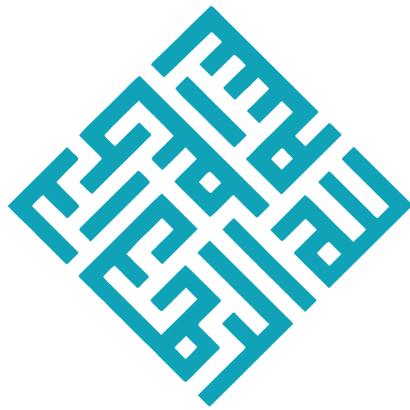


Annual Report  
**2020**









The Custodian of the Two Holy Mosques  
King  
**Salman bin Abdulaziz Al-Saud**



His Royal Highness Prince

**Mohammed bin Salman bin Abdulaziz Al-Saud**

Crown Prince, Deputy Prime Minister and  
Minister of Defense of the Kingdom of Saudi Arabia



# Contents

The statement of the Chairman of the Board of Directors	8
First: The Petrochemical Industry - Challenges and Expectations:	10
Second: The formation and activity of the company:	12
Third: Company projects:	12
Fourth: The risks related to the main business of the company:	18
Fifth: the company's financial results	19
Sixth: the policy of dividend distribution:	20
Seventh: Loans and Debt Instruments:	22
Eighth: A description of any interest in the voting eligibility category or debt instruments of the company	23
Ninth: Company management:	23
Tenth: Remuneration of Board Members, Committee Members and Senior Executives:	37
Eleventh: the company's social contributions:	39
Twelfth: A statement of the due regular payments:	40
Thirteenth: Transactions with Related Parties:	40
Fourteenth: Corporate Governance Regulations:	40
Fifteenth: General Assemblies of Shareholders during the year 2020:	41
Sixteenth: Register of Shareholders:	41
Seventeenth: General Disclosures:	42
Eighteenth: Results of the annual review of the effectiveness of internal control procedures:	43
Nineteenth: Declarations of the Board of Directors and Senior Executives:	43





## The statement of the Chairman of the Board of Directors

### In the name of Allah

Dear shareholders of the Saudi Industrial Investment Group Company

Peace, mercy and blessings of Allah be upon you

On my behalf, and on behalf of my colleagues, members of the company's board of directors, I am pleased to present to you the annual report on the performance of the Saudi Industrial Investment Group Company, its subsidiary, and the business results for the fiscal year ending in 31/12/2020.

The year 2020 witnessed a profit of 92 million riyals, compared to profits of 606 million riyals for the year 2019, and the reason for this is due to a decrease in the prices of the products of jointly managed companies, and the project of the National Petrochemical Company (Petrochem). This is a result of the global economy being affected by the Corona pandemic, which affected most of the petrochemical industry around the world, but the company's projects were able to continue production, sale and distribution operations during the pandemic, without stopping its business.

During the year 2020, the Board approved the start of initial discussions with the National Petrochemical Company (Petrochem) to study the economic feasibility of merging the two companies, business, which is still under study.

The company will continue to work to achieve its objectives of maximizing the return to its shareholders, paying attention to security and safety in its facilities, improving the performance of subsidiary projects, raising production efficiency, developing human resources capabilities, and facing challenges in the petrochemical markets. They are accompanied by the deviation in the prices of products and feedstock, as the movement of crude oil prices affects them. The company will strive to maintain the proportion of dividends to its shareholders, and to search for possible investment opportunities in its field of competence, whether locally or internationally.

In conclusion, I would like to express, on behalf of myself and on behalf of the members of the Board of Directors, my sincere thanks and appreciation to the Custodian of the Two Holy Mosques and his government, for their continuous support to the industry sector.

**Chairperson of Board of Directors**  
**HAMAD BIN SAUD AL-SAYARI**

## Members of the Board of Directors of the Saudi Industrial Investment Group Company



His Excellency Mr.  
Hamad Saud Alsayari  
(Chairman)



His Excellency Mr. Sulaiman  
Abdulrahman Algwaiz  
(Deputy Chairman)



Mr. Sulaiman Mohammed  
Almandeel (CEO)



Dr. Abdulrahman Sulaiman Alrajhi



Mr. Saleh Eid Alhusseini



Mr. Abdulaziz Saleh Alanbar



Mr. Adel Abdulaziz Alquraishi



Mr. Thamer Abdullah Alhmoode



Mr. Abdulrahman Saleh Alismail



# First: The Petrochemical Industry - Challenges and Expectations:

The petrochemical industry in the Kingdom is a vital component of the Saudi non-oil economy, so the Kingdom aims to increase the production capacity of specialized chemicals and final products. This will not only achieve growth in the Kingdom's non-oil exports, but it will also create a base for manufacturing high-value products with greater return, which will also create job opportunities for Saudi citizens.

With regard to demand, the increase in the size of the world's population and the increase in the purchasing power of the individual in many countries of the world, especially China and India, leads to an increase in the demand for consumer products around the world, which depend on petrochemical materials in their manufacture. The largest supplier to China, due to its production capacity and geographical location

The next decade is expected to witness a significant increase in petrochemical production capacity, as the shale gas boom provided large and inexpensive supplies of feedstock to US producers. China has succeeded in developing the technology of its position from the use of coal in its petrochemical supply chain, so there are still great challenges for manufacturers in the Gulf region to maintain their position in the petrochemical industries. The industry faces a major challenge in terms of preserving the environment and recycling its final products.

In general, the market for petrochemical products showed a decrease in product prices during the year 2020, as a result of the impact of the Coronavirus pandemic on the global economy.

It is expected that the quantity of demand for products will continue to decrease during the year 2030 because of the continuous negative impact resulting from the spread of the Corona virus during this year 2020, so it is difficult to predict the future results of the company. The company will continue to work on regularizing the operations, production and sales to mitigate the negative impact of these challenges.



