

RICH HISTORY
PROMISING FUTURE

التصنيع TASNEE



ANNUAL REPORT 2021

بسم الله الرحمن الرحيم

In The Name of Allah The Merciful and Compassionate



His Royal Highness

Prince Mohamed Bin Salman Bin Abdulaziz Al-Saud

Crown Prince, Deputy Prime Minister, Minister of Defence



Custodian of the Two Holy Mosques

King Salman Bin Abdul Aziz Al-Saud



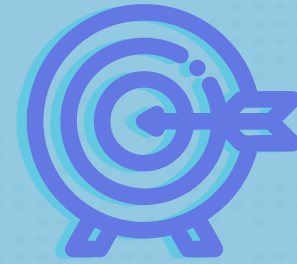
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Our Vision

To expand our global reach by seizing industrial opportunities that thoughtfully challenge the status quo.



Our Mission

To create versatile solutions in petrochemicals and beyond that make a strong and sustainable future for our company and the wider world.



Our Values



EXCELLENCE

We believe that good is not good enough, we strive to do more with agility and speed. We show excellence in our processes.



INTEGRITY

We do what is right as a role model to others and treat people with respect, never bending the rules.



SEEKING KNOWLEDGE

We actively interact with the stakeholders. We are open to continuous learning and creative thinking.



TEAMWORK

We respect individual skills and backgrounds, and we believe that we are smarter together.

Board of Directors' Report for 2021

Dear Respected Tasnee Shareholders,

The Board of Directors of the National Industrialization Company "Tasnee" is pleased to present to the shareholders the company annual report prepared in accordance with the Corporate Governance Rules, Listing Rules, and the Company's ByLaws. Covering Tasnee's activities and performance for the fiscal year ending 31 December 2021, this report is accompanied by audited financial statements, and notes attached thereto, and include the most important developments in company's performance and activities.



The National Industrialization Company "Tasnee" is a Saudi joint-stock company, founded by Ministerial Resolution No. 601 of 19 September 1984, under CR No. 1010059693 dated 25 June 1985, with capital of SAR 6,689,141,660.

The Company's major activities involve investing in the industrial field; transferring advanced industrial technology to Saudi Arabia for the manufacturing and processing of petrochemicals, engineering and mechanical industries, management and possession of industrial projects, and marketing of its various products. The activities of Tasnee subsidiaries include manufacturing and marketing of industrial products. In petrochemicals, the activities include production of ethylene, polyethylene, propylene, polypropylene, butyl acrylate, acrylic acid, super absorbent polymers and butanol.

The Company's industrial activity includes the production of titanium sponge, dry and liquid vehicle batteries and lead, all types of plastic products, and acrylic sheets. Other activities include marketing plastic products and batteries; providing technical services; conducting technical testing of equipment; and operating industrial, chemical, petrochemical, and metallurgical, water desalination and power generation plants. The company is one of the largest global investors in titanium dioxide.

Financial Highlights

Saudi Riyals '000

Gross Profit
987,004

EBITDA
2,824,470

Net Profit/Loss
1,356,388

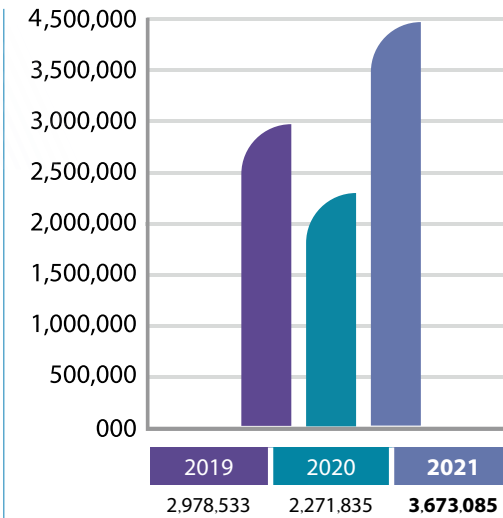
Earning Per Share
SR 2.03

Revenues
3,673,085

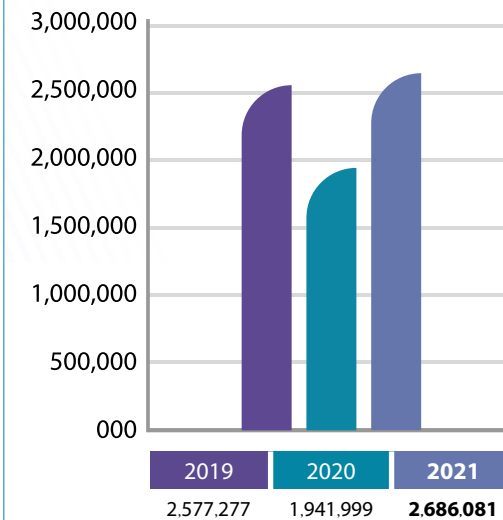
Cost of Revenue
2,686,081

Total Assets
24,980,191

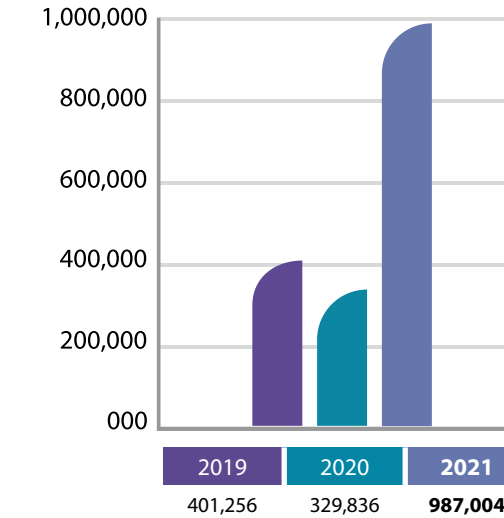
Total Liabilities
13,417,283



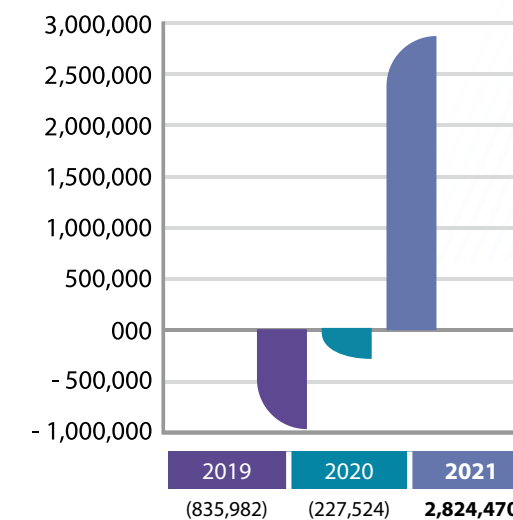
Revenues



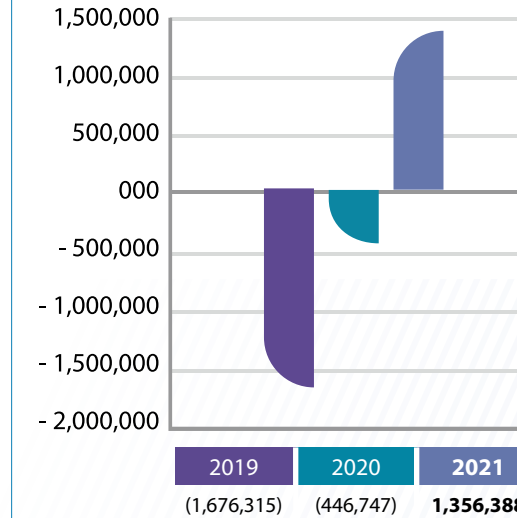
Cost of Revenue



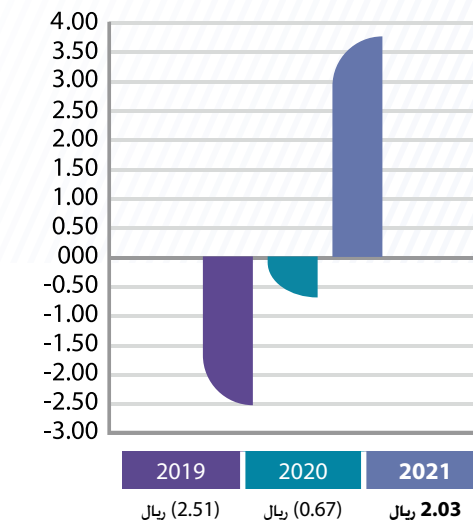
Gross Profit



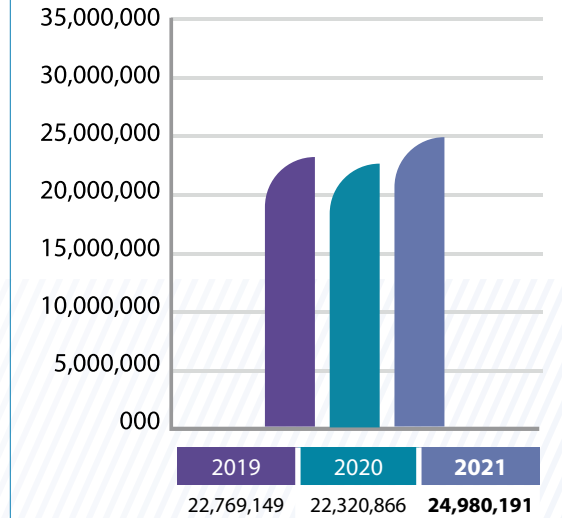
EBITDA



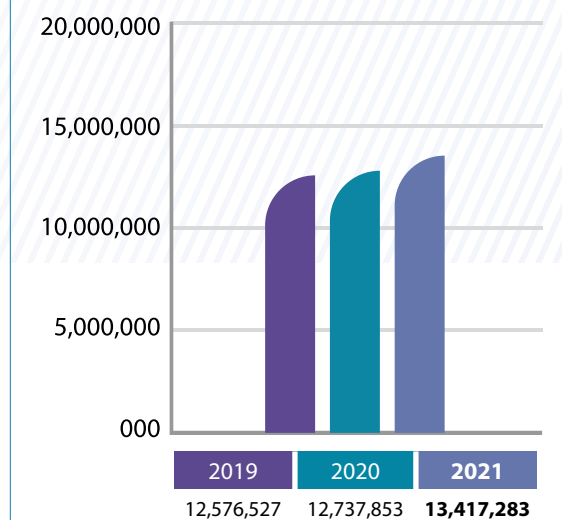
Net Profit



Earning per Share



Total Assets



Total Liabilities

1- Board of Directors, Committees, and Executive Management

The Board Members



Eng. Mubarak A. Al Khafrah
Chairman



Dr. Talal A. Al Shair
Vice Chairman



Dr. Nazeeh H. Naseef
Board Member



Eng. Talal I. Al Maiman
Board Member



Mr. Bader A. Al Dakhil
Board Member



Mutlaq Al Morished
Board Member & CEO



Mr. Saud S. Al Juhani
Board Member



Mr. Musaab S. Al Muhaideb
Board Member



Eng. Abdulrahman S. Al-Sayyari
Board Member



Mr. Abdullatif K. Al-Mulhim
Board Member

Executive Management



Mutlaq Al Morished
Board Member & CEO



Fadi Trabzuni
Executive VP - Metallurgy



Fawaz Al Fawaz
Executive VP - Finance
& Support Functions



Zekeriyya Gemici
Executive VP - Strategy and Growth

1-1 Formation of the Board of Directors, Classification of Board Members and Board Meetings

Subject to Article (13/1) of the Company's Bylaws, the Board of Directors consists of 10 members. The 20th Extraordinary General Assembly held on 25/04/2019, elected board members for the 12th session. The board's term is three years from 06/07/2019 until 05/07/2022. The Board of Directors conducted 4 meetings in 2021 as follows:

| s/n | Board Member | Membership Class | 1 st Meeting 17/03/2021 | 2 nd Meeting 29/04/2021 | 3 rd Meeting 15/09/2021 | 4 th Meeting 22/12/2021 |
|-----|--|----------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| 1 | Eng. Mubarak Ben Abdullah Al Khafrah | Non-Executive Member | √ | √ | √ | √ |
| 2 | Dr. Talal Bin Ali Al Shair | Non-Executive Member | √ | √ | √ | √ |
| 3 | Dr. Nazeeh Bin Hassan Naseef | Non-Executive Member | √ | √ | √ | √ |
| 4 | Eng. Talal Bin Ibrahim Al Maiman | Non-Executive Member | √ | √ | √ | Apologized |
| 5 | Mr. Badr Bin Ali Al Dakheel | Non-Executive Member | √ | √ | √ | √ |
| 6 | Mr. Saud Bin Suliman Al Juhani | Independent Member | √ | √ | √ | √ |
| 7 | Mr. Ibraheem Bin Ali Al Qadhi* | Non-Executive Member | Apologized | √ | Apologized | * |
| 8 | Mr. Musaab Bin Sulaiman Al Muhaideb | Independent Member | √ | √ | √ | √ |
| 9 | Eng. Abdulrahman Bin Sulaiman Al-Sayyari | Independent Member | √ | √ | √ | √ |
| 10 | Mr. Abdullatif Bin Khalifa Al-Mulhim | Independent Member | √ | √ | √ | √ |
| 11 | Mr. Mutlaq Bin Hamad Al-Morished** | Executive Member | - | - | - | √ |

* He resigned from the Board of Directors and Committees on 21/02/1443H Corresponding to 28/09/2021.

** The Board of Directors appointed him as a board member on 21/2/1443 H corresponding to 28/09/2021, and his appointment will be submitted to the General Assembly of Shareholders at its first upcoming meeting for approval.

1-2 Names of Companies, committees, and corporate bodies where the member serves or has served as a board member or director:

1- Eng. Mubarak Bin Abdullah Al Khafrah (Chairman)

Al Khafrah holds a B.Sc. in Industrial Engineering from the United States (1973) and a postgraduate diploma from Canada (1976).

| Names of current and previous companies, authorities and parties | Term | Place | Legal entity |
|--|---------|--------------|--------------------|
| Chairman, National Industrialization Company (Tasnee) | Current | Saudi Arabia | Listed |
| Chairman, Tasnee and Sahara Olefins Company | Current | Saudi Arabia | Closed joint-stock |
| Chairman, Saudi Polyolefins Company (SPC) | Current | Saudi Arabia | Limited-liability |
| Chairman, Saudi Ethylene and Polyethylene Company (SEPC) | Current | Saudi Arabia | Limited-liability |
| Chairman, Al Khafrah Holding Group | Current | Saudi Arabia | Not listed |



| Names of current and previous companies, authorities and parties | Term | Place | Legal entity |
|---|---------|--------------|-------------------|
| Chairman, Air Liquide Al Khafrah Industrial Gases | Current | Saudi Arabia | Not listed |
| Chairman, Industrial Development company (IDC) | Current | Saudi Arabia | Not listed |
| Board member, Gulf Chemicals of Industrial Oils | Current | Saudi Arabia | Not listed |
| Member and Vice-Chairman, U.S.-Saudi Arabian Business Council | Current | Saudi Arabia | Corporate body |
| Co-Chairman, Saudi German Business Dialogue (NUMOV) | Current | Saudi Arabia | Corporate body |
| Chairman, Alawwal Bank | Past | Saudi Arabia | Listed |
| Chairman, Malath Cooperative Insurance & Reinsurance Company | Past | Saudi Arabia | Listed |
| Board member, Saudi Basic Industries Corporation (SABIC) | Past | Saudi Arabia | Listed |
| Chairman, National Company for Glass Industries | Past | Saudi Arabia | Listed |
| Board member, Saudi Consulting House | Past | Saudi Arabia | Not listed |
| Board member, Gulf Organization for Industrial Consulting | Past | Saudi Arabia | Not listed |
| Board member, Saudi Arabian Industrial Investments Company | Past | Saudi Arabia | Not listed |
| Chairman, Eastern Petrochemical Company (SHARQ), SABIC Affiliate. | Past | Saudi Arabia | Not listed |
| Vice Chairman, Arabian Axles, Dammam | Past | Saudi Arabia | Limited-liability |
| Board member, Saudi Industrial Development Fund | Past | Saudi Arabia | Government entity |
| Board member, General Organization of Petroleum and Minerals (Petromin) | Past | Saudi Arabia | Government entity |
| Board member, Royal Commission for Jubail and Yanbu | Past | Saudi Arabia | Government entity |
| Board member, The Saudi Standards, Metrology and Quality Organization | Past | Saudi Arabia | Government entity |
| Board member, Technical and Vocational Training Corporation | Past | Saudi Arabia | Government entity |
| Member, Shoura Council | Past | Saudi Arabia | Government entity |
| Member and Co-Chairman, Saudi-Japanese Business Council | Past | Saudi Arabia | Legal entity |
| Member, Saudi-British Business Council | Past | Saudi Arabia | Legal entity |
| Member, Riyadh Region Council – Chairman of Economic Committee | Past | Saudi Arabia | Government entity |
| Member, Offset Program Committee | Past | Saudi Arabia | Government entity |
| Deputy Minister for Industrial Affairs at Ministry of Industry and Electricity | Past | Saudi Arabia | Government entity |
| General Secretary, Foreign Investment at Ministry of Industry and Electricity | Past | Saudi Arabia | Government entity |
| Director, Engineering and Projects Department at Ministry of Industry and Electricity | Past | Saudi Arabia | Government entity |
| Director, Industrial Protection Department at Ministry of Industry and Electricity | Past | Saudi Arabia | Government entity |
| Chairman, Foreign Investment Committee, Ministry of Industry and Electricity | Past | Saudi Arabia | Government entity |
| Chairman, Technical Committee of Exemption from Imported Industrial Commodity Fees | Past | Saudi Arabia | Government entity |



