
3	Corporate Action	June 8, 2021
4	Corporate Action	July 31, 2021

5	Corporate Action	August 25, 2021
6	Annual General Meeting	October 20, 2021
7	Corporate Action	October 28, 2021
8	Corporate Action	November 8, 2021
9	Corporate Action	November 28, 2021
10	Corporate Action	December 30, 2021

19. Arrangements or agreements under which a director or a Senior Executive of the Company has waived any remuneration

N/A

20. Arrangements or agreements under which a shareholder of the Company has waived any rights to dividends

N/A

21. Declarations of the Board of Directors

The Board of Directors declares the following:

- Proper books of account have been maintained
- The system of internal control is sound in design and has been effectively implemented
- There are no significant doubts concerning the Company's ability to continue its activities

22. If the Board recommended replacing the External Auditor before the end of its term, the report shall indicate this mentioning the reasons for the replacement recommendation

N/A