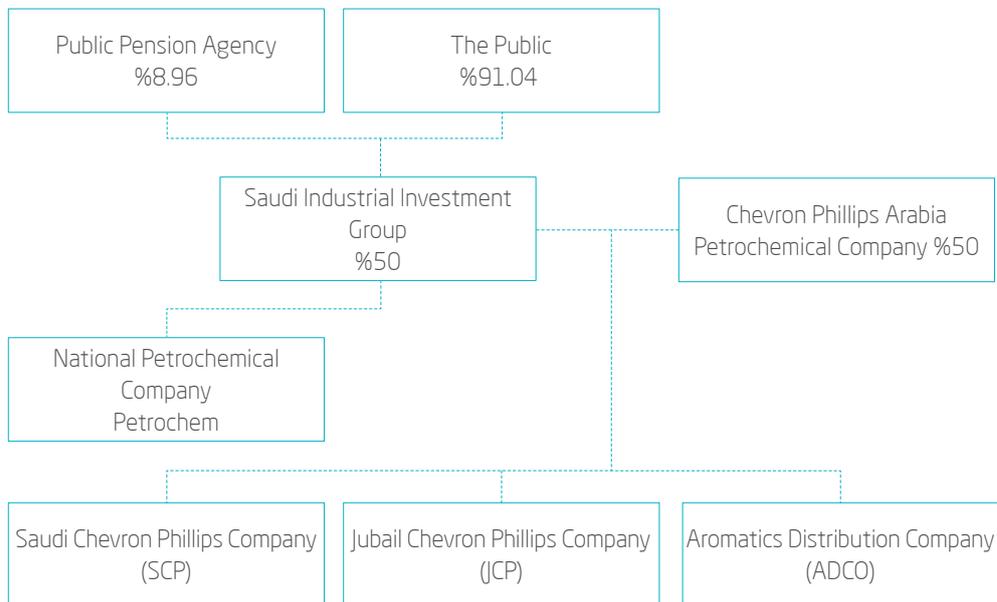


## Second: The formation and activity of the company:

The Saudi Industrial Investment Group Company was established pursuant to the Ministry of Commerce Decision No 291, dated 23 November 1995. It is a Saudi public joint stock company headquartered in Riyadh, Kingdom of Saudi Arabia, with Commercial Registry No. 1010139946 and dated 1 January 1996, and its capital is 4,500 million riyals, divided into 450 million shares, with a nominal value of 10 riyals per share, and the company's activity is investing in the petrochemical industries

## Third: Company projects:

The chart below shows the percentage of Saudi Industrial Investment Group's ownership in its jointly managed projects and affiliated with the end of the year 2020 AD, as well as the proportions of major shareholders in the group.



The Saudi Group's business in the year 2020 is limited to its investment in the following companies, which are:

The Company	Capital *	ownership percentage	main activity	Country of incorporation and operations
Saudi Chevron Phillips Company (SCP) - Jointly managed	244	50%	Manufacture of petrochemical products	Saudi Arabia
Jubail Chevron Phillips Company (JCP) - Jointly managed	284	50%		
Aromatics Distribution Company (ADCO) - Jointly managed	0.102	50%	Marketing of petrochemical products	UAE Free Zone
National Petrochemical - Petrochem - subsidiary	4,800	50%	Investing in petrochemical companies	Saudi Arabia

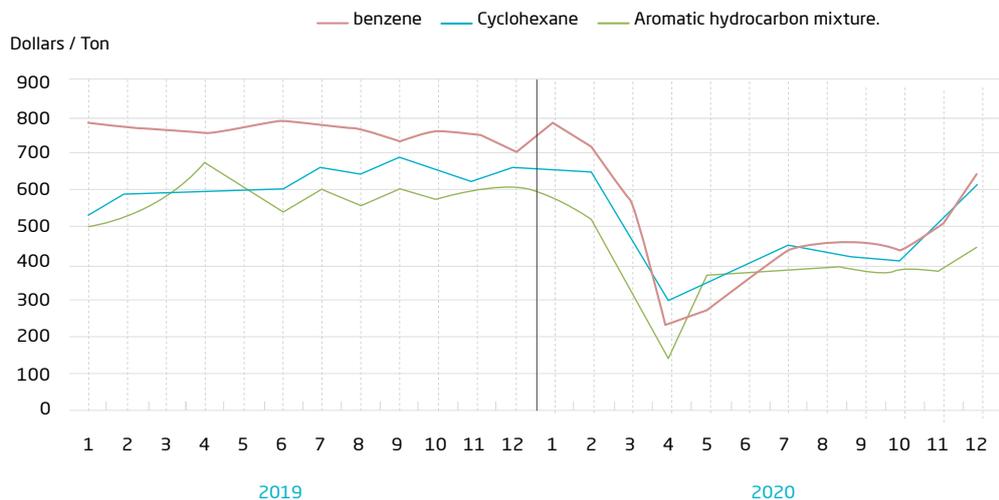
\*SR Million

## 1. Saudi Chevron Phillips Company (SCP)

It is a limited liability company, located in Jubail, Kingdom of Saudi Arabia, with Commercial Registry No 2055003839 and dated 8 July 1996. Its capital is 244 million riyals, and the Saudi Industrial Investment Group and Chevron Phillips Arabia Petrochemical Company equally own it, at 50% each. The project is located in Jubail Industrial City, production began in 2000, and it produces benzene, cyclohexane, and aromatic hydrocarbon mixture.

The total sales of the company amounted to 2,703 million riyals in the year 2020, compared to 4,051 million riyals in the year 2019. The Saudi Chevron Phillips Company, before calculating the tax and zakat, achieved profits of 33 million riyals for the year 2020, compared to an amount of 293 million riyals for the year 2019.

The following chart shows a comparison of the prices of Saudi Chevron Phillips products from the beginning of 2019 until the end of 2020:



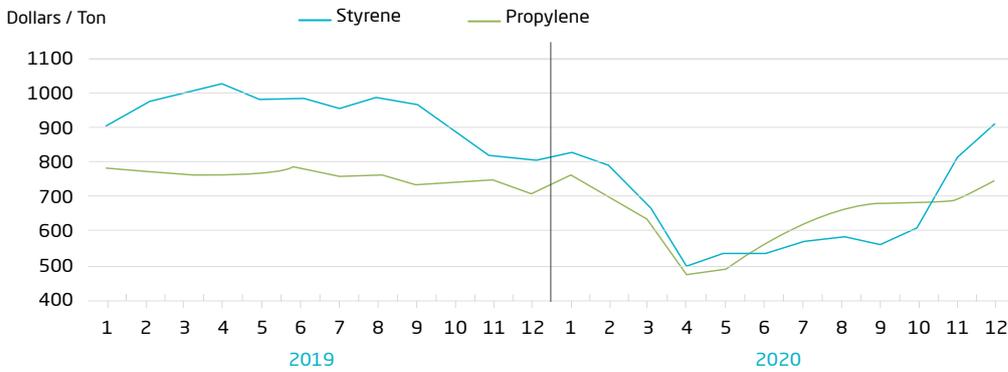
Note: Saudi Chevron Phillips Company (SCP), on 09/01/2020, completed the legal procedures to reduce the capital, due to the lack of need for the company. As the company has sufficient financial reserves and the ability to borrow when needed, in this process the capital of Saudi Chevron Phillips Company was reduced from (655) million riyals to (244) million riyals. This reduction will be returned to the partners according to the availability of cash with the company in the coming years. The Saudi Group's share of that reduction amounts to (206) million riyals.