2- Dr. Talal Bin Ali Al Shair (Vice Chairman)

Dr. Al Shair holds a Bachelor's in Chemical Engineering from the University of Maine State, USA (1977); a Master's in Management from the University of Maine State in 1978; and a Ph.D. in International Business Administration from Kennedy University, Western California [Continuous Education Program] (1987).

| Names of current and previous companies, authorities and parties | Period | Location | Legal entity |
|--|---------|--------------|--------------------|
| Vice Chairman, National Industrialization Company (Tasnee) | Current | Saudi Arabia | Listed |
| Board member, Tasnee & Sahara Olefins Company | Current | Saudi Arabia | Closed joint stock |
| Chairman, Fiberglass Oasis Company | Current | Saudi Arabia | Closed joint stock |
| Chairman, National Titanium Dioxide Company (Cristal) | Current | Saudi Arabia | Limited Liability |
| Chairman, Advanced Metal Industries Cluster Co. (AMIC) | Current | Saudi Arabia | Limited Liability |
| Honorary Board Member, TRONOX Co. | Current | USA | Listed (New York) |
| Honorary Consul of Australia in West Region | Current | Saudi Arabia | Government entity |
| Board member, IAC Cooperative Insurance- Salama | Past | Saudi Arabia | Listed |
| Board member, Tajeer Company | Past | Saudi Arabia | Not listed |
| Chairman, Grand Factories Mining Co. | Past | Saudi Arabia | Not listed |
| Member, Madina Region Council | Past | Saudi Arabia | Government entity |
| Member, Saudi American Relations Committee - Jeddah Chamber of Commerce and Industry | Past | Saudi Arabia | Legal entity |
| Member, Madina Region Consultancy Group | Past | Saudi Arabia | Government entity |
| Member, National Committee for Export Promotion | Past | Saudi Arabia | Government entity |
| Member, National Industrial Committee | Past | Saudi Arabia | Government entity |
| Chairman, Yanbu Chamber of Commerce | Past | Saudi Arabia | Legal entity |

3- Dr. Nazeeh Bin Hassan Naseef (Member, Board of Directors)

Dr. Naseef holds a Bachelor's degree in Industrial Engineering from the University of Saint Luis, USA (1969); a Master's degree in Industrial Engineering from the University of Saint Luis (1970); and a Ph.D. from Washington University, Saint Luis, USA in Industrial Engineering (1976).

| Names of current and previous companies, authorities and parties | Period | Location | Legal entity |
|--|---------|--------------|-------------------|
| Board Member, National Industrialization Company (Tasnee) | Current | Saudi Arabia | Listed |
| Chairman of Arabian Medical Products Manufacturing Company (Enayah) | Current | Saudi Arabia | Limited Liability |
| Board Member, National Titanium Dioxide Co. (Cristal) | Current | Saudi Arabia | Limited liability |
| Chairman, AlRowad National Company for Plastic | Past | Saudi Arabia | Limited liability |
| Director General, National Industrialization Company (Tasnee) | Past | Saudi Arabia | Listed |
| Board Member, Saudi Pharmaceutical Industries & Medical Appliances Corporation | Past | Saudi Arabia | Listed |
| Chairman, Tabuk Electric Company | Past | Saudi Arabia | Not listed |

| Names of current and previous companies, authorities and parties | Period | Location | Legal entity |
|--|--------|--------------|--------------------|
| Board Member, Saudi Exports Company | Past | Saudi Arabia | Government entity |
| Jeddah Mayor | Past | Saudi Arabia | Government entity |
| Undersecretary, Ministry of Health for Executive Affairs | Past | Saudi Arabia | Government entity |
| Assistant Undersecretary, Ministry of Planning for Sector Affairs | Past | Saudi Arabia | Government entity |
| Director General, Engineering Affairs, Research and Industrial Development, Ministry of Industry | Past | Saudi Arabia | Government entity |
| Part-time Consultant, Saudi Fund for Development | Past | Saudi Arabia | Government entity |
| Part-time Consultant, Ministry of Planning | Past | Saudi Arabia | Government entity |
| Chairman, Saudi Exports Council | Past | Saudi Arabia | Government entity |
| Member, Council of Makkah Region Governorate | Past | Saudi Arabia | Government entity |
| Member, National Committee for Export Funding | Past | Saudi Arabia | Government entity |
| Board member, Charitable Society for Orphans Care, Makkah | Past | Saudi Arabia | Charitable society |
| Member, National Higher Committee for Environment | Past | Saudi Arabia | Government entity |



4- Eng. Talal Bin Ibrahim Al Maiman (Member, Board of Directors)

Eng. Al Maiman has a Bachelor's Degree in Industrial Engineering from the University of Evansville, Indiana (1979); a Diploma in Computer Science from Herndon, Virginia (1981); and a Master's in Business Administration from the University of Liverpool, UK (2009). He also took a program in executive management under the name (Harvard Management Program) from Harvard University in 1986.

| Names of current and previous companies, authorities and parties | Period | Location | Legal entity |
|--|---------|--------------|--------------------|
| Board Member & ExCom Member, National Industrialization Company (Tasnee) | Current | Saudi Arabia | Listed |
| CEO and Board Member, Kingdom Holding Company | Current | Saudi Arabia | Listed |
| Vice Chairman, Board Member & ExCom Member, Al-Saudi Al-Fransi Bank | Current | Saudi Arabia | Listed |
| Board Member & ExCom Member, Flynas Company | Current | Saudi Arabia | Not Listed |
| Chairman, Real Estate Investment Company Ltd. | Current | Saudi Arabia | Limited liability |
| Chairman, Kingdom Schools Company Ltd. | Current | Saudi Arabia | Limited liability |
| Chairman, Commercial Center Co. Ltd. | Current | Saudi Arabia | Limited liability |
| Chairman, Kingdom Investment Development Company Ltd. | Current | Saudi Arabia | Closed Joint Stock |
| Board Member, Jeddah Economic Company | Current | Saudi Arabia | Limited Liability |
| Chairman, Five Capital | Current | Dubai, UAE | Limited Liability |
| Chairman, Saudi Fransi Capital | Current | Saudi Arabia | Listed |
| Chairman, Care Shield Holding Company | Past | Saudi Arabia | Closed Joint Stock |
| Board Member, Savola Group | Past | Saudi Arabia | Listed |
| Board Member, Saudi Research and Marketing Group | Past | Saudi Arabia | Listed |



5- Mr. Badr Bin Ali Al Dakhil (Member, Board of Directors)

Mr. Al Dakhil has a Bachelor's in Computer Science from Colorado State University, USA (2002) and a Master's in Computer Science from King Saud University in 2006. He has 16 years of experience in IT, management and strategic planning at the General Organization for Social Insurance.

| Names of current and previous companies, authorities and parties | Period | Location | Legal entity |
|---|---------|--------------|-------------------|
| Director General of the Development and Digital Excellence, the General Organization for Social Insurance | Current | Saudi Arabia | Government entity |
| Board Member, National Industrialization Company (Tasnee) | Current | Saudi Arabia | Listed |
| Board Member, Masdar Data Solutions Company | Current | Saudi Arabia | Limited Liability |
| Board Member, Mudad Business Information Technology Company | Current | Saudi Arabia | Limited Liability |



6- Mr. Saud Bin Suliman Al Juhani (Member, Board of Directors)

Mr. Al Juhani holds a Bachelor's in Management Information Systems from King Fahad University for Petroleum and Minerals, Kingdom of Saudi Arabia (2001); a diploma in Actuarial Science from Mohanna Establishment in Lebanon (2003); a higher diploma in Actuarial Science from Kent University in UK (2007); and a Master's in Actuarial Science from Kent University (2008).

| Names of current and previous companies, authorities and parties | Period | Location | Legal entity |
|--|---------|--------------|--------------------|
| Governor Assistant for Insurance Affairs, General Organization for Social Insurance (GOSI) | Current | Saudi Arabia | Government entity |
| Board Member, National Industrialization Company (Tasnee) | Current | Saudi Arabia | Listed |
| Chairman, Tabuk Cement Company | Current | Saudi Arabia | Listed |
| Board Member, The Saudi National Bank (SNB) | Current | Saudi Arabia | Listed |
| Board Member, Saudi Industries Development Company | Past | Saudi Arabia | Closed joint stock |
| Governor Assistant for Insurance Affairs, Public Pension Agency (PPA) | Past | Saudi Arabia | Government entity |
| Director General of Planning, Development and Studies, General Retirement Authority | Past | Saudi Arabia | Government entity |
| Deputy Manager of Planning, Development and Studies, General Retirement Authority | Past | Saudi Arabia | Government entity |



7- Mr. Ibrahim Bin Ali Al Qadhi (Member, Board of Directors)*

Mr. Al Qadhi holds a Bachelor's in Business Management (Financing) from Kuwait University (1983).

| Names of current and previous companies, authorities and parties | Period | Location | Legal entity |
|--|---------|----------------|--------------|
| CEO, Gulf Investment Corporation (GIC) | Current | Out of Kingdom | GCC Company |
| Board Member, National Industrialization Company (Tasnee) | Current | Saudi Arabia | Listed |
| Board Member, Emirates Rawabi Company | Current | Out of Kingdom | Not listed |
| Board Member, Shuaa Energy 3 PSC | Current | Out of Kingdom | Not listed |
| Senior Officer, Private Investments, National Commercial Bank | Past | Saudi Arabia | Listed |
| Senior Manager (Local and Foreign Shares), Kuwait Investment Company | Past | Out of Kingdom | Listed |
| Chairman, Boubyan Bank - Kuwait | Past | Out of Kingdom | Listed |



8- Mr. Musaab Bin Sulaiman Al Muhaidib (Member, Board of Directors)

Mr. Al Muhaidib holds a Bachelor's in Business Administration (Finance major) in 1999 from the University of Miami, Florida, USA, and a Master's in Business Administration in 2008 from the University of Liverpool, Britain.

| Names of current and previous companies, authorities and parties | Period | Location | Legal entity |
|--|---------|----------------|-------------------|
| CEO of Al Muhaidib Entertainment Ventures | Current | Saudi Arabia | Not listed |
| Board Member, National Industrialization Company (Tasnee) | Current | Saudi Arabia | Listed |
| Vice Chairman, Middle East Paper Co. (Mepco TASI) | Current | Saudi Arabia | Listed |
| Vice Chairman, Al Hasan Ghazi Ibrahim Shaker - LG | Current | Saudi Arabia | Listed |
| Vice Chairman, Al Hoshan Company | Current | Saudi Arabia | Not listed |
| Vice Chairman, Saudi Crafts and Handicrafts Company | Current | Saudi Arabia | Not listed |
| Chairman, SEEDRA Ventures | Current | Saudi Arabia | Not listed |
| Chairman, EBDA Entertainment Company | Current | Saudi Arabia | Not listed |
| Chairman, Masdar Construction Materials Company | Current | Saudi Arabia | Not listed |
| Chairman, Gold Man Sachs Company | Current | Saudi Arabia | Not listed |
| Chairman, Saudi Endeavor | Current | Saudi Arabia | Not listed |
| Board Member, Al Muhaidib Group | Current | Saudi Arabia | Not listed |
| Board Member, Riyadh Chamber of Commerce and Industry | Current | Saudi Arabia | Government entity |
| Member, Daily Mealz Consulting Council | Current | Saudi Arabia | Not listed |
| Board Member, Gulf Family Business Council | Current | Saudi Arabia | Government entity |
| Board Member, (Counselor) Sabbar Company | Current | Saudi Arabia | Government entity |
| Board Member, Jones Lang LaSalle Company | Current | Out of Kingdom | Limited Liability |
| Board Member, Saudi Shooting Federation | Past | Saudi Arabia | Government entity |
| Chapter Chair, Young Presidential Organization (UPO Saudi) | Past | Saudi Arabia | Legal entity |
| Board Member, Dur Hospitality Company | Past | Saudi Arabia | Listed |

* He resigned from the Board of Directors and Committees on 21/02/1443H Corresponding to 28/09/2021.

| Names of current and previous companies, authorities and parties | Period | Location | Legal entity |
|--|--------|----------------|-------------------|
| CEO, Masdar Technical Supplies Company | Past | Saudi Arabia | Not listed |
| General Manager, Masdar Construction Materials Company | Past | Saudi Arabia | Not listed |
| Board Member, Alrayyan Company | Past | Saudi Arabia | Not listed |
| Board Member, Al Badya Cement Company | Past | Saudi Arabia | Not listed |
| Board Member, Al-Latifia Trading and Contracting Company | Past | Saudi Arabia | Not listed |
| Board Member, Thabat Contracting Company | Past | Saudi Arabia | Not listed |
| Board Member, Al Muhaidib Foundation | Past | Saudi Arabia | Not listed |
| Board Member, Giant Stores Company | Past | Saudi Arabia | Limited liability |
| Board Member, Asala Real Estate Development Company | Past | Saudi Arabia | Not listed |
| Board Member, El-Ebda'a Investment & Real Estate Company | Past | Saudi Arabia | Not listed |
| Chapter Chair, INSEAD Business School, Saudi | Past | Saudi Arabia | Legal entity |
| Financial and Economic Analyst, Gefinor Bank, USA | Past | Out of Kingdom | Not listed |

9- Eng. Abdulrahman Bin Sulaiman Al Sayyari (Member, Board of Directors)

Mr. Al Sayyari holds a Bachelor's in Electrical Engineering from King Saud University in 1985.

| Names of current and previous companies, authorities and parties | Period | Location | Legal entity |
|---|---------|--------------|-------------------|
| Board Member, National Industrialization Company (Tasnee) | Current | Saudi Arabia | Listed |
| Board Member, Umm Al Qura Cement Company | Current | Saudi Arabia | Listed |
| Advisor to the Ministry of Industry & Mineral Resources | Past | Saudi Arabia | Government entity |
| Assistant of the General Manager in Saudi Industrial Development Fund | Past | Saudi Arabia | Government entity |
| Deputy Manager of Credit Department in Saudi Industrial Development Fund. | Past | Saudi Arabia | Government entity |
| Board Member of Marafiq Company | Past | Saudi Arabia | Not Listed |

10- Eng. Abdullatif Bin Khalifa Al Mulhem (Member, Board of Directors)

Eng. Al Mulhem holds a Bachelor's in Civil Engineering (infrastructure specialization) from Concordia University, Montreal in 2013, then he completed Mini MBA program from Queen's University, Canada in 2016 .

| Names of current and previous companies, authorities and parties | Period | Location | Legal entity |
|--|---------|--------------|-------------------|
| Chief Operating Officer, Khalifa Al Mulhem Holding Company | Current | Saudi Arabia | Limited liability |
| Board Member and Nomination & Remuneration Committee Member, National Industrialization Company (Tasnee) | Current | Saudi Arabia | Listed |
| Board Member and Nomination & Remuneration Member and Risk Committee Member, Aljazeera Bank | Current | Saudi Arabia | Listed |



11- Mr. Mutlaq Bin Hamad Al-Morished (Board Member & Chief Executive)*

Mr. Mutlaq Al Morished holds a Master's in Business Management from Stanford University; a Master's in Nuclear Engineering from Princeton University; and a Bachelor's in Nuclear Physics and Mathematics from Denver University.

| Names of current and previous companies, authorities and parties | Period | Location | Legal entity |
|--|---------|----------------|-----------------------|
| Board Member & Chief Executive Officer, National Industrialization Company (Tasnee) | Current | Saudi Arabia | Listed |
| Chairman, National Metal Manufacturing & Casting Company | Current | Saudi Arabia | Listed |
| Board member, Inma Bank | Current | Saudi Arabia | Listed |
| Board member, A.M. Bin Saedan Real Estate Co. | Current | Saudi Arabia | Listed |
| Board member, Bahrain Aluminum Company (ALBA) | Current | Out of Kingdom | Not listed |
| Board member, Saudi Polyolefins Company (SPC) | Current | Saudi Arabia | Limited-liability |
| Board member, Saudi Ethylene and Polyethylene Company (SEPC) | Current | Saudi Arabia | Limited-liability |
| Board member, National Titanium Dioxide Company (Cristal) | Current | Saudi Arabia | Limited Liability |
| Board member, Advanced Metal Industries Cluster Co. (AMIC) | Current | Saudi Arabia | Limited Liability |
| Board member, City Group (Saudi Arabia) | Current | Saudi Arabia | Not listed |
| Member, Gulf Union for Petrochemicals and Chemical Manufacturers (GPCA) | Current | Out of Kingdom | Regional organization |
| Board member, Alinma Tokyo Marine | Past | Saudi Arabia | Listed |
| Board member, Saudi Airlines General Corporation | Past | Saudi Arabia | Limited liability |
| Chairman, Saudi Kayan | Past | Saudi Arabia | Listed |
| Chairman, Yanbu National Petrochemical Company (Yansab) | Past | Saudi Arabia | Listed |
| CFO, Saudi Basic Industries Corporation (SABIC) | Past | Saudi Arabia | Listed |
| President, Metal Works SBU, Saudi Basic Industries Corporation (SABIC) | Past | Saudi Arabia | Listed |
| EVP, Shared Services, Saudi Basic Industries Corporation (SABIC) | Past | Saudi Arabia | Listed |
| President, Hadeed Company | Past | Saudi Arabia | Listed |
| Chairman, Alinma Investment Company | Past | Saudi Arabia | Not listed |
| Board member ,Gulf Bank of Bahrain | Past | Out of Kingdom | Not listed |
| Chairman, SABIC Captive Insurance Company, UK | Past | Out of Kingdom | Not listed |
| President, Saudi Petrochemical Company (SADAF) | Past | Saudi Arabia | Listed |
| Chairman, SABIC Capital (Netherlands) | Past | Out of Kingdom | Limited liability |
| Member, Consultant, Council of Economic Affairs of the Supreme Economic Council - Saudi Arabia | Past | Saudi Arabia | Government entity |

* The Board of Directors appointed him as a board member on 21/2/1443 H corresponding to 28/09/2021, and his appointment will be submitted to the General Assembly of Shareholders at its first upcoming meeting for approval.