## 2. Jubail Chevron Phillips Company (JCP)

It is a limited liability company, located in Jubail, Kingdom of Saudi Arabia, with Commercial Registry No. 2055005901 dated 23 August 2003. Its capital is 484 million riyals, and the Saudi Industrial Investment Group and Arab Chevron Phillips Petrochemical Company, at 50% each, equally own it. The project is located in Jubail Industrial City, and production began in the year 2008, producing styrene and propylene.

The total sales of the company amounted to 3,877 million riyals in the year 2020, compared to 5,504 million riyals in the year 2019, and the company achieved losses before calculating the tax and zakat amounting to (128) million riyals for the year 2020, compared to profits of 286 million riyals for the year 2019.

The following chart shows a comparison of the prices of Jubail Chevron Phillips products from 2019 to the end of 2020:



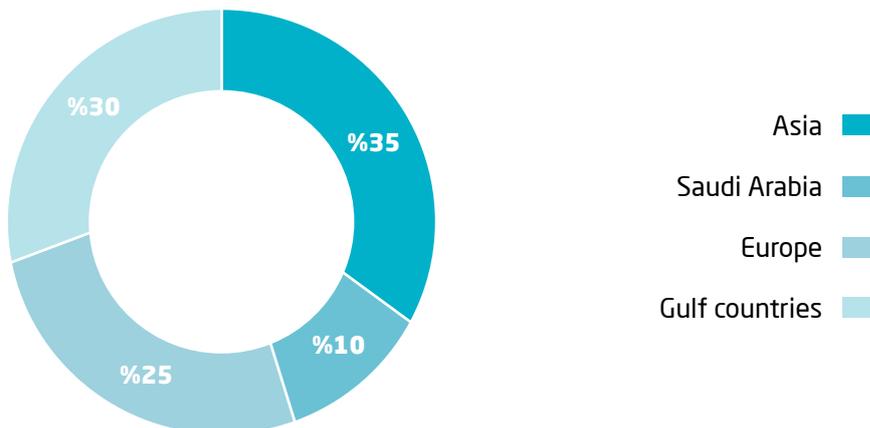
Note: Jubail Chevron Phillips Company (JCP), on 09/01/2020 AD, completed the statutory procedures to reduce the capital, due to the lack of need for the company, because the company has sufficient financial reserves and the ability to borrow when needed, as the capital of Jubail Chevron Phillips was reduced From (1,478) million riyals to (484). This reduction will be returned to the partners according to the availability of cash with the company in the coming years. The Saudi Group’s share of that reduction is (497) million riyals.

The operating rate for jointly managed projects was 91%, for the year 2020G

### 3. Aromatics Distribution Company (ADCO)

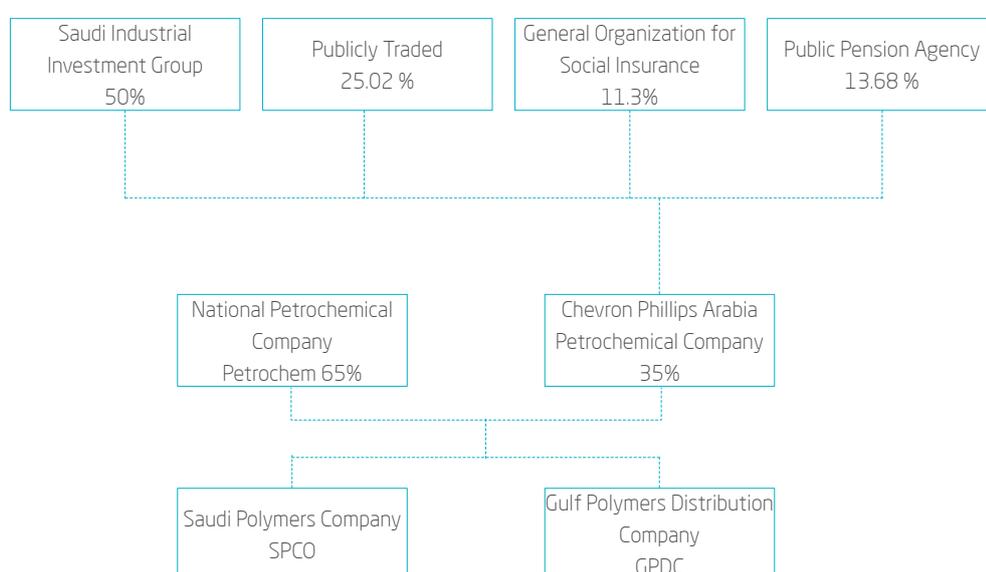
It is a limited liability company, in the Free Zone at Dubai Airport, in the United Arab Emirates, established in 2020, with a capital of 102,000 AED, owned equally between the Saudi Industrial Investment Group and the Arab Chevron Phillips Petrochemical Company, at 50% each. The company markets the products produced by Saudi Chevron Phillips Company (SCP) and Jubail Chevron Phillips (JCP) outside the Kingdom, in cooperation with Chevron Phillips Chemical International (CPCIS), based on the sale agreement concluded between Aromatic Distribution Company and (CPCIS). Its activity is limited to providing marketing support through marketing and selling services for all the company’s products outside the Kingdom. The total sales of the company were 1,798 million riyals in the year 2020G, and the company achieved profits amounting to 109 million riyals for the year 2020G.