1-3 Executive Management

1- Mr. Mutlaq Bin Hamad Al-Morished (Board Member & Chief Executive)

He was presented previously in full in clause (1-2)

2- Mr. Fawaz Bin Mohammed Al Fawaz (EVP Finance & Support Functions)

Mr. Al Fawaz holds a Bachelor's in Accounting from King Saud University and has attended several specialized courses in international centers. These include courses in Advanced Management, Financial Strategic Leadership of Companies and Shared Services, Management of Credit and Risks, Management of International Treasury, Financial Control, and Companies Governance.

| Names of current and previous companies, authorities and parties | Period | Location | Legal entity |
|---|---------|----------------|-------------------|
| CFO, National Industrialization Company (Tasnee) | Current | Saudi Arabia | Listed |
| Board Member and Head of Audit Committee, Tasnee & Sahara Olefins Company | Current | Saudi Arabia | Not listed |
| Board Member and Head of Audit Committee, Industrialization and Energy Services (TAQA) | Current | Saudi Arabia | Not listed |
| Chairman, Saudi Acrylic Acid Company | Current | Saudi Arabia | Limited-liability |
| Board Member and Head of Audit Committee, Saudi Chemical Holding Company | Current | Saudi Arabia | Listed |
| Chairman, Saudi Logistics Company (SAL) | Current | Saudi Arabia | Not listed |
| Board member, Saudi Polyolefins Company (SPC) | Current | Saudi Arabia | Limited-liability |
| Board member, National Titanium Dioxide Company (Cristal) | Current | Saudi Arabia | Limited Liability |
| Board member, Advanced Metal Industries Cluster Co. (AMIC) | Current | Saudi Arabia | Limited Liability |
| Board Member and Head of Audit Committee, Rua Al Madinah Holding Company | Past | Saudi Arabia | Not listed |
| Chairman, Saudia Air Cargo Company | Past | Saudi Arabia | Not listed |
| Board Member and Head of Audit Committee, Malath Insurance Company | Past | Saudi Arabia | Listed |
| Board Member of Audit Committee, Bahrain Aluminum Company (ALBA) | Past | Out of Kingdom | Listed |
| Vice Chairman and Head of Audit Committee, Yanbu National Petrochemical Company (YANSAB) | Past | Saudi Arabia | Listed |
| Vice President - Finance, SABIC | Past | Saudi Arabia | Listed |
| General Manager - Finance, SABIC | Past | Saudi Arabia | Listed |
| General Manager of Accounting Services, SABIC | Past | Saudi Arabia | Listed |
| Assistant of Vice President - Finance in Sabic Marketing Company (Affiliate of Sabic) | Past | Saudi Arabia | Limited-liability |
| Board Member, SABIC Center for Research and Development in India | Past | Out of Kingdom | Limited-liability |
| Board Member, SABIC Capital (Netherlands) | Past | Out of Kingdom | Limited-liability |
| Member, Education and Training Committee, Saudi Organization for Certified Public Accountants | Past | Saudi Arabia | Government entity |
| Member, Consultancy Committee, Capital Market Authority | Past | Saudi Arabia | Government entity |



3- Dr. Fadi Bin Mohammed Saeed Trabzuni (EVP, Metallurgy)

Dr. Trabzuni holds both a Master's and a Bachelor's in Chemical Engineering from King Saud University. He has a Ph.D in Engineering of Designs from Bradford University, Britain (2007) and a Master's in Executive Business Administration from the International Institute for Development of Directors, Lausanne, Switzerland (2016).

| Names of current and previous companies, authorities and parties | Period | Location | Legal entity |
|--|---------|--------------|-------------------|
| Executive Vice President, Metallurgy SBU, National Industrialization Company (Tasnee) | Current | Saudi Arabia | Listed |
| Managing Director, Advanced Metal Industries Co. (AMIC) | Current | Saudi Arabia | Limited-liability |
| Chairman & CEO, AMIC Company -Toho Titanium - Limited | Current | Saudi Arabia | Limited-liability |
| General Manager, Gulf Titanium Limited Company | Current | Saudi Arabia | Limited-liability |
| Executive Vice President, Titanium Sector, Tasnee | Past | Saudi Arabia | Listed |
| Vice President, Strategies and Business Development, National Titanium Dioxide Company (Cristal) | Past | Saudi Arabia | Limited-liability |
| Vice President, Operations and Technology, National Titanium Dioxide Company (Cristal) | Past | Saudi Arabia | Limited-liability |
| Vice President, Research & Development, National Titanium Dioxide Company (Cristal) | Past | Saudi Arabia | Limited-liability |
| Director, Development of Industrialization Processes at SABIC | Past | Saudi Arabia | Listed |
| Projects Engineer, Tasnee | Past | Saudi Arabia | Listed |



4- Dr. Zekeriyya Gemici (EVP, Strategy & Growth)

Dr. Gemici holds a Bachelor's in Chemistry and Biological Sciences, with a focus on Genetics and Development, from Cornell University, USA (2005). He completed a PhD in Chemical Engineering Practice at the Massachusetts Institute of Technology, USA (2010) and an MBA at the MIT Sloan School of Management, USA (2010).

| Names of current and previous companies, authorities and parties | Period | Location | Legal entity |
|--|---------|----------------|--------------------|
| Executive Vice President, Strategy & Growth, National Industrialization Company (Tasnee) | Current | Saudi Arabia | Listed |
| Chairman of the Board, Saudi Acrylic Monomer Company (SAMCO) | Current | Saudi Arabia | Limited Liability |
| Chairman of the Board, Saudi Acrylic Polymer Company (SAPCO) | Current | Saudi Arabia | Limited Liability |
| Chairman of the Board, National Inspection and Testing Company (FAHSS) | Current | Saudi Arabia | Limited Liability |
| Chairman of the Board, TUV Middle East (TUV ME) | Current | Saudi Arabia | Limited Liability |
| Board Member, Saudi Acrylic Acid Company (SAAC) | Current | Saudi Arabia | Limited Liability |
| Board member, Saudi Polyolefins Company (SPC) | Current | Saudi Arabia | Limited Liability |
| Board member, Saudi Ethylene and Polyethylene Company (SEPC) | Current | Saudi Arabia | Limited Liability |
| Board Member, Advanced Metal Industries Complex Company (AMIC) | Current | Saudi Arabia | Limited Liability |
| Board Member, AMIC Toho Titanium Company (ATTM) | Current | Saudi Arabia | Limited Liability |
| Executive Vice President (Acting), SBU Downstream, National Industrialization Company (Tasnee) | Past | Saudi Arabia | Listed |
| CEO and Founder, RADITEK | Past | Out of Kingdom | Closed Joint Stock |
| Associate Partner, McKinsey & Company | Past | Out of Kingdom | Limited Liability |
| Senior Associate, Booz & Company | Past | Out of Kingdom | Limited Liability |
| Technical Consultant, Heptagon OY | Past | Out of Kingdom | Limited Liability |



5- Dr. Kais As-Sultany (EVP, Technology and Innovation)*

Dr. As-Sultany holds a Bachelor degree in Chemical Engineering from Baghdad University (1978), and Master and PhD degree in Engineering of Polymers and Advanced Materials from Cranfield University, in 1987 and 1993 respectively.

| Names of current and previous companies, authorities and parties | Period | Location | Legal entity |
|--|---------|----------------|-------------------|
| Executive Vice President, Technology and Innovation, National Industrialization Company (Tasnee) | Current | Saudi Arabia | Listed |
| Board member, Saudi Polyolefins Company | Current | Saudi Arabia | Limited Liability |
| Managing Director, Plastic Applications Development Center of Jubail (NIPRAS), Tasnee | Past | Saudi Arabia | Listed |
| Director, Production Technology, Raychem Company | Past | Out of Kingdom | Listed |
| Director, Production Technology, Tyco International Company | Past | Out of Kingdom | Listed |
| Industrial Advisor, Government of Abu Dhabi, UAE | Past | Out of Kingdom | Government entity |
| Director, Research & Development, Moldflo Company | Past | Out of Kingdom | Not listed |

* He resigned on 25/02/2021.

1-4 Brief Description of Board Committees' Functions and Tasks

Board of Director's committees:

The organizing charters of the Executive Committee, Audit Committee and the Nomination and Remuneration Committee include descriptions for the terms of reference of each of these committees, and the provisions of their formation, terms of membership, tasks and responsibilities, powers and authorizations, procedures and methods of their work and meetings, and the obligations and rewards of the members. The formation of these committees is as follows:

Executive Committee:

The Executive Committee is responsible for examining the Company's strategic plan and recommending it to the Board of Directors for approval it, examining the financial and operating performance, adopting policies, procedures, debt instruments and loans of the company and subsidiary companies in accordance with its specific powers granted by the Board and approve the appointment of the Company's representatives on the boards of directors of the subsidiaries. The Committee may seek the assistance of external professional advisers if necessary.

Formation of the Executive Committee and its Functions and Tasks during 2021:

The Executive Committee conducted 3 meetings during 2021 as follows:

| Member's name | Type of membership | Meetings | | |
|--------------------------------------|--------------------|------------------------------------|------------------------------------|------------------------------------|
| | | 1 st meeting 09/03/2021 | 2 nd meeting 09/09/2021 | 3 rd meeting 14/12/2021 |
| Eng. Mubarak Bin Abdullah Al Khafrah | Chairman | √ | √ | √ |
| Dr. Talal Bin Ali Al Shair | Member | √ | √ | √ |
| Dr. Nazeeh Bin Hassan Naseef | Member | √ | √ | √ |
| Eng. Talal Bin Ibrahim Al Maiman | Member | √ | √ | √ |
| Eng. Abdulrahman S. Al Sayyari | Member | √ | √ | √ |

Names of the members of executive committee, their current and previous positions, qualifications and experiences:

Presented previously in clause (1-2).

Nominations and Remuneration committee:

In accordance with its approved policy, the nominations and remuneration committee is formed by a resolution from the Board of Directors and consists of minimum (3) and maximum (5) of the independent members of the Board of Directors. The Committee is concerned with suggesting policies and criteria of membership in the Board of Directors and Executive Management, recommending the Board of Directors to nominate members and re-nominate them in accordance with approved policies, identify weaknesses and strengths in the Board, review the structure of the Board and Executive Management and make recommendations on changes that may be made in accordance with the needs and expertise required for Board membership and Executive Management. The Committee is also concerned with ensuring the independence of the independent members of the Board of Directors and that there is no conflict of interest with any member. The Committee shall also review the remuneration policy for the members of the Board of Directors, its committees and executive management, and submit them to the Board, as well as recommending to the Board the remuneration of members of the Board of Directors, the executive committees and senior executives of the Company.

Formation of the Nominations and Remuneration Committee and its Functions and Tasks during 2021:

The Nominations and Remuneration Committee conducted 2 meetings during 2021 as follows:

| Member's name | Type of membership | Meetings | |
|--------------------------------------|--------------------|---------------------------------------|---------------------------------------|
| | | 1 st meeting on 09/03/2021 | 2 nd meeting on 22/12/2021 |
| Mr. Saud Bin Suliman Al Juhani | Chairman | √ | √ |
| Dr. Nazeeh Bin Hassan Naseef | Member | √ | √ |
| Mr. Ibrahim Bin Ali Al Qadhi* | Member | Apologized | * |
| Mr. Abdullatif Bin Khalifa Al Mulhim | Member | √ | √ |

* He resigned from the Board of Directors and Committees on 21/02/1443H Corresponding to 28/09/2021.

Names of the members of the Nominations and Remuneration Committee and their current and previous positions, qualifications and experiences:

These were presented previously in clause (1-2).

Audit committee:

The Audit Committee carries out its duties according to the charters approved by the General Assembly, the most important of which are reviewing the Company's consolidated interim quarterly financial statements and approving them after discussion with management and the external auditor, reviewing annual audited financial statements and recommending them to the Board of Directors to approve and submit to the General Assembly for approval after ensuring their fairness, clarity and compliance with the followed accounting policies, studying any important or emerging issues included in it and verify the accounting estimates in the material matters mentioned therein, in addition to studying the adopted accounting policies and give opinion and recommendation to the Board of Directors thereon. The committee studies and reviews internal audit reports, monitor corrective actions, supervises performance and activities, ensures effectiveness in the performance of tasks and duties, and prepares reports on the opinion of the committee on the adequacy of the internal control system in the Company and the actions it has undertaken within its scope as defined in the approved charter. The committee also recommends to the Board of Directors the external auditors' nomination, dismissal, and fees. The committee verifies independence,

objectivity, and fairness and reviews the scope, performance, audit plan, and work, including the audit report and notes on the financial statements of the external auditors.

Formation of the Audit Committee and its Functions and Tasks during 2021:

The Audit Committee conducted 6 meetings during 2021 to implement its tasks in accordance with the approved regulations by the General Assembly, as follows:

| Member's name | Type of membership | Meetings | | | | | |
|-------------------------------------|--------------------|--|--|--|--|--|--|
| | | 1 st Meeting on 10/01/2021 | 2 nd Meeting on 29/03/2021 | 3 rd Meeting on 28/04/2021 | 4 th Meeting on 05/08/2021 | 5 th Meeting on 27/10/2021 | 6 th Meeting on 13/12/2021 |
| Mr. Sami Bin Abdulaziz Al Shenaiber | Committee chairman | √ | √ | √ | √ | √ | Apologized |
| Mr. Badr Bin Ali Al Dakhil | Member | √ | √ | √ | √ | √ | √ |
| Mr. Musaab Bin Sulaiman Al Muhaidib | Member | √ | √ | √ | √ | √ | √ |

Names of the members of the Audit Committee, their current and previous positions, qualifications and experiences:

They were presented previously in full in clause (1-2), except for Mr. Sami Bin Abdulaziz Alshenaiber, whose information follows:

1- Mr. Sami Bin Abdulaziz Alshenaiber (Committee Chairman from out of the board and concerned with financial and accounting affairs)

Mr. Alshenaiber holds a Bachelor's in Management Science (specializing in Accounting) from King Saud University (1987) and a Master's in Business Administration (MBA) specializing in accounting and Finance Administration, Sheffield University (1992).

| Names of current and previous companies, authorities and parties | Period | Location | Legal entity |
|--|---------|--------------|-------------------|
| Chief Financial Officer (CFO), Riyadh Airports Company (RAC) | Current | Saudi Arabia | Limited liability |
| Board Member and Audit Committee Member, United Company for Investment and Real Estate Development (Almuttahed). | Current | Saudi Arabia | Not Listed |
| Board member, National Industrialization Company (Tasnee) | Past | Saudi Arabia | Listed |
| Deputy Director General for Shared Services, Human Resources Development Fund (Hadaf) | Past | Saudi Arabia | Government entity |
| Director of financial and administrative affairs, Saudi Company for Hotels and Tourist Areas (Dur) | Past | Saudi Arabia | Listed |
| Director of financial affairs, Saudi Ceramic Company | Past | Saudi Arabia | Listed |
| Finance manager and supervisor of Procurement and Human Resources, Company of Dr. Mohammed Bin Rashid Alfaqeesh and Partners | Past | Saudi Arabia | Not Listed |
| Vice president for Finance Affairs, United Company for Investment and Real Estate Development (Almuttahed). | Past | Saudi Arabia | Not listed |
| Accountant, General Corporation for Desalination of Salt Water | Past | Saudi Arabia | Government entity |

1-5 Procedures taken by the board of directors to inform its members, especially the non-executives, about shareholders' suggestions and remarks on the company and its performance:

The Board of Directors is interested in shareholders' important suggestions, opinions, and remarks which come through direct contacts with the investors' relations, through the following communication channels:

- Sending their inquiries by visiting the "Contact Us" page on the company's official website (www.Tasnee.com).
- Sending an email via (ir@tasnee.com).
- Calling the phone number (00966 112222205) extension (2).

1-6 Explanation of any arrangements or assignment agreement whereby a member of company board or one of the senior executives assigns any remuneration:

There are no arrangements or assignment agreement whereby a member of company board or one of the senior executives assigns any remuneration during 2021.

1-7 Means that the board used as basis to evaluate its performance and the performance of its committees, and the external party who executed the evaluation and its relation with the company, if any:

This article is non-compulsory and the board performance is being evaluated through an annual survey responded by the board members.



1-8 Interests of the Board of Directors Members, the parties they represent, and senior executives in Company shares:

First: Board Members

| | Board Members | Representative of | Number of Shares which represent his interest | | | | | |
|----|--|---|---|--------------------|-------------------------|-------------------|--------------------|-------------------------|
| | | | Start of 01/01/2021 | | | End of 31/12/2021 | | |
| | | | For Board Member | For his dependents | For Party he represents | For Board Member | For his dependents | For Party he represents |
| 1 | Mr. Mubarak Bin Abdullah Al Khafrah | Personal Capacity | 2,290 | - | - | 2,290 | - | - |
| 2 | Dr. Talal Bin Ali Al Shair | Shairco for Trading, Industry & Contracting | 1,452 | - | 11,769,107 | 1,452 | - | 4,840,154 |
| 3 | Dr. Nazih Bin Hassan Naseef | SPIMACO | - | - | 9,429,128 | - | - | - |
| 4 | Eng. Talal Bin Ibrahim AlMaiman | Kingdom Holding Company | 21,661 | - | 41,674,394 | 21,661 | - | 41,674,394 |
| 5 | Mr. Badr Bin Ali Al Dakhil | General Organization of Social Insurance | 1,800 | - | 33,129,819 | 1,800 | - | 61,295,742 |
| 6 | Mr. Ibrahim Bin Ali Al Qadhi* | Gulf Investment Corp. | - | - | 500,000 | - | - | - |
| 7 | Mr. Saud Bin Suliman Al Juhani | Public Pension Agency | - | - | 28,165,923 | - | - | - |
| 8 | Mr. Musaab Bin Sulaiman Al Muhaideb | Personal Capacity | - | - | - | - | - | - |
| 9 | Eng. Abdulrahman Bin Sulaiman Al-Sayyari | Personal Capacity | 105,011 | 4,250 | - | 260,000 | 6,320 | - |
| 10 | Mr. Abdullatif Bin Khalifa Al-Mulhim | Personal Capacity | 1,376,914 | - | - | 1,376,914 | - | - |
| 11 | Mr. Mutlaq Bin Hamad Al-Morished** | Personal Capacity | - | 1,950 | - | - | 1,950 | - |

* He resigned from the Board of Directors and Committees on 21/02/1443H Corresponding to 28/09/2021.

** The Board of Directors appointed him as a board member on 21/2/1443 H corresponding to 28/09/2021, and his appointment will be submitted to the General Assembly of Shareholders at its first upcoming meeting for approval.

Second: Senior Executives

| | Senior Executives | Representative of | Number of Shares which represent his interest | | | |
|---|-------------------------------------|---|---|--------------------|----------------------|--------------------|
| | | | Start of 01/01/2021 | | End of 31/12/2021 | |
| | | | For Senior Executive | for his dependents | For Senior Executive | for his dependents |
| 1 | Eng. Mutlag Bin Hamad Al Morished | CEO | - | 1,950 | - | 1,950 |
| 2 | Mr. Fawaz Bin Mohamed Al Fawaz | Executive Vice President, Finance & Support Functions | 5000 | - | 5000 | - |
| 3 | Dr. Fadi Bin Mohamed Tarabzoni | Executive Vice President, Metallurgy Sector | - | - | - | - |
| 4 | Dr. Zekeriyya Gemici | Executive Vice President, Strategy & Growth | - | - | - | - |
| 4 | Dr. Kais Bin Abdulwahid As Sultany* | Executive Vice President, Technology and Innovation | - | - | - | - |

* He resigned on 25/02/2021.

There is no interest in contractual securities or debt instruments for any of Company board members, senior executives or their relatives.

1-9 Board Members Awards and Compensations:

The policy of awards and compensation of the board and the board committees as well as the executive management is aligned with the company Bylaws and the policy of awards of board members and committees emanating from it, and company executive management approved by the 22nd ordinary general assembly meeting on 31/12/2017, complying with the terms and conditions of the Companies Governance Regulations issued by the Council of Capital Market Authority. The policy explains the standards on which the awards of board members and emanating committees and executive management are based, and underscore the importance of conformity with the company's strategy and goals. Awards are given in order to encourage board and executive management members to lead the company to success. Accordingly, the awards are based on long-term performance, tasks, responsibilities, qualifications, practical experiences, skills and level of performance. They include session attendance allowances, lump sum amounts or part of net company profit with the possibility of combining these benefits in accordance with the companies' system, governance regulations and Company Bylaws.

| Members | Constant Awards | | | | | | | Variable Awards | | | | | | | End of service award | Grand total | Expenses allowance | |
|---|------------------|------------------------------|------------------------------------|-------------------|---|--|-----------|-------------------------|----------------------------|--|--------------------------|----------------------------|---------------------------|----------------------------------|----------------------|-------------|--------------------|-------|
| | Certain Amount** | Session attendance allowance | Total session attendance allowance | Tangible benefits | Statement of what received amounts received by members as workers, administrators or what they received against technical or administrative or consultant works | The remuneration of the Chairman, Managing director or the secretary if he is a member | Total | A percentage of profits | Periodical Remuneration ** | Committee title | Committee members awards | Short term incentive plans | Long term incentive plans | Granted shares (enter the value) | | | | Total |
| Non-executive members | | | | | | | | | | | | | | | | | | |
| Eng. Mubarak Bin Abdullah Al Khafrah | 221,481 | 12,000 | 9,000 | *157,519 | - | - | 400,000 | - | - | Executive | 100,000 | - | - | - | 100,000 | - | 500,000 | - |
| Dr. Talal Bin Ali Al Shair | 350,000 | 12,000 | 9,000 | - | 1,500,000 | - | 1,871,000 | - | - | Executive | 100,000 | - | - | - | 100,000 | - | 1,971,000 | - |
| Dr. Nazih Bin Hassan Naseef | 273,000 | 12,000 | 15,000 | - | - | - | 300,000 | - | - | Executive/Remuneration and nominations | 200,000 | - | - | - | 200,000 | - | 500,000 | - |
| Eng. Talal Bin Ibrahim Al Maiman | 350,000 | 12,000 | 9,000 | - | - | - | 371,000 | - | - | Executive | 100,000 | - | - | - | 100,000 | - | 471,000 | - |
| Mr. Badr Bin Ali Al Dakhil | 350,000 | 12,000 | 18,000 | - | - | - | 380,000 | - | - | Audit | 100,000 | - | - | - | 100,000 | - | 480,000 | - |
| Mr. Ibrahim Bin Ali Al Qadhi | 262,500 | 3,000 | - | - | - | - | 265,500 | - | - | Remuneration and nominations | 100,000 | - | - | - | 100,000 | - | 365,500 | - |
| Independent members | | | | | | | | | | | | | | | | | | |
| Mr. Saud Bin Suliman Al Juhani | 350,000 | 12,000 | 6,000 | - | - | - | 368,000 | - | - | Remuneration and nominations | 100,000 | - | - | - | 100,000 | - | 468,000 | - |
| Mr. Musaab Bin Sulaiman Al Muhaideb | 350,000 | 12,000 | 18,000 | - | - | - | 380,000 | - | - | Audit | 100,000 | - | - | - | 100,000 | - | 480,000 | - |
| Eng. Abdulrahman Bin Sulaiman Al-Sayyari | 350,000 | 12,000 | 9,000 | - | - | - | 371,000 | - | - | Executive | 100,000 | - | - | - | 100,000 | - | 471,000 | - |
| Mr. Abdullatif Bin Khalifa Al-Mulhim | 350,000 | 12,000 | 6,000 | - | - | - | 368,000 | - | - | Remuneration and nominations | 100,000 | - | - | - | 100,000 | - | 468,000 | - |
| Executive members | | | | | | | | | | | | | | | | | | |
| Mr. Mutlaq Bin Hamad Al-Morished** | 87,500 | 3,000 | - | - | - | - | 90,500 | - | - | - | - | - | - | - | - | - | 90,500 | - |
| Total | 3,294,481 | 114,000 | 99,000 | 157,519 | 1,500,000 | - | 5,165,000 | - | - | | 1,100,000 | - | - | - | 1,100,000 | - | 6,265,000 | - |
| Members of audit committee from outside the board | | | | | | | | | | | | | | | | | | |
| Mr. Sami Bin Abdulaziz Alshenaiber | - | - | 15,000 | - | - | - | 15,000 | - | - | Audit | 100,000 | - | - | - | 100,000 | - | 115,000 | - |
| Total | - | - | 15,000 | - | - | - | 15,000 | - | - | | 100,000 | - | - | - | 100,000 | - | 6,380,000 | - |

* He resigned from the Board of Directors and Committees on 21/02/1443H Corresponding to 28/09/2021.

** The Board of Directors appointed him as a board member on 21/2/1443 H corresponding to 28/09/2021, and his appointment will be submitted to the General Assembly of Shareholders at its first upcoming meeting for approval.

*** The Board of Directors recommends to the General Assembly to approve paying an award of SAR 350,000 for every board member for the year 2021. This was added to the 25th Ordinary General Assembly Meeting Agenda for voting.

• A car with its depreciation is provided to the Chairman.

1-10 Awards and Compensations of Senior Executives:

| Saudi Riyals | Four senior executives who received the highest awards and compensation, including the CEO and the CFO |
|-------------------------------------|--|
| Salaries and compensations | 15,867,154 |
| Periodical and annual awards | 8,854,021 |
| Tangible compensations and benefits | 2,470,634 |
| Total | 27,191,809 |

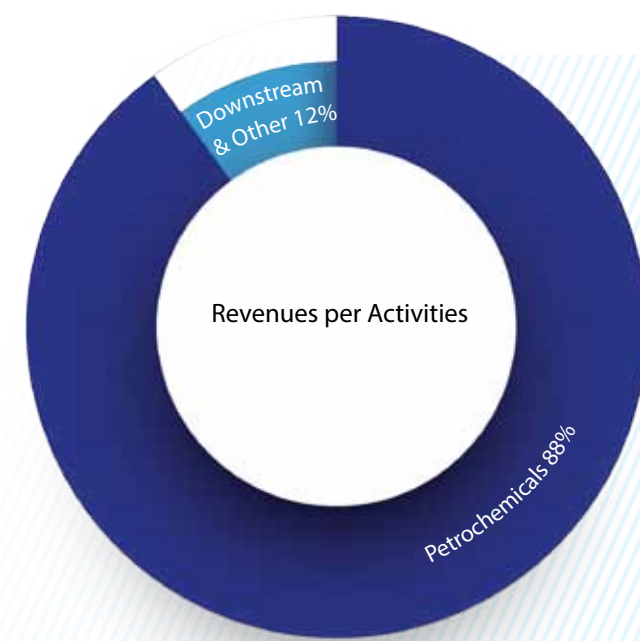
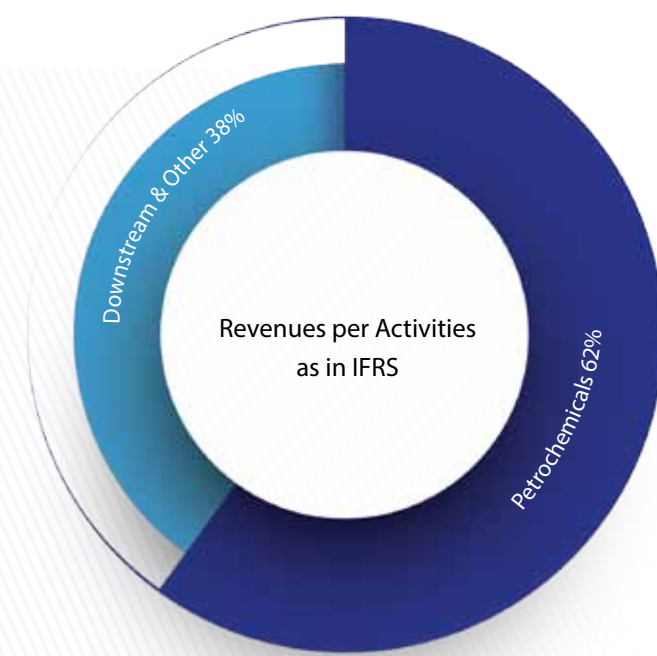
2- Operational and Strategic Performance



2- Operational and Strategical Performance

2-1 Revenues per Activities (SR '000)

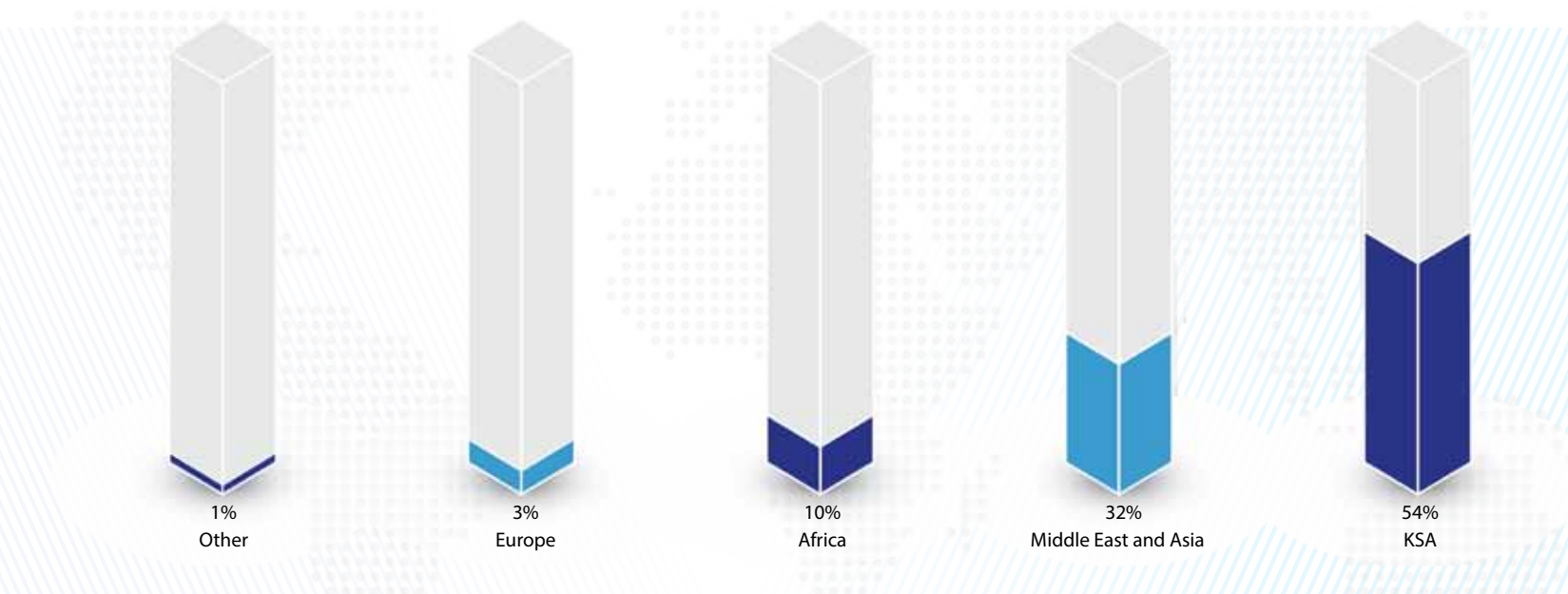
| Activity | Revenues per Activities as per IFRS | | Revenues per Activities | |
|--------------------|-------------------------------------|------------|-------------------------|------------|
| | Revenue | Percentage | Revenue | Percentage |
| Petrochemicals | 2,276,570 | 62% | 9,969,789 | 885% |
| Downstream & other | 1,396,515 | 38% | 1,396,515 | 12% |
| Total | 3,673,085 | 100% | 11,366,304 | 100% |



2-2 Geographic Analysis of Revenues (SR '000)

The revenues achieved result mainly from the marketing of petrochemical, chemical and industrial products and are based on audited financial statements prepared in accordance with International Financial Reporting Standards (IFRS), as follows:

| Region | Petrochemicals | Downstream & other activities | Total | Percentage |
|----------------------|----------------|-------------------------------|-----------|------------|
| Middle East and Asia | 899,604 | 290,594 | 1,190,198 | 32% |
| Africa | 131,222 | 239,393 | 370,615 | 10% |
| Europe | 34,702 | 81,720 | 116,422 | 3% |
| KSA | 1,189,171 | 763,411 | 1,952,582 | 54% |
| Other | 21,871 | 21,397 | 43,268 | 1% |
| Gross total | 2,276,570 | 1,396,515 | 3,673,085 | 100% |



2-3 Future plans and expectations

The company's strategic plans drawn up by the Board of Directors focus on developing its business and always plans to continue improving its performance by increasing the efficiency of operations, reliability of plants, reducing costs, enhancing its earnings through optimal utilization of its assets, human and financial resources, and leveraging its capabilities through digital transformation through supply and value chains.