The following is the geographical breakdown of the revenues of jointly managed companies (ADCO-JCP-SCP) OF 2020:



## 4. National Petrochemical Company - Petrochem

It is a Saudi public shareholding company, headquartered in Riyadh, Kingdom of Saudi Arabia, with the commercial registry number 1010246363 and dated 16 March 2008, and its capital is 4,800 million riyals, divided into 480 million shares, with a nominal value of 10 riyals per share. The Saudi Industrial investment Group owns 50% of the shares of the National Petrochemical Company (Petrochem), and its activity is investing in the petrochemical industries. Petrochem's total sales amounted to 6,113 million riyals for the year 2020, compared to an amount of 7,656 million riyals for the year 2019. The company achieved profits amounting to 230 million riyals for the year 2020, compared to profits of 674 million riyals for the year 2019, and the chart below shows the percentage of ownership of the National Petrochemical Company Petrochem in its subsidiary projects by the end of the year 2020. As well as the proportions of major shareholders in Petrochem:



Petrochem's business is limited to its investment in its subsidiaries, which are:

The Company	Capital	ownership percentage	main activity	Country of incorporation and operations
Saudi Polymers Company (SPCO) - Subsidiary	SAR 4,800 Million	65%	Manufacture and sale of petrochemical products	Saudi Arabia
Gulf Polymers Distribution Company (GPDC) - Subsidiary	AED 2 Million	65%	Selling and distributing petrochemical products outside the Kingdom	The United Arab Emirates

### • Saudi Polymers Company (SPCO)

It is a limited liability company, located in the city of Jubail in the Kingdom of Saudi Arabia, with the Commercial Registry No. 2055008886 and the date of 9 December 2007, and its capital is 4,800 million riyals, the National Petrochemical Company (Petrochem) owns 65%, and the Arabian Chevron Phillips Petrochemical Company owns 35%. The project is located in Jubail Industrial City, and production began in 2012, as it produces materials with the following:

Material	Designed capacity (thousand tons)
Ethylene	1,220
Propylene	440
Polyethylene	1,100
Polypropylene	400
Hexane-1	100
Polystyrene *	100

\*Note: The partners agreed during the year 2020 to idle the polystyrene production unit and amortize its value, due to the difficulty of making profits from this unit.

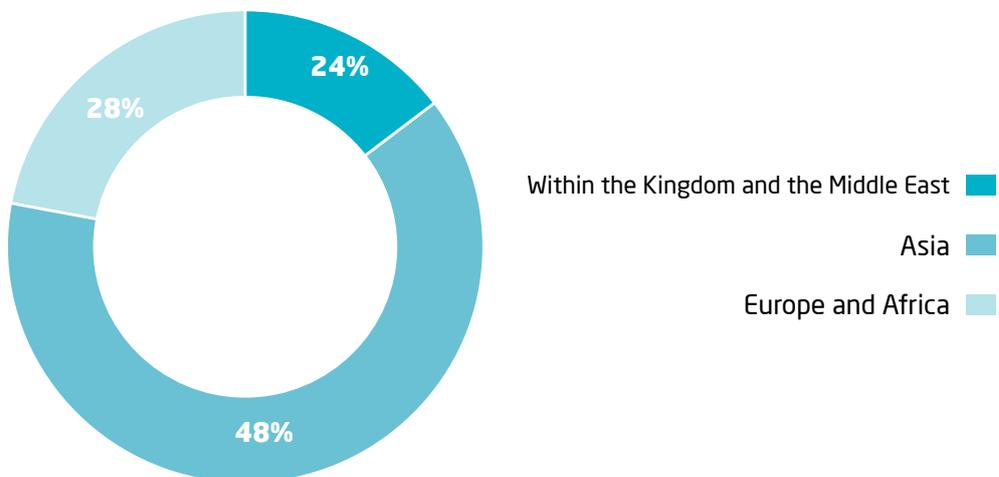
During the year 2019, the partners agreed to initiate procedures to reduce the capital of the Saudi Polymers Company (SPCo) from (4,800) million Saudi riyals to (1,406) million Saudi riyals, due to lack of need. Note that this reduction depends on the approval of the competent authorities, and this reduction will be returned to the partners according to the availability of cash with the company during the coming years. Petrochem’s share of this reduction will amount to (2,206) million riyals.

The project-operating rate of the Saudi Polymers Company was 98%, for the year 2020.

### • Gulf Polymers Company for Distribution (GPDC)

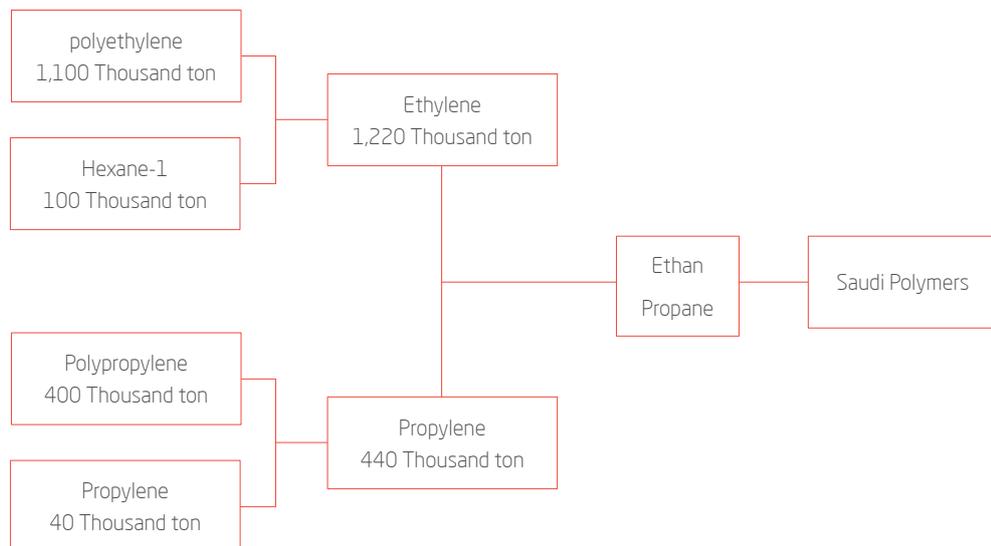
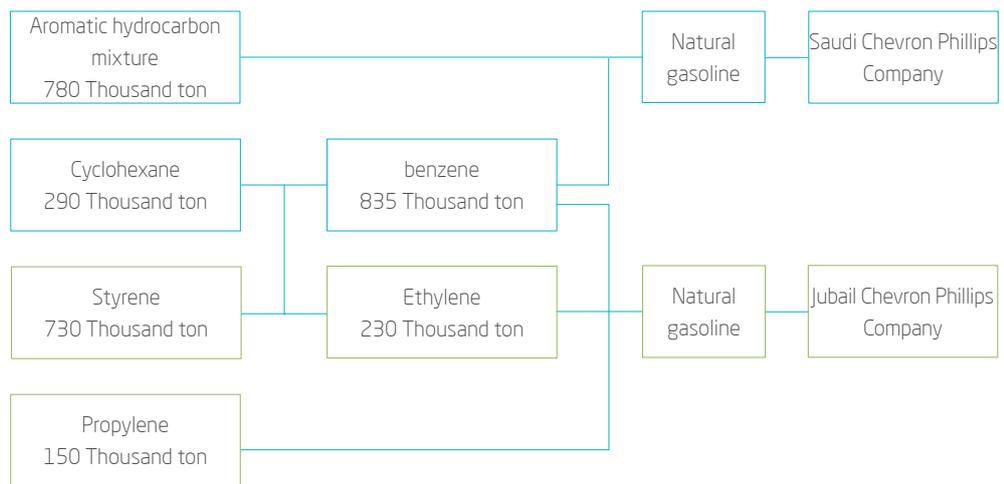
It is a limited liability company, located in the Free Zone of Dubai Airport, in the United Arab Emirates, established in 2011, with a capital of 2 million dirhams, and the National Petrochemical Company (Petrochem) owns 65%. Chevron Phillips Arabia Petrochemical Company owns 35%, and the company markets products outside the Kingdom, in cooperation with Chevron Phillips Chemical International (CPCIS), based on the sale agreement concluded between Gulf Polymers for Distribution and CPCIS. Its activity is limited to providing marketing support by storing, selling and distributing products outside the Kingdom, produced by the Saudi Polymers Company.