The company is searching for various investment opportunities and strategic partnerships and exploring new horizons inside and outside the Kingdom which contributes to the growth of profits and the rights of its shareholders and strengthen its competitiveness.

The support of governments and central banks using fiscal and monetary policies, in addition to a large percentage of the world's population being vaccinated against Covid-19, was positive on the demand side and economic recovery, where 2021 was a prosperous year for all prices of products.

With regard to the future expectations of the prices of the company's main products such as petrochemical and industrial products in global markets, it is difficult to predict them accurately, as they are linked to multiple changing global economic influences that affect the supply and demand in those markets, as the industry faces a major challenge such as the shale gas boom (feedstock) for American producers, supply chain and geopolitical circumstances, preserving the environment and recycling their final products.

2-4 Subsidiaries, Associates, Joint Ventures and Joint Operation Companies:

| No. | Name of company | Company headquarters | Company activity | Capital in thousand riyal | Type | Ownership |
|-----|--|---|---|---|--------------------------|-----------|
| 1 | Tasnee & Sahara Olefins Company | Head office in Riyadh | Establishment, management, and possession of petrochemical and chemical projects and marketing their products | 2,830,000 distributed among 283,000,000 shares, value of each share is 10 Saudi riyal | Saudi closed joint stock | 60.45% |
| 2 | Saudi Ethylene and polyethylene Co. | Headquarters and main operations are located in Jubail Industrial city | Production of ethylene and polyethylene for use in plastic industries | 2,737,520 | Limited liability | 45.34% |
| 3 | Saudi Acrylic Acid Company Ltd. | Headquarters in Riyadh, and main operations are located in Jubail Industrial city | Establishing and operating projects of acrylic acid and its derivatives | 1,777,000 | Limited liability | 52.29% |
| 4 | Saudi Acrylic Monomer Company | Head office and main operations are located in Jubail | Production of Glacial acrylic acid and raw acrylic acid and Butyl acrylate | 1,084,500 | Limited-liability | 39.22% |
| 5 | Saudi Acrylic Polymers Co. Ltd. | Head office and main operations are located in Jubail | Production of super absorbent polymers | 416,400 | Limited-liability | 39.22% |
| 6 | Saudi Butanol Company Ltd. | Head office and main operations are located in Jubail | Production of butanol | 486,000 | Limited-liability | 17.43% |
| 7 | Al-Rowad National Company for Plastic Ltd. | Head office and main operations are located in Riyadh | Establishment of industrial projects of plastics and transforming | 268,000 | Limited-liability | 100% |
| 8 | Rowad Global Packaging Company Ltd. | Head office and main operations are located in Dammam | Production of Polypropylene films and polyethylene | 130,000 | Limited-liability | 100% |

| No. | Name of company | Company headquarters | Company activity | Capital in thousand riyal | Type | Ownership |
|-----|---|--|--|---------------------------|-------------------|-----------|
| 9 | Rowad International Geosynthetics Company Ltd. | Head office and main operation are located in Dammam | Manufacturing of industrial membranes | 20,000 | Limited-liability | 100% |
| 10 | Saudi Clariant Company for Dyes | Headquarters in Riyadh | Producing industrial dyes and paint | 50,000 | Limited-liability | 40% |
| 11 | National Lead Smelting Company Ltd. | Headquarters and main operations are located in Riyadh | Recycling of industrial used batteries and producing lead, polypropylene and sodium sulphate from consumed batteries | 44,000 | Limited-liability | 100% |
| 12 | Technical Tertravalent Lead Smelting Plant Ltd. | Headquarters in Jeddah | Producing pure and mixed lead and polypropylene | 4,000 | Limited-liability | 100% |
| 13 | National Batteries Company Ltd. | Head office and main operations are located in Riyadh | Producing car batteries | 60,000 | Limited-liability | 90% |
| 14 | National Operation and Industrial Services Co. (Khadamat) (under liquidation) | Head office and main operations are located in Riyadh | Marketing, selling and distributing industrial products | 30,000 | Limited-liability | 96.7% |
| 15 | National Marketing and Industrial Services Company Ltd. | Head office and main operations are located in Riyadh | Import, export, whole sale, retail, marketing to others, selling and distribution of industrial products | 30 | Limited-liability | 100% |
| 16 | National Inspection & Technical Testing Co. Ltd. (FAHSS) | Headquarters in Dammam | Providing technical services in the field of testing, calibration, maintenance and quality management systems inside Kingdom of Saudi Arabia | 7,170 | Limited-liability | 73.42% |
| 17 | TUV Middle East | Headquarters in Bahrain | Providing technical services in the field of testing, calibration, maintenance and quality management systems in Arabian Gulf countries | 700,000 Bahraini Dinar | Limited-liability | 73.42% |
| 18 | Taldeen Plastic Solutions Company | Headquarters in Hail | Producing, forming, importing, exporting and distributing of all plastic products | 210,000 | Limited-liability | 100% |
| 19 | Al-Khadra Environment Company for Industrials Waste Management (Khadra) | Headquarters in Jeddah | Buying, selling, collecting and recycling of batteries, plastic and industrial materials | 5,000 | Limited-liability | 100% |
| 20 | National Titanium Dioxide Company Ltd. (Cristal) | Head office is in Jeddah | Establishing and industrial projects for Titanium and related materials | 2,362,500 | Limited-liability | 79% |
| 21 | Advanced Metal Industries Cluster Company, Ltd. (AMIC) | Head office in Jeddah | Establishing and managing industrial projects for Titanium and related materials | 1,687,500 | Limited-liability | 89.5 |
| 22 | Advanced Metal Industries Cluster and Toho Titanium Metal Co. (Ltd) ATTM | Headquarters in Yanbu city | Producing Titanium Sponge | 450,000 | Limited-liability | 58.18 |

| No. | Name of company | Company headquarters | Company activity | Capital in thousand riyal | Type | Ownership |
|-----|---|---|--|---|-------------------|-----------|
| 23 | National Industrialization Petrochemicals Marketing Company | Headquarters in Riyadh | Marketing chemical, petrochemicals and plastic materials | 5,000 | Limited-liability | 100% |
| 24 | Saudi Polyolefin Company | Headquarters and main operations are located in Jubail | Producing polypropylene | 600,000 | Limited-liability | 75% |
| 25 | Nipras National Technology Company (NNTC) | Headquarters and main operations are located in Jubail | Developing the scientific and technical side in petrochemicals and related industries | 6,500 | Limited-liability | 100% |
| 26 | National Metals Manufacturing and Casting | Head office and main operations are located in Jubail | Iron, transforming and base engineering industries | 281,121 distributed among 28,112,089 shares value of each share is 10 Saudi riyal | Saudi joint stock | 33.90% |
| 27 | Tasnee North Africa Company | Head office and main operations are located in Tunis, Tunisia | Marketing the company petrochemicals materials in North Africa | 5,000 Tunisian Dinar | Limited-liability | 100% |
| 28 | Tronox Holdings plc (Tronox) | Listed on the New York Stock Exchange and registered under the laws of England and Wales. | Establishing and industrial projects for Titanium and related materials | USD 2,000,000 | Listed | 19.28% |
| 29 | Evonik Tasnee Marketing Company (ETM) | Head office and main operations are located in Riyadh | Wholesale of chemical fertilizers and livestock feed for pharmaceutical feed additives | 26,667 | Limited-liability | 25% |

In addition to group of non-operational companies for other investments, these are as follows:

| No. | Name of company | Company headquarters | Company activity | Capital in thousand riyal | Type | Ownership |
|-----|---|---------------------------------------|--|---------------------------|-------------------|-----------|
| 1 | National Worldwide Industrial Advancement Co. Ltd. | Head office in Riyadh | Investment in industrial project related to the company | 500 | Limited-liability | 100% |
| 2 | National Gulf Company for Petrochemical Technology | Headquarters in Riyadh city | Investment in industrial projects related to the company | 500 | Limited-liability | 100% |
| 3 | National Industrialization Company for Industrial Investments | Headquarters in Riyadh | Investment in industrial projects related to the company | 500 | Limited-liability | 100% |
| 4 | National Industrialization Company for Petrochemicals | Head office in Riyadh | Investment in industrial projects related to the company. It did not practice any activity during the period | 500 | Limited-liability | 100% |
| 5 | Cristal International Holdings BV | Head office in Amsterdam, Netherlands | Investment in industrial projects related to the company | USD 10,000 | Limited-liability | 100% |
| 6 | Advanced Smelting Industries Co. Ltd | Headquarters in Riyadh | Establishing and managing industrial projects for Titanium and related materials | 100 | Limited-liability | 100% |

2-5 Loans and instruments obtained by the company and its subsidiaries as per financial statements reviewed as per the international financial reporting standards (IFRS):

| Company | Description | Original Loan amount | Opening Balance | Drawdowns | Prepayments | Closing Balance | Tenor | Lender |
|--|-----------------|----------------------|------------------|-----------|------------------|------------------|-------------|----------|
| National Industrialization Company | Long term loans | 5,000,000 | 4,810,000 | - | (190,000) | 4,620,000 | 7-10 years | Multiple |
| Advanced Metal Industries Cluster Company, Ltd. ("AMIC") | Long term loans | 1,808,129 | 1,037,500 | - | (62,500) | 975,000 | 5 years | Multiple |
| Saudi Acrylic Acid Company | Long term loans | 1,312,990 | 1,004,385 | - | (76,378) | 1,004,385 | 5-9 years | Multiple |
| Rowad National Company for Plastic Ltd. (Cons.) | Long term loans | 744,180 | 92,832 | - | (29,232) | 63,600 | 3 – 5 years | SIDF |
| Taldeen Plastics Solutions Company | Long term loans | - | 151,449 | - | (21,690) | 129,759 | 3 – 6 years | SIDF |
| Saudi Butanol Company □ | Long term loans | 288,333 | 174,983 | - | (46,662) | 128,321 | 5 years | SIDF |
| Sub Total | | 9,153,633 | 7,271,149 | - | (426,462) | 6,844,687 | | |
| Differed and Accrued Financial Charges | | | (81,058) | | | (39,103) | | |
| Total | | | 7,190,091 | | | 6,805,584 | | |

Amounts in Saudi Riyals

□ Partially consolidated (33.33%)

2-6 Details of Loans in Saudi Riyals

| Parties | Amounts | Percentage |
|------------------|-----------|------------|
| Commercial banks | 5,598,007 | 82% |
| SIDF | 1,246,680 | 18% |
| Total | 6,844,687 | 100% |



2-7 Description of Debt Instruments

Convertible debt instruments:

In 2021, the Company did not issue or grant any convertible debt instruments into shares or to any options or subscription memorandum or any similar rights.

Transfer or Subscription rights as per debt instruments

In 2021, the Company did not issue or grant any transfer or underwriting rights as per debt instruments transferable to shares or any options or underwriting memorandums or any similar rights.

Recoverable debts instruments rights:

In 2021, the Company had no recoverable, purchasable or cancellable debt instruments.

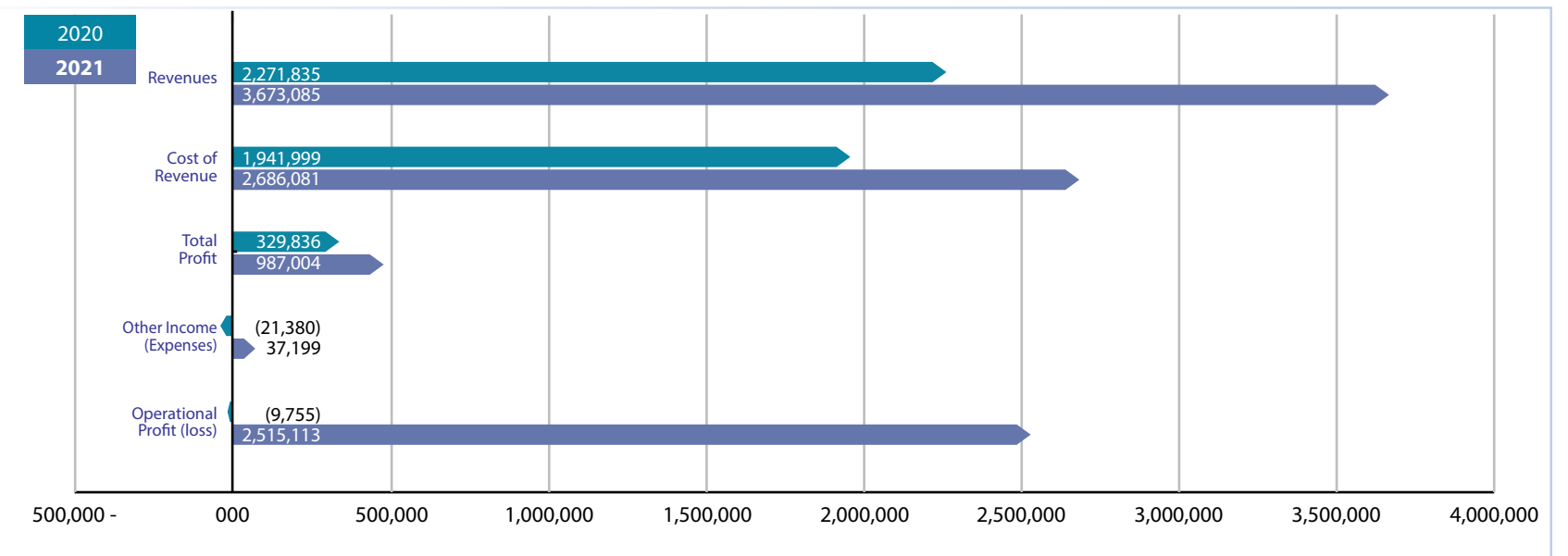
2-8 Operational Results:

The net profit for the year ended 31 December 2021 amounted to SR 1,356 million compared to a net loss of SR (446.7) million for the previous fiscal year 2020. The Company attained net profit compared to net loss reported in prior year, mainly due to the surge in average selling prices of all the products also resulting in higher share of profit from investments in associates and joint ventures, reversal of an impairment charge on investment in an associate "Tronox" amounting to SR 693 million (Tasnee share SR 547 million) due to consistently higher share prices above the carrying value, reduction in financial costs and increase in other income, despite of increase in prices of certain feedstocks, higher zakat provisions and recording provision for impairment of loans amounting to SR 466 million (Tasnee share SR 417 million) given to a joint venture Advanced Toho Titanium Metal Co. (ATTM) in Yanbu and provision for impairment of non-current assets amounting to SR 180 million (Tasnee share SR 161 million) related to a subsidiary Advanced Metal Industries Cluster Co. (AMIC) due to continued delay in commencing commercial production of Titanium Slagger plant in Jizan

2-9 Basic Differences in Operational Results (SR '000)*:

| | 2021 | 2020 | Changes | Change Percentage | Remarks |
|---------------------------|------------------|-----------|-----------|-------------------|--|
| Sales/ Revenues | 3,673,085 | 2,271,835 | 1,401,250 | 62% | Due to the increase in the products' average selling prices |
| Cost of Revenue | 2,686,081 | 1,941,999 | 744,082 | 38% | Due to the increase in the raw material average prices |
| Gross Profit | 987,004 | 329,836 | 657,168 | 199% | Due to the increase in the products' average selling prices |
| Other Income (Expenses) | 37,199 | (21,380) | 58,579 | 274% | Due to the increase in receivable dividends compared to taxes commitment registered in Cristal company in the previous year. |
| Operational Profit (loss) | 2,515,113 | (9,755) | 2,524,868 | 25883% | Due to the surge in average selling prices of all the products and higher share of profit from investments in associates and joint ventures, reversal of an impairment charge on investment in an associate "Tronox" despite of increase in prices of certain feedstocks, recording an impairment of loans given to (ATTM) and impairment of non-current assets of (AMIC). |

* Certain corresponding figures for the comparative period have been restated in compliance with the applicable accounting standards.