The geographical distribution of the revenues of the two companies during the year 2020, as follows:



## 5. Enterprise integration

The three projects (Saudi Chevron Phillips, Jubail Chevron Phillips, and Saudi Polymers Company) are complementary to each other, as they produce different products with a total capacity of 6,400 thousand tons per year, some of which are used internally to produce value-added products. The quantities available for sale, both locally and internationally, are 3,700 tons annually:



## Fourth: The risks related to the main business of the company:

The group and its projects manage its factory operations, risk management and performance monitoring, which aim to develop the rights of its shareholders and enhance the company's competitive capabilities in various markets. The company and its subsidiary companies continuously monitor the management of these risks and take preventive measures that contribute to raising awareness and limiting their impact. Among the risks affecting the company in its main industries are the following:

- ◊ The risks of supplying basic materials and their prices on which the company's projects depend in production, as the subsidiary companies obtain feedstock from the main supplier (Saudi Aramco) at prices similar to the prices of petrochemical companies in Saudi Arabia, and any change in the feedstock price will affect the profitability of the company.
- ◊ The situation of the global economy, which is reflected in product prices, and may affect the demand for the products of the subsidiaries, and thus on sales and revenues, as well as the expected cost of values, so the company and its subsidiaries continuously monitor the market situation, supply and demand conditions and exchange rates in order to set plans and forecast Any possible recession
- ◊ The high competitiveness in the markets that the subsidiaries are affected by in terms of supply and demand, and the subsidiary companies work to market and sell their products in various local, regional and global markets, and expand their business base through marketing agreements. They are also exposed to price fluctuations of petrochemical products. This influences by reducing costs, and increasing the quantities produced and sold
- ◊ Risks of the level of operational performance, which contain many technologies and equipment, which may be subject to breakdowns and stops from time to time, and the subsidiary companies in their operating units are exposed to some expectations, and to reduce the risks of these interruptions, the subsidiaries apply a comprehensive reliability program for all their units, in addition to providing the necessary insurance Its origins
- ◊ The activity of the subsidiary companies includes the manufacture and marketing of petrochemical products, and some of these materials are dangerous or flammable, and as is the case in any activities that involve dealing with dangerous materials, and to reduce these risks, the subsidiary companies undertake continuous training of workers in all areas of safety and environmental protection, They apply the highest international safety standards
- ◊ Interest rate risk The change in interest rates has two effects on the company's business, as its continued decline negatively affects bank deposits, Islamic Murabahat and existing hedging operations with which the subsidiaries are linked, but the high interest rates also affect negatively, as it raises the cost of existing loans in subsidiaries
- ◊ Human resource risks that accompany the instability of Saudi competencies in the development and continuation of the company's performance, and the company and its subsidiaries prepare appropriate programs that help stabilize Saudi employees, and work to reduce their turnover.
- ◊ Environmental risks associated with the petrochemical industries, such as pollution and the consequent fines and costs, and to reduce environmental risks, the subsidiary companies are committed to the principles of sustainability by using materials that are less harmful to the environment, and used globally, and disposing of waste in the correct ways that do not harm the environment and society, by specialists in this field
- ◊ Risks related to anti-dumping laws in the markets in which the products of the subsidiaries are sold, as the company works in cooperation with the Saudi Committee for Petrochemical Manufacturers, which is a private entity that is responsible for defending the interests of the petrochemical sector, and coordinating between companies and government agencies to represent the Saudi side in cases of dumping that are filed against them abroad
- ◊ The spread of epidemics and diseases, and its impact on the global economy, as happened as a result of the spread of the Covid 19 virus, as the company and its subsidiaries apply all preventive and precautionary measures to protect employees and limit the spread of the virus, and adhere to the instructions issued by the Ministry of Health

## Fifth: the company's financial results

### A- Summary of the company's business results for the fiscal years 2016 - 2020:

The following table shows the results of the company's operations for the past five years

◇ Statement of financial position:

Accounting policy applied	IFRS				SOCPA
List of financial position in millions of riyals	2020	2019	2018	2017	2016
Current assets	4,865	5,838	7,060	6,365	5,501
Non-current assets	14,441	16,397	17,345	18,658	21,060
<b>Total assets</b>	<b>19,306</b>	<b>22,235</b>	<b>24,405</b>	<b>25,023</b>	<b>26,561</b>
Current liabilities	2,508	3,000	4,243	3,066	2,681
Non-current liabilities	2,165	4,267	5,747	8,957	10,384
<b>Total liabilities</b>	<b>4,673</b>	<b>7,267</b>	<b>9,990</b>	<b>12,023</b>	<b>13,065</b>
Total Equity	14,633	14,968	14,415	13,000	13,496
<b>Total liabilities and equity</b>	<b>19,306</b>	<b>22,235</b>	<b>24,405</b>	<b>25,023</b>	<b>26,561</b>

◇ Income Statement:

Accounting policy applied	IFRS				SOCPA
(Income statement) in millions of riyals	2020	2019	2018	2017	2016
the sales	6,113	7,656	8,930	7,364	6,066
Sales cost	(5,169)	(5,773)	(6,247)	(5,100)	(4,469)
Gross profit	<b>944</b>	<b>1,883</b>	<b>2,683</b>	<b>2,264</b>	<b>1,597</b>
The company's share in the profits of jointly managed projects	(15)	274	311	609	339
General and administrative expenses, selling and distribution expenses	(527)	(616)	(702)	(662)	(608)
Investment losses for a jointly managed project	-	-	-	(41)	-
<b>Income (loss) from main operations</b>	<b>402</b>	<b>1,541</b>	<b>2,310</b>	<b>2,170</b>	<b>1,328</b>
Finance costs	(46)	(113)	(304)	(269)	(188)
Other income, net	24	14	252	208	21
<b>Income (loss) before non-controlling interest and zakat</b>	<b>380</b>	<b>1,442</b>	<b>2,258</b>	<b>2,109</b>	<b>1,161</b>
Zakat and income tax	(46)	(158)	(259)	(253)	(153)
The share of non-controlling interest in the net profit (loss) of the subsidiaries	(242)	(678)	(1,116)	(852)	(509)
<b>net income</b>	<b>92</b>	<b>606</b>	<b>865</b>	<b>1,004</b>	<b>499</b>
<b>Earnings per share in riyals</b>	<b>0.20</b>	<b>1.35</b>	<b>1.92</b>	<b>2.23</b>	<b>1.11</b>

**B- Material differences in operating results compared to the results of the previous year:**

Items (millions of riyals)	2020	2019	changes +/-	Percentage change %
Sales / Revenue	6,113	7,656	(1,543)	(%20)
Cost of sales revenue	(5,169)	(5,773)	(604)	(%10)
Gross profit	944	1,883	(939)	(%50)
The company's share in the profits of jointly managed projects	(15)	274	(289)	(%105)
General and administrative expenses, selling and distribution expenses	(527)	(616)	(89)	(%14)
Operating profit	402	1,541	(1,139)	(%74)
Net profit	92	606	(514)	(%85)

The reason for the decline in net profits is:

1. Jointly managed projects achieved losses of (15) million riyals for the year 2020, compared to profits of 274 million riyals for the year 2019, due to the sharp decline in product prices, as a result of the global economy affected by the Corona pandemic
2. The decline of the group's share in the profits of the National Petrochemical Company (Petrochem) to reach 115 million riyals for the year 2020, compared to 337 million riyals for the year 2019, as a result of the decrease in the selling prices of products, in addition to Petrochem's depreciation of the entire value of the polystyrene unit, which was discontinued during the year 2020

**C. Accounting financial policies and application of standards:**

The company's annual consolidated financial statements have been prepared in accordance with international financial reporting standards and other standards and publications approved by the Saudi Organization for Certified Public Accountants. There is no difference in the accounting financial policies and standards applied in the company

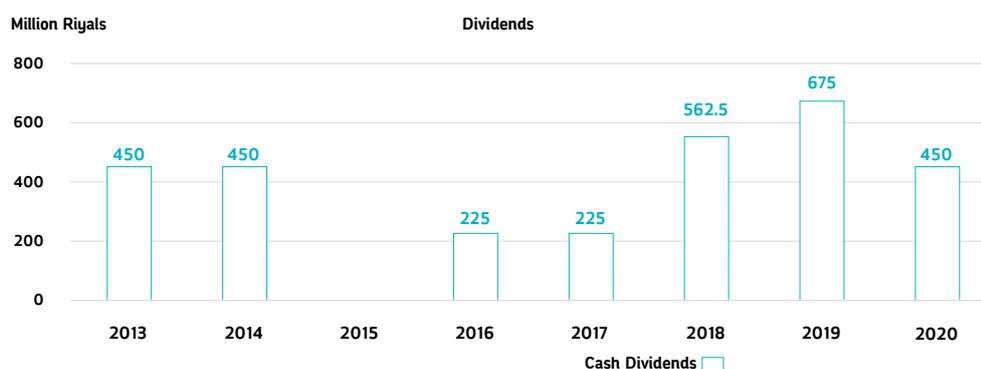
**Sixth: the policy of dividend distribution:**

The annual net profits of the company are distributed after deducting all general expenses and other costs, including zakat, as follows:

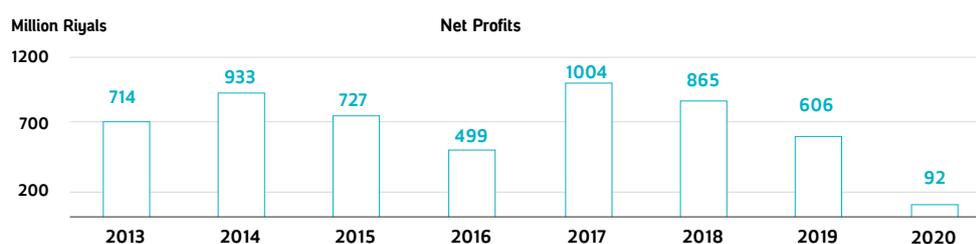
1. Ten percent (10%) of the net profits shall be set aside to form a statutory reserve, and the Ordinary General Assembly may stop this deduction when the said reserve reaches thirty percent (30%) of the paid-up capital
2. The Ordinary General Assembly based on the proposal of the Board of Directors may set aside five percent (5%) of the net profits to form an agreement reserve and allocate it for a specific purpose or purposes
3. The Ordinary General Assembly may decide to create other reserves, to the extent that it serves the interest of the company or ensures that fixed profits are distributed as much as possible to the shareholders. The aforementioned association may also deduct from the net profits sums to establish social institutions for the company or aid workers that exist from these institutions.
4. From the remainder after that, dividends shall be distributed to the shareholders at a rate of no less than five percent (5%) of the paid-up capital
5. Subject to the provisions stipulated in Article Twenty-Two (22) of the Company's Articles of Association, and Article seventy-six (76) of the Companies Law, after the aforementioned ten percent (10%) of the remainder shall be allocated to the remuneration of the Board of Directors, provided that the entitlement of this remuneration is proportional. With the number of sessions a member attends.

Profit period for the year 2020	First half	Second half
Board decision date	16-04-2020	22-12-2020
due date	30-06-2020	31-12-2020
distribution date	14-07-2020	14-01-2021
Total amount distributed	225 million riyals	225 million riyals
The number of outstanding shares for dividends	450 million shares	450 million shares
Dividend per share	0.5 SAR	0.5 SAR
Ratio of distribution to nominal value	5%	5%

Thus, the total amount distributed as dividends for the year 2020 AD is 450 million riyals, and the share of one share is 1 riyal, at a rate of 10% to the nominal value of the share, and the cash dividends distributions during the past years were as follows:



The company has achieved net profits during the previous years as follows:



As it is known, the petrochemical industry is a fluctuating industry, due to the change in the prices of the costs of values as well as the prices of international products, so that it is difficult to predict the profits of the company for the coming years, which requires reviewing the dividend policy periodically, knowing that the company aims to the continuity and growth of the annual distributions to the shareholders, whenever This ability has been achieved, and the following table shows the balance of retained earnings.