Basic Differences in Operational Results (SR '000)

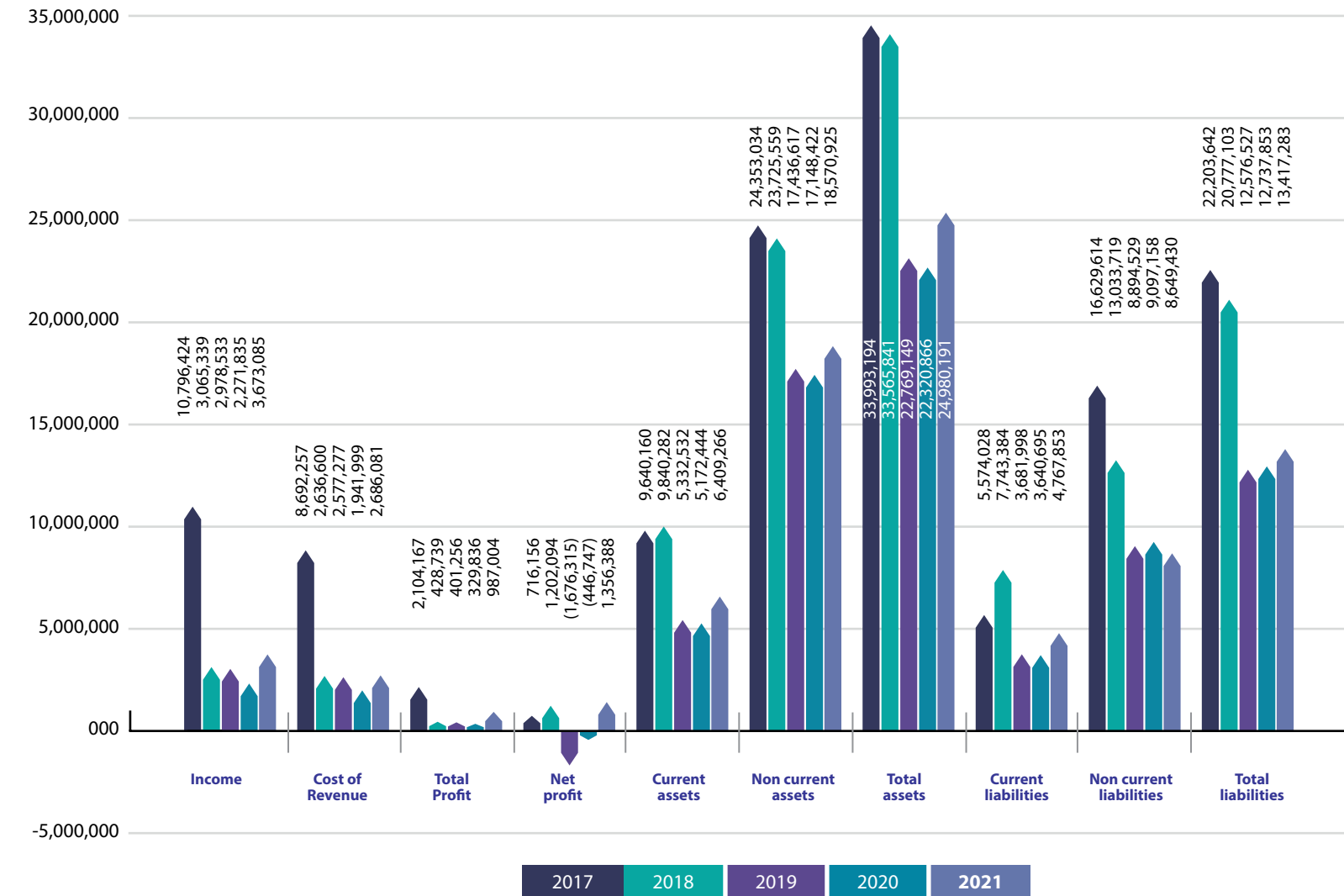
2-10 Company assets, liabilities and business results for the last 5 financial years (SR'000):

Tasnee owns a good financial position and financial indicators. The following table explains the results of its efforts in the last five financial years:

| | 2021 | 2020 | 2019 | 2018 | 2017 |
|-------------------------|-------------------|------------|-------------|------------|------------|
| Income | 3,673,085 | 2,271,835 | 2,978,533 | 3,065,339 | 10,796,424 |
| Cost of Revenue | 2,686,081 | 1,941,999 | 2,577,277 | 2,636,600 | 8,692,257 |
| Total Profit | 987,004 | 329,836 | 401,256 | 428,739 | 2,104,167 |
| Net profit | 1,356,388 | (446,747) | (1,676,315) | 1,202,094 | 716,156 |
| Current assets | 6,409,266 | 5,172,444 | 5,332,532 | 9,840,282 | 9,640,160 |
| Non current assets | 18,570,925 | 17,148,422 | 17,436,617 | 23,725,559 | 24,353,034 |
| Total assets | 24,980,191 | 22,320,866 | 22,769,149 | 33,565,841 | 33,993,194 |
| Current liabilities | 4,767,853 | 3,640,695 | 3,681,998 | 7,743,384 | 5,574,028 |
| Non current liabilities | 8,649,430 | 9,097,158 | 8,894,529 | 13,033,719 | 16,629,614 |
| Total liabilities | 13,417,283 | 12,737,853 | 12,576,527 | 20,777,103 | 22,203,642 |

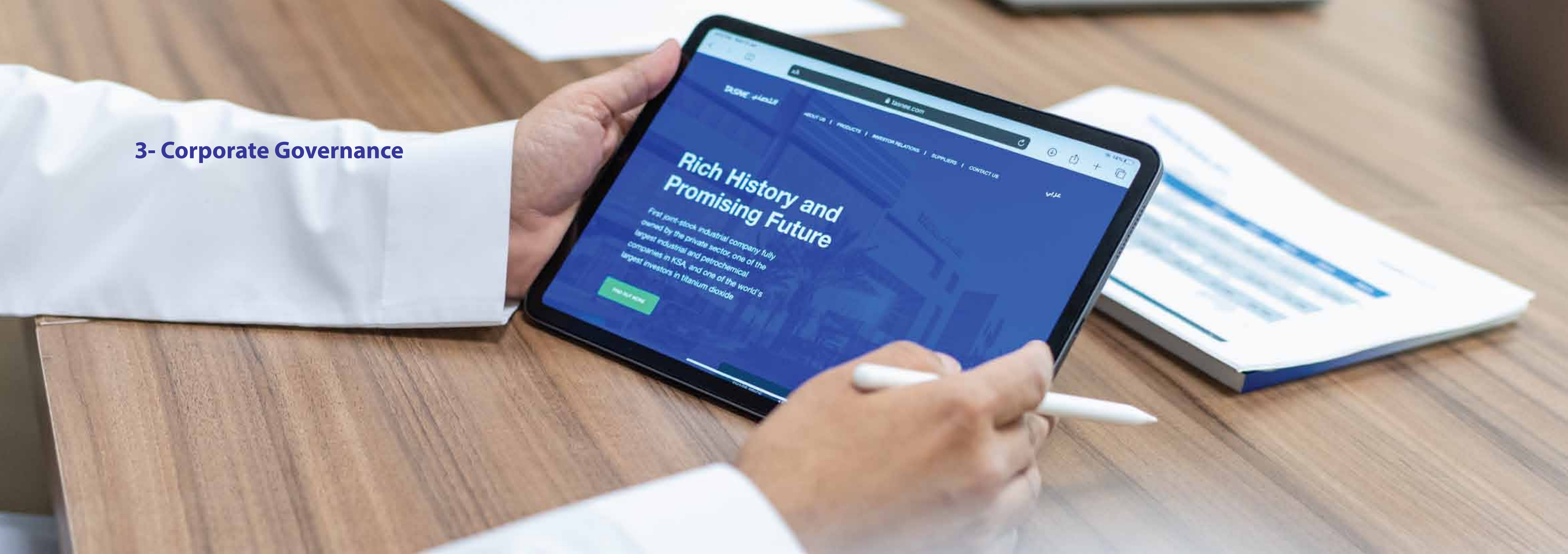
2-11 Explanation of any divergence from accounting standards approved by Saudi Chartered Accountants Authority:

The company prepared its financial statements for 2021 with the comparative numbers of 2020 and in accordance with the International Accounting Standards (IFRS) approved by the Saudi Organization of Certified Public Accountants (SOCPA).



Company assets, liabilities and business results for the last 5 financial years (SR'000)

3- Corporate Governance



3- Corporate Governance

3-1 Implemented and Non-Implemented Provisions of Corporate Governance Regulations and the reasons therefor

In keeping with practicing the principle of disclosure and transparency, the Company implements all the provisions of the Corporate Governance Regulations and amendments thereto issued by the Saudi Capital Market Authority, with the exception of the following provisions:

| Article/Clause number | Wording of the Article/Clause that has not been implemented | Reasons for non-implementation |
|-----------------------|--|---|
| 41 | The Board of Directors shall, upon proposal of the nomination committee, establish the necessary mechanisms to evaluate the performance of the Board, its members, committees, and the Executive Management, on an annual basis, through appropriate performance indicators related to the extent of achievement of the Company's strategic objectives, the quality of risk management and the efficiency of the internal control systems. | This is a guiding article. The evaluation of the Board's performance is currently conducted through an annual questionnaire to be answered by the members. |
| 70&71&72 | The organization, competences and meetings of the Risk Management Committee. | This is a guiding article. The Audit Committee performs most of these functions and the Company has not currently formed a committee for Risk Management that emanated from the Board. However, the Company has an internal committee formed from executive management to assess risks and minimize their impact. |
| 85 | The Company establishes programs to develop and stimulate the participation and performance of the Company's employees, provided that they include in particular the following: 1) Forming committees or holding specialized workshops to listen to the views of the Company's employees and discuss with them the issues and topics that are the subject of important decisions. 2) Programs to grant employees shares in the Company or a share of the profits it realizes and retirement programs, and the establishment of an independent fund to spend on these programs. 3) Establishing social institutions for Company employees. | This is a guiding article. The company provides communication channels with employees through a human resources specialist, and provides incentives for employees in proportion to their performance according to the approved policies and procedures. |
| 88 | The Board of Directors sets the programs and the necessary means to present the Company's initiatives in the field of social activity, and this includes the following: 1- Establishing measurement indicators linking the Company's performance with the previous initiatives in social activity, and comparing this with other companies of similar activity. 4- Establishing community awareness programs to introduce the Company's social responsibility. | This is a guiding article. The General Assembly of the shareholders of the Company has previously adopted a social responsibility policy that defines the mechanisms of the Company's social contribution. |

| Article/Clause number | Wording of the Article/Clause that has not been implemented | Reasons for non-implementation |
|-----------------------|---|---|
| 93 (b) | The disclosures in this article and in the Board report shall be pursuant to the appended schedule. | Executives management's remuneration is disclosed in aggregate as the Company seeks to avoid risks related to the competitiveness of human capital. |
| 95 | In the event that the Board of Directors forms a committee for corporate governance, the Board shall delegate to such committee the competencies prescribed in Article 94 of these Regulations. The Committee shall follow up on any matters related to the implementation of governance and shall provide the Board of Directors, at least annually, with its reports and recommendations. | This is a guiding article. The governance requirements are currently covered by both the Legal Department and the Investors Relations Department. A specialized committee will be formed in the future. |

3-2 Tasnee's Policy regarding Risk Management and Control

Operating primarily in petrochemical and chemical industry, Tasnee witnessed changes in business environment, including geopolitical and economic changes, and continued impact of COVID 19 resulting in challenges and opportunities. The Company has developed the necessary policies, frameworks and procedures based on internationally accepted risk management standards in order to reduce the impact of negative risks and invest in positive opportunities. Our revamped risk management program ensures that potential risks, including emerging risks, are timely identified, analyzed, quantified, effectively managed, and reported quarterly to the Board of Directors.

The Company has a robust business continuity and resiliency program which ensures safety of its people and assets, and continuity of products or services delivery in the event of crisis/disaster.

As the Company activity includes producing and marketing petrochemical and chemical products, which may come with safety risks. Tasnee operations incorporate world class safety procedures, and it invests significantly in staff training and awareness on all its safety procedures and retains the appropriate insurance on its assets and business.

The Company gets the main part of the feedstock from the main supplier (Saudi Aramco) at prices similar to those of petrochemical companies in Saudi Arabia, and any change in feedstock prices is affecting its profitability. The Company achieved positive results from implementation of both performance improvement and rationalization of expenditure programs in 2021 and will continue these programs in the future. The Company is continually working on reducing the risk of price fluctuations of petrochemical and industrial products by cutting down production costs, without compromising on quality and safety, and increasing the quantities produced, thus increasing both quantities sold, and revenues generated.

The Company's activities result in different financial risks, including market, credit and liquidity risks. These risks are managed by constant identification, measurement and control. The Company employs various methods to mitigate these financial risks, such as utilizing the necessary derivative financial instruments for hedging exposure to foreign exchange risks and interest rates on loans, and credit risks. The Company does not use derivative financial instruments for speculative purposes.

In order to mitigate risk effects on its profitability, cash flows and ability to achieve its strategic goals, the Company has adopted programs for continually identifying, analyzing and evaluating these risks in order to avoid or minimize negative impact on the business and be prepared to deal

with any potential future risks as well. Tasnee Legal and Investors Relations Departments have continually worked to ensure compliance with national, and to the extent applicable international, laws, statutes, regulations in the period of evolving regulatory environment.

Despite the prolonged period and resulting supply chain disruptions, the overall impact of COVID 19 pandemic on the Company's risk profile continues to be stable in the light of oil and commodity price recovery. The Company is following all the regulatory requirements related to COVID 19, including that of the mandatory vaccination. All of the company employees are being vaccinated.

3-3 Results of the annual audit on efficiency of internal control procedures in the Company, and the view of the Audit Committee on assessing the internal controls system in the Company.

Based on the instructions of the audit committee, the internal audit department continued to provide audit services and consultations related to the scope of its work, independently and objectively, which gives value and improves the operational processes of Tasnee, and facilitates the achievement of its strategic objectives, by using a disciplined scientific approach to evaluate the effectiveness of internal control, risk management, and governance processes.

In accordance with the best practices applied in governance, the Internal Audit Department reports to the Audit Committee. It performs its tasks in accordance with the approved internal audit regulations. The General Department of Internal Audit carried out all its work during the year in accordance with the internal audit plan prepared on the basis of the most important risks, which was approved by the audit committee at the beginning of the year, with a focus on activities and operations with high risks, in order to help achieve the goals of the Company and protect its assets. A number of internal auditing processes have been implemented with the aim of determining the efficiency and effectiveness of the internal control system and procedures, and their results have been discussed and sent to the relevant departments and Strategic Business Units in the Company in order to study and address the notes and recommendations, develop the necessary corrective measures, follow up their implementation and close them according to the dates agreed upon with the relevant departments, and present to the Audit Committee, periodically, updated reports that clarify what has been achieved with the challenges and risks that may arise from not closing those observations and recommendations.

The Audit Committee reviewed the internal control and auditing procedures based on the tasks carried out by the Internal Audit Department, according to the plan adopted by the Audit Committee. After discussion with the Company and the external auditor on the quarterly and annual results, the audit committee can give reasonable assurance about the effectiveness of the internal control systems and no evidence of the existence of what should be indicated, or it is believed that there is a weakness or fundamental defect in the systems, policies and internal control procedures in the Company, noting that no assurance of the effectiveness of any system of internal control can be provided with an absolute reliability.

3-4 Recommendation of the Audit Committee regarding the extent of the need to appoint an internal auditor in case such a role does not exist in the Company.

The Company has a general internal audit department for auditing the main works in the Company and its affiliates.

3-5 Audit Committee recommendations containing conflict with board decisions or which are rejected by the board with regards to appointing a company accounts auditor or dismissing this company, specifying their remunerations and evaluating the performance or appointing an internal auditor, and the justifications of those recommendations and the reasons why they are rejected.

There is no conflict between the audit committee and the board of directors' resolutions.

3-6 Disclosures and Acknowledgments:

1- Conflict of Interests:

The Board of Directors acknowledges that all board members do not have any interest either direct or indirect in the works and contracts executed for the benefit of the Company except that which is mentioned in item 3-12. The Company did not lend to any board member or stand guarantee for any loan or liability of any kind.

2- Transactions with related parties:

There were no contracts with parties related to the board members, the Executive Management or any of their relatives, except that which is mentioned in item 3-12.

3- The Board of Directors acknowledges that:

3-1 The accounting records were prepared in the correct way

3-2 The internal control system was based on sound foundations and was effectively executed

3-3 There is no doubt that the Company is able to continue its business

4- The Auditor's Opinion about Financial Statements

The Auditor's report revealed that the company's financial statements were free from any substantial errors or reservations.