Description	Balance (millions of riyals)
Balance of retained earnings in 1/1/2020	1,396
Dividends distribution for the first half of the year 2020	(255)
Dividends for the second half of the year 2020	(255)
Net profit at 31/12/2020	92
Other comprehensive income for the year	(24)
Transferred to the statutory reserve of 10%	(9)
Accumulated retained earnings at 31/12/2020	1,005

## Seventh: Loans and Debt Instruments:

There are no direct loans on the Saudi Industrial Investment Group, as well as its jointly managed companies, but the project of its subsidiary, the National Petrochemical Company (Petrochem), has loans based on its project, the Saudi Polymers Company, and the following table shows the loan information, debt instruments and their movement during the year 2020

### 1. Saudi Polymers Company (in millions of riyals)

The lender	Loan term (year)*	Beginning of year balance	Payments made during the year	Year end balance	The loan amount
Saudi Industrial Development Fund	1,200	100	100	-	7
Public Investment Fund	3,000	392	392	-	7,5
Local and foreign commercial banks	9,258	4,157	4,157	-	11
Total	13,458	4,649	4,649	-	

\*Repayment started during the year 2013

The Saudi Polymer Company has signed refinancing agreements with both Samba Financial Group and Riyadh Bank, for a total amount of 3000 million riyals, for a period of four years to be paid semi-annually, beginning in June 2020 and ending in December 2023, and the interest rate is based on the interbank interest rate. In London (LIBOR) in addition to 0.9% and secured by a master bond, and the following table shows loan information and debt instruments and their movement during the year 2020:

The lender	Loan term (year)*	Beginning of year balance	Payments made during the year	Year end balance	The loan amount
Riyadh Bank	1,500	0	375	1,125	4
Samba Financial Group	1,500	0	375	1,125	4
Total	3,000	0	750	2,250	

\*Repayment started during the year 2020

## Eighth: A description of any interest in the voting eligibility category or debt instruments of the company (except for members of the company's board of directors and senior executives and their relatives) and any change in those rights during the fiscal year 2020:

Name of the stakeholder	the beginning of the year	End of the year	Net change	Percentage change
	Number of Shares	Number of Shares		
Public Pension Agency	40,323,465	40,323,465	-	-
General Organization for Social Insurance	18,813,857	18,813,857	-	-

## Ninth: Company management:

### A. Board Membership:

The company is managed by a board of directors consisting of nine members, who were elected on 17/4/2018 at the three-year ordinary general assembly meeting, and their membership began on 1/7/2018, and the current board session ends on 6/30/2021. Members are classified according to the definitions contained in Article 1 of the Corporate Governance Regulations issued by the Capital Market Authority as follows:

SN	Member name	capacity
1	Mr. Hamad Saud Al-Sayari, Chairman of the Board of Directors	Non-executive
2	Mr. Sulaiman Abdulrahman Al-Quwiz (Vice Chairman of the Board of Directors) representing the General Organization for Social Insurance	Non-executive
3	Mr. Sulaiman Muhammed Al Mandeel (Managing Director)	Executive
4	Dr. Abdul Rahman Sulaiman Al-Rajhi	Independent
5	Mr.Saleh Eid Al-Hussaini	Independent
6	Mr. Thamer Abdullah Al-Hamoud (Representative of the Public Pension Agency) *	Non-executive
7	Eng. Abdulaziz Saleh Al-Anbar	Independent
8	Mr.Adel Abdulaziz Al-Quraishi	Non-executive
9	Mr. Abdulrahman Saleh Al-Ismail	Non-executive

Note: The Board of Directors approved, by circular on 19/5/2020, to change the representative of the Public Pension Agency in its Board of Directors, based on the letter of the Public Pension Agency, and its request to appoint Mr. Thamer bin Abdullah Al-Hamoud (non-executive member) as its representative on the Board of Directors of the Saudi Industrial Investment Group, instead of Mr. Saad Ali Al Kathiri (non-executive member), provided that this shall be as of 01/06/2020. Note that the approval of the Board on this appointment is not final, and this appointment will be presented to the first meeting of the General Assembly for approval, and the Board also agreed on 16/7/2020 to accept the resignation of Mr. Sulaiman Al Mandeel as of 12/31/2020, while continuing in the Board of Directors until the end of the current session, and the appointment of a member of the Board of Directors, Mr. Abdulrahman Saleh Alismail, as CEO of the Saudi Industrial Investment Group, as of 1/1/2021.

SALEH AL-HUSSAINI	Alawwal Investment	Inside	Unlisted joint stock	SABIC Corporation Petromin Corporation Ibn Bitar Company Saudi Airlines Cargo Company Al-Etihad Cooperative Insurance Company	Inside	Listed joint stock Unlisted joint stock Unlisted joint stock Unlisted joint stock Listed joint stock
SAAD AL KATHIRI*	-	-	-	ALINMA	Inside	Listed joint stock
THAMER AL-HAM- MOUD**	Saudi Pharmaceutical Industries and Medical Appliances Company	Inside	Listed joint stock	-	-	-
ABDUL AZIZ ANBER	Saudi Real Estate Company	Inside Inside	Listed joint stock Non-profit Limited liability	Saudi Arabian Fertilizer Company SAFCO Southern Cement Company Saudi Company for Hotels and Tourist Zones Saudi Company for Public Transport	Inside	Listed joint stock Listed joint stock Listed joint stock Listed joint stock
ADEL AL-QURAI- SHI	The Supreme Commission for Tourism United Motors Company Advanced Systems Corporation Al-Quraishi Company	Inside	Government Limited liability Limited liability Limited liability	Al Sabah Trading Company Ali Zaid Al-Quraishi & Brothers Company Arabian Automobiles Company Rana Investment Company	Inside	Limited liability Limited liability Limited liability Limited liability
ABDUL RAHMAN ALSMAIL	National Petrochemical Company (Petrochem) Saudi Chevron Phillips Company Jubail Chevron Phillips Company Saudi Polymers Company Gulf Polymers Company for Distribution	Inside Inside Inside Inside Outside	Listed joint stock Limited liability Limited liability Limited liability Limited liability	Higher Institute for Plastic Industry	Inside	Non-profit

Mr. Saad Al-Kathiri's membership ended on 31/5/2020, and Mr. Thamer Al-Hamoud's membership began on 1/6/2020.