3-7 the Company's Auditors:

The 24th Ordinary General Assembly acknowledged in its meeting on 29/04/2021, based on the recommendation of the Audit Committee, the review of annual and quarterly consolidated financial statements of the Company by PricewaterhouseCoopers Company, and specified their remunerations for the 2nd, 3rd quarter, and annual financial statements of 2021 and the 1st quarter financial statements of 2022.

3-8 List of dates of shareholders' general assembly meetings held during the last fiscal year and register of attendance of meetings:

| No. | Name | Register of Attendance of Meetings |
|-----|--|--|
| | | 24th Ordinary General Assembly Meeting on 29/04/2021 |
| 1 | Eng. Mubarak Ben Abdullah Al Khafrah | √ |
| 2 | Dr. Talal Bin Ali Al Shair | √ |
| 3 | Dr. Nazeeh Bin Hassan Naseef | √ |
| 4 | Eng. Talal Bin Ibrahim Al Maiman | √ |
| 5 | Mr. Badr Bin Ali Al Dakheel | √ |
| 6 | Mr. Saud Bin Suliman Al Juhani | √ |
| 7 | Mr. Ibraheem Bin Ali Al Qadhi | Apologized |
| 8 | Mr. Musaab Bin Sulaiman Al Muhaideb | √ |
| 9 | Eng. Abdulrahman Bin Sulaiman Al-Sayyari | Apologized |
| 10 | Mr. Abdullatif Bin Khalifa Al-Mulhim | √ |

3-9 Dividends Distribution Policy

Dividend distribution is one of the authorities of the General assembly and is based on the Board of Directors' recommendation. Dividend is approved on the bases of net profits generated every year, the size of expected spending on future investment projects, cash flows forecast, loans rescheduling and their settlement conditions, financial position of the company, and the general economic climate.

The general policy for distributing dividends is summarized pursuant to Article 19-4 of the Company articles of association, which stipulates distribution of annual net profit after deducting all overheads and other costs as follows:

A. Allocation for Zakat

B. Taking into consideration the provisions of other relevant regulations, 10% is to be kept aside as a statutory reserve and the ordinary general assembly may stop this sparing whenever the mentioned statutory reserve reaches 30% of paid up capital.

C. To distribute a first payment which must not be less than 5% of the paid-up capital, to shareholders.

D. To distribute the remainder as an additional share of profits without prejudice to the provisions of the Articles 14-10 (B), 19-4 and 19-5 of the Company ByLaws, and due to the results of the financial results and its cash flows, the board of directors did not recommend the distribution of cash profits for the financial year ending on 31 December 2021 to the General Assembly.

3-10 Investors Relations:

The Company always dedicates a great importance to its investors and is keen to keep them updated with performance results and the latest developments, providing them the suitable means to review the Company activities, investments, financial results and all other important information. Therefore, the Company has updated its website and developed a special section for investor relations that includes all the information of interest to the investors in a professional and interactive presentation that matches the best international practices through a set of communications including the Board of Directors report, the General Assembly meetings, continuous disclosures published in the Company page on the Saudi Exchange (Tadawul) website, information published in the Company website as well as other social media accounts, in addition to responding to all enquiries received through the Company's official website (www.Tasnee.com) or delivered to the Company's investor relations department by e-mail (ir@tasnee.com), or through phone number (00966 112222205) extension (2).

In addition, the Company has developed a search engine on its website for helping shareholders (or their heirs) who hold paper certificates to confirm their share ownership. Investor relations department supports those certificate holders transferring their shares into electronic portfolios after completing regulatory procedures at the Securities Depository Center Company (Edaa). Also, IR provides uncollected dividends details, if case of any.

In order to ensure safety of the traders in the Capital Market and support efforts of the precautionary and protective measures imposed by the competent authorities to control the spread of the COVID-19, the Company held Ordinary General Assembly Meeting remotely, on April 29, 2021, through the means of modern technology using Tadawulaty system. The meeting witnessed the approval of the Board of Directors report, the external auditors' report, the financial statements, related party transactions, appointing the auditor PricewaterhouseCoopers (PWC) based on the audit committee's recommendation, the remuneration of the members of the Board of Directors and discharge the members of the Board of Directors for the financial year ending on 31/12/2020.

The Investor Relations Department is working to implement best practices, so the department has updated the investor complaints policy to ease answering all their questions and inquiries as quickly as possible.

The Company's management continues to work on the principle of disclosure and transparency and always works to fulfill the regulatory requirements of the Capital Market Authority and to ensure commitment to protecting the rights of shareholders and stakeholders.

3-11 Description of any interest in the category of voting right shares belonging to persons (other than board directors, senior executives and their relatives) who sought information from the Company about those rights pursuant to Article 45 of the Registration and Entry Rules, and about any change in those rights during the last financial year:

Null.

3-12 Description of Any Deal between the Company and a Related Party

| Related Party | Type of Relationship | Type of Deal | Duration | Total Deal Value |
|---|----------------------|---|--|---|
| Eng. Mubarak bin Abdullah Al-Khafrah – Chairman of the Board of Directors | Direct interest | The National Industrial Marketing Company for Petrochemicals, a subsidiary of Tasnee, has entered into a purchase order for polypropylene with the Factory of the Industrial Non-Woven Fabrics Company Commercial Registration No. 2055014696 (a subsidiary of Al-Khafrah Holding Company, in which the Chairman of the Board Eng. Mubarak bin Abdullah Al-Khafrah has a direct interest) . There are no preferential conditions. | The supply takes place through purchase orders and not through contracts of limited duration | The total purchase value in 2021 amounted to 28,762,665.60 Saudi Riyals |
| Dr. Talal Bin Ali Al Shair – Vice Chairman of the Board of Directors | Direct interest | The National Industrial Marketing Company for Petrochemicals, a subsidiary of Tasnee, has entered into a purchase order for polyethylene with the Converting Company Limited, its C.R. No. 4700015588 (a subsidiary of Al Shair Trading, Industry and Contracting Company, in which Dr. Talal Bin Ali Al-Shair has a direct interest). There are no preferential conditions. | The supply takes place through purchase orders and not through contracts of limited duration | The total purchase value in 2021 was SAR 23,380,589.27 |

3-13 Explanation of any arrangements or assignment agreement whereby a shareholder of Company assigns any right in profits:

There are no arrangements or assignment agreement whereby a shareholder of Company assigns any right in profits.

3-14 Disclosure of details of treasury shares kept by the Company and usage details of these shares:

There are no treasury shares kept by the Company and usage details of these shares.

3-15 Statement of the value of any investments or reserves for the benefit of Company employees:

There are no investments or reserves for the benefit of Company employees.

3-16 Zakat and Regular Payments

| Statement | 2021 | | Brief description | Reasons |
|---------------------------|--------------------|---|--|------------|
| | Paid | Due up to the end of the financial year and not settled | | |
| Zakat | 123,303,700 | 398,905,195 | Includes the consolidated zakat of the holding company and its subsidiaries and zakat of joint ventures and others | Compulsory |
| Tax | 131,678,631 | 91,301,355 | Includes income tax and its down-payments, VAT and withholding tax | Compulsory |
| GOSI | 67,832,111 | - | Subscriptions | Compulsory |
| Visas and passports costs | 1,073,679 | - | Fees payable for exit and return visas and Iqama renewals | Compulsory |
| Labor Office fees | 4,283,123 | - | Fees payable for extraction and work permit renewals | Compulsory |
| Total | 328,171,244 | 490,206,550 | | |

3-17 Number of Company requests to shareholders record and dates and reasons for the requests:

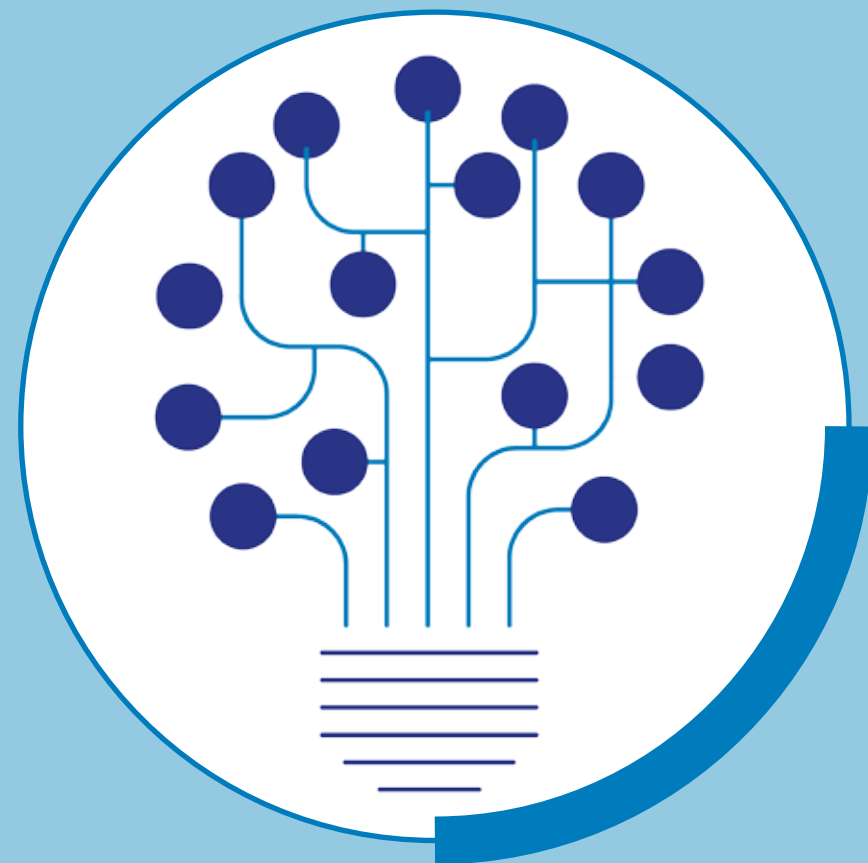
| Number of Requests | Request date | Request Reasons |
|--------------------|--------------|--------------------|
| 1 | 11/04/2021 | Company Procedures |
| 2 | 29/04/2021 | General Assembly |
| 3 | 15/08/2021 | Company Procedures |
| 4 | 31/12/2021 | Company Procedures |

3-18 Penalties and Sanctions Applied on the Company:

No penalties or sanctions applied on the Company by the Authority or any supervisory, regulatory or judicial party during 2021.

4- Achievements per Sectors





4-1 Technology and Innovation

Tasnee Technology and Innovation (T&I) is highly devoted to Research and Development activities providing the widest range of reliable services and advanced technologies. It has a capability of high level of specialists with extensive experience in all related fields of plastics, materials, process modeling, technology, analysis, and the processes of converting materials into products instruments for polyolefin characterization. Driving force at the T&I is the pursuit of excellence in every area and task that is performed. The quality is of utmost importance and we go great lengths in order to comply with the standards expected from our Tasnee manufacturing with all grades developed in-house, making it the most complete process and deliver above the industry's average.

In 2021, T&I center continue to develop new grades for its Petrochemical and Downstream business. Tasnee petrochemical business is also going for non-phthalates grades for the polypropylene in future, T&I contributed significantly to validate various non-phthalate grade for the business along with several developmental and improvement projects. Significant development for the masterbatches for the BOPP film, performance improvement in injection molded product and qualifying the new raw material for sheet products

enhance the value in the final product for the Downstream business.

As one of its major roles of technology transfer, T&I is leading the restructuring of the technical support activities building internal capabilities to cater for Superabsorbent business needs. T&I has successfully hosted a Superabsorbent polymer (SAP) workshop led by a world-renowned SAP expert (Dr Scott Smith) with participations from different business units i.e. Business, Manufacturing and Technical. T&I has also conducted 3 days training (SAP Theoretical to practical) to technical team of Petchem. Meanwhile, R&D Labs is in the process to set up the full-fledged (SAP) polymerization, testing facility to support Tasnee Business Unit.

In the other hand, R&D Labs has not only successfully renewed the accreditation of ISO/IEC17025: 2017 by the International Accreditation Service (IAS), but also sustain the SAC/ISO/IEC 1705:2017 with Saudi Accreditation Center (SAC) which demonstrated that Tasnee R&D labs operate in a highly qualified system to raise the level of quality and consumer protection, and on the other hand it shows the integrity of the organizations that provide testing services in the Kingdom and to achieve the objectives of the Kingdom's Vision 2030.

Process Development department has been

increasingly extending its valuable technical supports to Petchem. In 2021, the team has successfully completed several projects by utilizing its capabilities like bench scale polymerization reactor and modeling & simulation. An investigation was carried out to screen an alternative catalyst for HDPE polymerization to diversify our catalyst sources. Furthermore, evaluation of PE-100 material of 1st phase of C4 reduction trials at plant was successfully completed. Utilizing the modelling and simulation capability, an LDPE reactor model was developed to support process operation and studies resulting in several valuable decision making.



4-2 Petrochemicals Business

In 2021, Petrochemical Strategic Business Unit has continued its remarkable performance in terms of set measurable business performance goals of following functions, safety, health, environment, quality, operational efficiency, and finally sales and marketing.

In safety, Tasnee Petrochemical Complex has achieved 25 million safe man-hours without a lost workday injury in 13th of September 2021. This achievement reflects our Safety core values and the visible indication of commitment by every member in the Petrochemical Complex to achieve the goal of an injury-free work environment.

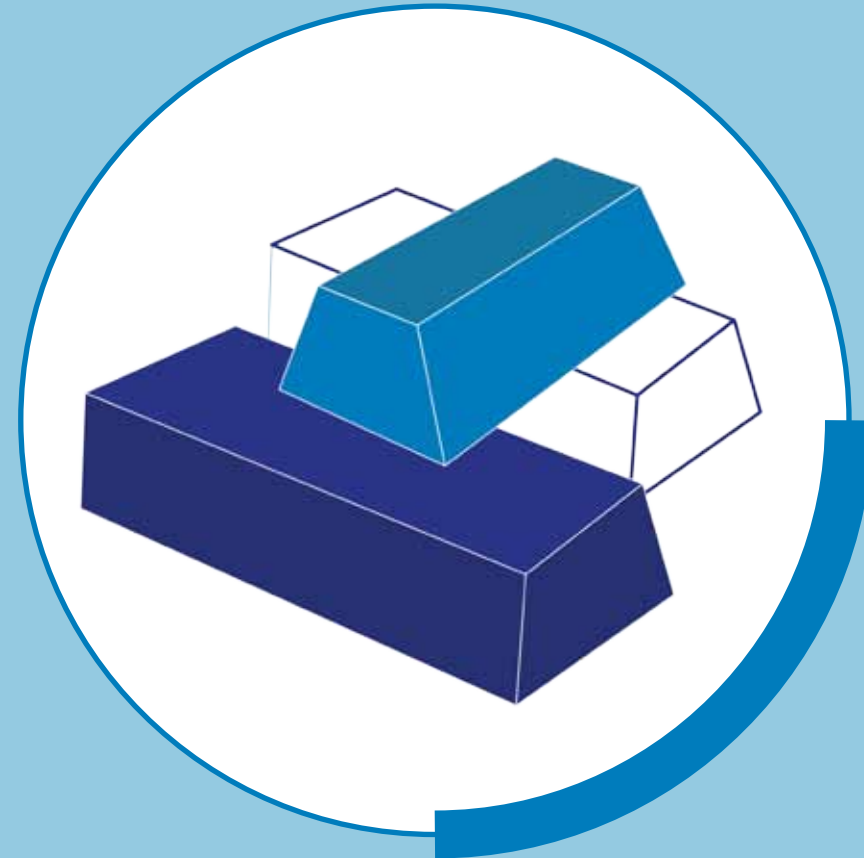
In addition, Tasnee Petrochemical Complex has been effectively efficient and active in dealing with the pandemic with highest standard by continuously activating the command center of which has ensured critical and right decisions are being made timely in conjunction with all relevant authorities and stakeholders. Such high standard performance has resulted into a tight suppression of COVID-19 spread across the site, as well as almost ZERO business interruption due to the pandemic. One of the main actions that has been taken was imposing vaccination, where 100% of the employees have been vaccinated with the full dose in compliance with Ministry of Health regulations.

For the Production & Performance: PP, PDH, Butanol & SAP units have successfully achieved their annual production targets despite all the challenges faced in the year. In addition, SAP & Butanol were successful to achieve their highest ever annual production and PP has achieved its 2nd highest annual production from date of plant start up.

During the year, TPC has exhibited excellent coordination with all internal and external stakeholders for safely and successfully complete the major Turnaround in Saudi Ethylene and Polyethylene Company (SEPC) and Acrylic Acid complex including SEPC Cooling water GRP network short-term enhancement project. The petrochemical sector has also finalized agreements of supply, tolling, & sales with neighboring companies. Furthermore, Quality Management has successfully completed the renewal of ISO 9001:2015 Quality Management system, ISO 45001:2018 Occupational Health and Safety management system certificates for the next 3 years with Zero Non-Conformity. In addition, Petrochemical Excellence Program (PEP 2.0) has been launched in Q4-2021 to sustain (PEP 1.0) and capture the new opportunities.

As for Sales & Marketing, Tasnee National Petrochemical Marketing Company represented

by the Commercial & Business was able to win all 3-Polymer products (PP, HD & LD) of the swing period and successfully introduced new marketing strategy "GTM".



4-3 Metallurgy Business

Year 2021 was a challenging year yet was full of achievements and great success for the Metallurgy SBU. Safety and wellbeing of the employees has been always top priority, all employees have been 100% vaccinated with the two doses for COVID-19, great results have been achieved with total recordable injury rate for entire Metallurgy SBU TRIR = 0.02, with total cumulative working safe man hours of 9.6M hours for all the SBU operations.

On the Smelter side, we have successfully refurbished Furnace (1) despite the challenging circumstances imposed by the pandemic. The mechanical completion was achieved on 30th October 2021 and the furnace was successfully pre-heated with the 1st slag tap done on 29th November and since then we have tapped slag more than 100 times with the quality now complying with customer requirements. Metal tapping also commenced on 5th December. The furnace load was increased to 30 MW by mid-December, and we will be maintaining this level for some time before we ramp up to higher production rates to ensure that successful commissioning of all downstream systems has

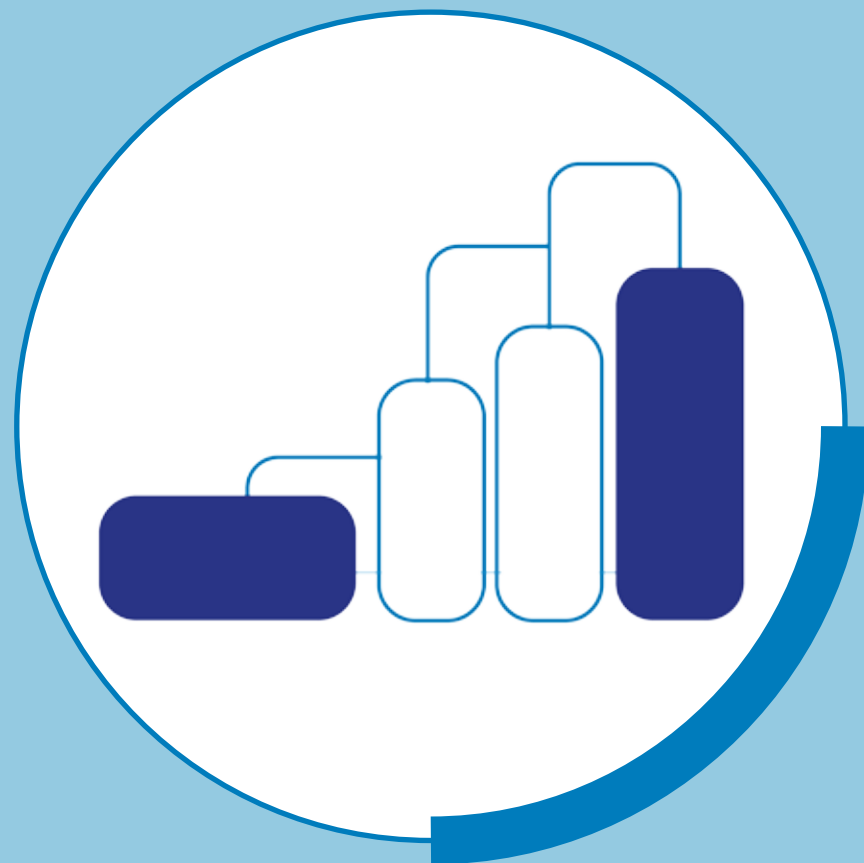
been achieved as well as optimizing the raw material feeding system.

On the Sponge Plant (ATTM) side, several development and achievements were accomplished. On quality management side, safety certificates, such as EMS ISO-14001 "Environmental Management System" certificates were obtained. As well, we have succeeded in completing external audits for Aerospace Qualifications with two major aerospace clients in Europe and USA. We are continuing our journey with the finalization of other requirements for AS-9100 "Aerospace Surveillance Certificate" and have conducted the first external audit on 30 December 2021. We are looking forward to getting the certification by Q1, 2022. Plant is operating efficiently with production yield exceeding the required target for the year.

On other sides, we are currently engaged in discussion with potential partners to execute develop the Mid-Stream projects (Melting and Forging) which will enable us to expand our products portfolios and target new niche

markets with premium prices. Also, we have signed an agreement with Tasnee Marketing to boost the sales of ATTM sponge in new territories utilizing their established marketing network.

Going forward, our focus for next year will continue to give safety, health, and environment the required priority in our business and maintain the success achieved for the Smelter and increase the commercial sales for Slag and Pig Iron, finalizing the Aerospace Qualification for A-Grade sponge with the OEMs, and ramping up production for both facilities and sales to new territories and customers.



4-4 Downstream Business

Downstream SBU continued its pursuit of being a value adding source to Tasnee's overall portfolio. Despite the global challenges in logistics activities, the availability of vessels space for overseas shipping, and the fluctuation in raw material prices. Plastic BU succeeded to achieve many milestones in 2021. Rowad global packaging company achieved the highest sales quantity for biaxial oriented polypropylene film which helped the business to achieve its highest profitability results in history. Rowad international had very successful results achieving new historical record of sales quantity by supplying many strategic projects in KSA and export market, supported by the reputation of high quality products. Rowad national also succeeded to achieve new record for injection molding production. Thanks to the efforts done to improve our paint pails design which enhanced our quality to attract more customers. Securing more suppliers for scrap materials enabled recycling plant also to produce the highest quantity ever. Back to the injection molding, the increased demand of LWPP (Light Weight Plastic Pallets) enabled TALDEEN to almost double their production to more than 500,000 pallets delivered to petrochemical companies. Taldeen's achievements resulted

in maximizing capacity utilization, in pipes section: the team managed to obtain NWC (National Water Company) approval and other governmental authorities' approvals for pipes products which helped in successfully awarding multiple pipes projects in local and export market.

Downstream batteries and lead business unit continued in adopting major modernization initiatives at all levels, which is now reflected on well organized, structured business with lower fixed cost to ensure business sustainability for the long-term. TTLSP lead smelter plant in Jeddah had the prominent role in doubling of production, sales revenues and profitability in comparison to budget because of the fruitful cooperation between business and procurement in outsourcing alternatives of scrap lead raw materials. TTLSP has benefited from continuous increase of lead prices through the year that resulted in increasing revenues and maintaining profitability. The team commenced multiple initiatives to improve operational yield ratio, reduce operating cost and enhance pricing schemes in all new agreements. National Batteries Company plant managed to reduce the operating cost which successfully resulted

in prices increase absorption and maintained profitability, the imported batteries still the main challenge in the market.

Downstream technical services business unit continued to face challenges of the coronavirus impact on its business. The impact in 2021 was marked by the significant increase in cost, caused by unpredicted and rapid raise in supplier rates, in addition to the delay in payments from the clients that negatively affected the cashflow and liquidity. The revenues further dropped in 2021 by 9% compared to 2020 as well as the EBITDA. On a positive note, BU Technical secured several contracts over the coming 3 to 5 years, strengthened its capabilities with accreditation and approvals from SAC (Saudi Accreditation Center) and SASO (Saudi Standards, Metrology and Quality Organization), in addition to diversifying into new services such as solar projects, advanced robotic NDT, and IT certification and training services.

4-5 Human Resources and Training

Consistent with our approach to delivering HR, HSE, and GS excellence and innovation, we launched several multifaceted initiatives in 2021 to drive Tasnee's vision, mission, values and to support the business with its efforts of building an agile organization that is responsive and that can adapt to change.

Our resilience in facing the pandemic was partly a consequence of our strong corporate values and a testament to the efforts of our people. In line with the directives of the Saudi government, and to ensure that we provide an appropriate and safe work environment, we launched numerous health and safety awareness initiatives during 2021 as well as vaccinated 99.9% of our workforce.

We continued with our pursuit of investing in employee development and expanding our human capital plans to reinforce our strategy of "growing our own". Tasnee has always been committed to developing the national workforce, providing not only employment opportunities but also helping to expand and enrich the national skills and knowledge base through engagement with several Corporate Social Responsibility initiatives. In 2021, we recruited more than 135 Saudi nationals and increased the number of female appointments. Building capability was a key focus and the intake of the Youth Development Program (YDP) and the Saudi Early Engineers Development (SEED) in Tasnee was a source of inspiration

where we witnessed the graduation of 12 YDPs and the onboarding of 6 SEED engineers and 39 trainees (Operators and Technicians) in 2021. The program focused on providing the required skills and knowledge that allow capability building and a unique on-the-job experience through a structured development program.

Furthermore, we successfully increased the digital learning hours, pursued a variety of blended learning approaches, and launched the "Internal Trainer Program" with a total of (76) Training courses delivered internally across Tasnee. This program, coupled with our robust succession planning program, aimed at developing our employees, diversifying their capabilities, reducing the risks of talent scarcity, creating a more flexible and agile organization that can withstand the challenges of tomorrow.

At Tasnee, we believe that our people are the key to our success, and we have established numerous forums/channels for employees to provide suggestions. In 2021, we launched our engagement survey with our core workforce, which saw more than 90% participation rate from the targeted population coupled with a positive engagement result.

As we all know, Technology has invaded many workplaces at a speed that would have been unimaginable a decade prior, but at Tasnee, we have been at the forefront to capitalize on it. In 2021 we took our digital transformation journey

to the next level by implementing Robotic Process Automation (RPA) and continued to leverage from the investments made in SuccessFactors, ASK HR and GS automated services. Furthermore, we strengthened our performance management culture by running several training sessions across the organization, enhanced, and redesigned more than 20 HR processes. In pursuit of work-life balance, we also introduced flexible working hours and opportunities for our employees to work remotely.

The primary reason for our success is that we empower, engage, train, and coach our people through establishing a platform based on strong continuous performance culture and ensuring that they can reach their full potential while also adding value to Tasnee. We will continue to work closely with our SBUs to support them in implementing the corporate strategies. Similarly, we will maintain the momentum to drive automation, digitization, and process reengineering in the coming years to maximize efficiency, streamline business processes and increase productivity while ensuring the availability of robust talent pipeline.

In continuation to its pioneering role and core values, Tasnee has managed to face many health, safety and environment challenges, whether at the level of individuals or the organization in general. The company was able to defeat these obstacles and tackle them through full compliance with all standards and requirements of occupational health, safety and the environment. Tasnee has also committed itself to contributing to the sustainability of the environment and society and has adhered to the regulations and standards of industrial entities locally, regionally and globally. The accomplished a series of successes and achievements in these areas at all levels by boosting the level of awareness, application and commitment in all its strategic business units.

One of the most significant challenges the company encountered was the Corona virus (Covid-19) pandemic which spread dangerous threat around the world; however, the company was able to achieve a full immunization rate of 99.9% in record time through the "Take the Step" campaign and cooperation with the Ministry of Health (MOH) to conduct a vaccination campaign inside the company's facilities. Tasnee continued spreading the awareness of the Covid-19 threat by holding several awareness sessions for all employees and launching the «Back to School» campaign, which aimed at educating employees' children and stress on their commitment to the necessary precautionary measures to combat the virus.

Tasnee has given the health and safety of its employees the utmost importance saving no effort to reduce the risks of the pandemic through awareness and adherence to the application

of the precautionary measures announced by all concerned ministries and developing more precautionary measures to ensure smooth work progress.

On the level of public health, Tasnee organized a lecture to boost awareness of diabetes mellitus disease by launching several campaigns coinciding with the celebration of the World Blood Donor Day and the World Mental Health Day, in addition to raising awareness of breast cancer and combating smoking. The company, in cooperation with Bupa Co., also organized a health campaign in all of its sites with the aim of conducting important primary examinations for employees and providing them with the necessary advice and guidelines.

In the field of occupational safety, Tasnee has accomplished many achievements on several levels in all business units. The company celebrated The World Day for Safety and Health at Work and recorded a total recordable incident rate (TRIR) of 0.062 for the number of hours that exceeded 60 million working hours for employees and contractors as well. This is a distinguished TRIR compared to other companies in the same industry.

Tasnee, in order to enhance its effective contribution in the industrial field, played an active role in the Saudi International Conference for Industrial Safety and Loss Prevention, which was held under the patronage of HRH Prince Abdulaziz bin Saud bin Nayef, Minister of Interior, in addition to its participation in the GPCA Responsible Care Conference.

In addition, Tasnee Petrochemical SUB received the International Safety Award achieving 25 million man-hours without a lost time injury.

Advanced Metal Industries Cluster Co., Ltd. (AMIC) has also succeeded in operating the titanium smelter in Jizan without recording any injuries, reaching 9 million working man-hours without lost time injury.

All Tasnee SBUs are keen to ensure the safety of all employees and contractors by holding several occupational safety courses and developing awareness programs in addition to providing all the essential safety requirements to protect workers. Many of SBUs have also obtained the ISO 45001 certificate in the field of occupational safety, the highest international certificate in this field. The company's senior management also organized several field tours to ensure everyone's safety and contribute to raising the level of awareness and commitment.

In the area of environment preservation, Tasnee complies with all environmental regulations and standards by obtaining environmental permits for its plants. The company's Health, Safety and Environment Department also constantly coordinates with all business units to ensure the validity of environmental permits and adherence to their strict application. Tasnee also launched a planting campaign in cooperation with the Royal Commission in Jubail (RCJ). The company celebrated the Saudi Environment Week and the launched a drawing competition for the children of employees to raise their environmental awareness. The World Environment Day was also celebrated at the company level, highlighting the importance of commitment to environment preservation and rationalizing the use of natural resources. The company received the Royal Commission Award as the best company sponsoring environmental activities.

4-6 Health, Safety and Environment



4-7 Social Contribution

In 2021 Tasnee continued its interest in social responsibility by supporting and providing positive social programs in line with the Saudi Vision 2030 and meeting the general needs of society, within its keenness to establish a strong and sustainable relationship with the community and contribute its human and financial resources to its prosperity. Tasnee contributions included the following:

- Tasnee contributed an amount of SR 1 million to support the National Charity Campaign launched by the National Charity Platform "Ehsan" during the Holy Month of Ramadan.
- Tasnee signed a Memorandum of Cooperation with (Ehsan) Platform to enhance the cooperation and contribute national charitable initiatives and to achieve the maximum benefit from improving the efficiency of charitable and humanitarian work.
- Within its partnership with Etaam Association and its contribution to the Food Insurance Program (Takaful Etaam), Tasnee and its employees provided sustainable care for 62 beneficiary families over the course of a whole year, and Tasnee organized a program for packaging food baskets both in Riyadh and Jubail with the participation of a group of employees.
- Tasnee and its employees continued their support for the Charitable Society for the Memorization of the Holy Qur'an in Jubail through the continuous monthly deduction program for 8 years, which resulted in the graduation of 715 memorizers and more than 11,300 beneficiaries.
- Tasnee supported Jubail Orphans Association as part of the Eid clothing program for the year 2021.
- Tasnee organized a tree-planting event as part of its celebration of the Saudi Environment Week, with the participation of the company's employees and management. It also launched an internal campaign to raise awareness of the Environment Week and the importance of preserving the environment.
- Supporting the "Green Saudi Arabia" initiative, Tasnee participated in a five-day afforestation campaign on the beaches of Jubail Industrial City. And to promote environmental awareness, Tasnee organized an environmental drawing competition for the sons and daughters of the Company's employees.
- In coincidence with the Breast Cancer Awareness Month, Tasnee, in cooperation with the Zahra Association, launched an awareness campaign for the company's female employees to raise awareness of breast cancer and the importance of early screening.
- Spreading awareness of smoking dangers among its employees, the Company organized a treatment and awareness campaign to combat smoking for its employees in its headquarters in cooperation with the Anti-Smoking Charity Association (Naqa), and as the founding partner of the association's mobile anti-smoking clinics.
- In order to educate the employees' children about the precautionary measures against Covid-19 virus, Tasnee organized "Back to

School" competition to identify the extent to which the employees' children are familiar with the precautionary measures before returning to school.

- The company launched an internal campaign among its employees to raise awareness of the importance of donating blood.
- Tasnee signed a Memorandum of Cooperation with the Royal Commission Lifelong Learning Committee with the aim of supporting lifelong learning in Jubail Industrial City and working to enhance cooperation in the fields of education and creative cities.
- As part of its efforts to support the building the capabilities of the national human capital in the petrochemical sector, Tasnee has dispatched 5 of its employees to participate in the "Future Leaders" program as part of its participation in the GPCA Forum 2021.

Conclusion:

The Chairman and the Board of Directors members are pleased to extend their sincere thanks and appreciation to Tasnee's shareholders for their valuable support and confidence, to all the company employees for their fruitful efforts, and to our partners and customers in the Kingdom of Saudi Arabia and around the world for their trust and cooperation.