**B- Names of companies inside or outside the Kingdom of which a member of the board of directors is a member of the current and competition board of directors or of its managers:**

Name	Current council membership	Inside - outside the Kingdom	Legal entity	Membership of previous councils	Inside - outside the Kingdom	Legal entity
HAMAD AL-SAVARI	National Petrochemical Company (Petrochem) Saudi Chevron Phillips Company Jubail Chevron Phillips Company Saudi Polymers Company	Inside	Listed joint stock Limited liability Limited liability Limited liability	A large number of companies are represented by the Public Investment Fund	Inside and outside the Kingdom	Listed and unlisted joint stock company
SULAIMAN AL-QUWAI	Ethihad Telecom Company (Mobli) Saudi Arabian Mining Company (Maaden) Hassana Investment Company	Inside	Listed joint stock Listed joint stock Unlisted joint stock	Saudi Company for Glass Industries (Zouja) National Manufacturing Company (Manufacturing) Royal & Sun Insurance Company Ajil Financial Services Company MasterCard International Company	Inside Inside Outside Inside Outside	Listed joint stock Listed joint stock Unlisted joint stock Unlisted joint stock Unlisted joint stock
SULAIMAN AL-MANDEEL	National Petrochemical Company (Petrochem) Saudi Chevron Phillips Company Jubail Chevron Phillips Company Saudi Polymers Company Gulf Polymers Company for Distribution	Inside Inside Inside Inside Outside	Listed joint stock Limited liability Limited liability Limited liability Limited liability	A large number of companies are represented by the Public Investment Fund	Inside and outside the Kingdom	Listed and unlisted joint stock company
ABDUL RAHMAN AL-RAJHI	The advanced educational company Al Rajhi Brothers Group Saudi Cement Company Arab Slob Company National Information Systems Company Ltd. Sulaiman Al-Rajhi University Suleiman bin Abdul Aziz Al-Rajhi Charity College of Medicine, King Saud University Sulaiman Al-Rajhi Foundation for Development Finance The National Association for Social Services (Ajwad) Civil institutions Tamkeen Foundation	Inside	Unlisted joint stock Unlisted joint stock Listed joint stock Unlisted joint stock Unlisted joint stock Unlisted joint stock Educational institution Non-profit Educational institution Non-profit Non-profit Non-profit Non-profit Non-profit	The advanced educational company National poultry group of companies Endowments Suleiman bin Abdul Aziz Al-Rajhi	Inside Outside Inside	Unlisted joint stock A closed joint stock Non-profit

**C- Board of Directors Meetings:**

The Board of Directors of the company held six meetings during the fiscal year 2020 AD, and the attendance of the members was as follows:

Member name	March 4	April 15	July 14	September 15	October 13	December 22
HAMAD SAUD AL-SAYYARI	✓	✓	✓	✓	✓	✓
SULAIMAN ABDULRAHMAN AL-QUWIZ	✓	✓	✓	✓	✓	✓
SULAIMAN MOHAMMED AL MANDEEL	✓	✓	✓	✓	✓	✓
ABDUL RAHMAN SULEIMAN AL-RAJHI	✓	✓	✓	✓	✓	✓
SALEH ABDUL HUSSAINI	✓	✓	✓	✓	✓	✓
SAAD ALI AL KATHIRI *	✓	✓	-	-	-	-
THAMER ABDULLAH AL-HAMOUD **	-	-	✓	✓	✓	✓
ABDUL AZIZ SALEH ANBAR	✓	✓	✓	✓	✓	✓
ADEL ABDULAZIZ AL-QURAIISHI	✓	✓	✓	✓	✓	✓
ABDUL RAHMAN SALEH AL-ISMAIL	✓	✓	✓	✓	✓	✓

Note: Mr. Saad Al-Kathiri's membership ended on 31/5/2020, and Mr. Thamer Al-Hamoud's membership began on 1/6/2020.

**D- Ownership of Board Members:**

- ◊ A description of any interest of the members of the board of directors and their wives and minor children in the shares of the company (the Saudi group) during the year 2020 AD:

Name of the stakeholder	Beginning of the year	End of the year	Net change	Percentage change
HAMAD SAUD AL-SAYYARI	200,000	200,000	0	%0
SULAIMAN ABDULRAHMAN AL-QUWIZ	----	----	----	----
SULAIMAN MOHAMMED AL MANDEEL	406,500	406,500	0	%0
ABDUL RAHMAN SULEIMAN AL-RAJHI	38,193	38,193	0	%0
SALEH ABDUL HUSSAINI	1,000	1,000	0	%0
SAAD ALI AL KATHIRI *	----	----	----	----
THAMER ABDULLAH AL-HAMOUD **	17,500	17,500	----	----
ABDUL AZIZ SALEH ANBAR	80,000	100,000	20,000	%25
ADEL ABDULAZIZ AL-QURAIISHI	40,000	40,000	0	%0
ABDUL RAHMAN SALEH AL-ISMAIL	1,000	1,000	0	%0

Note: Mr. Saad Al-Kathiri's membership ended on 31/5/2020, and Mr. Thamer Al-Hammoud's membership began on 1/6/2020.

A description of any interest of the members of the board of directors and their wives and minor children in the shares of the subsidiary company (Petrochem) during the year 2020.

Name of the stakeholder	Beginning of the year	End of the year	Net change	Percentage change
HAMAD SAUD AL-SAYARI	100,000	100,000	0	%0
SULAIMAN ABDULRAHMAN AL-QUWIZ	----	----	----	----
SULAIMAN MOHAMMED AL MANDEEL	1,000	1,000	0	%0
ABDUL RAHMAN SULAIMAN AL-RAJHI	----	----	----	----
SALEH ABDUL HUSSAINI	----	----	----	----
SAAD ALI AL KATHIRI *	----	----	----	----
THAMER ABDULLAH AL-HAMOUD **	----	----	----	----
ABDUL AZIZ SALEH ANBAR	----	----	----	----
ADEL ABDULAZIZ AL-QURAIISHI	----	----	----	----
ABDUL RAHMAN SALEH AL-ISMAIL	1000	1000	0	%0

Note: The membership of Mr. Saad Al-Kathiri ended on 31/5/2020, and Mr. Thamer Al-Hamoud's membership began on 1/6/2020.

Note: There are no tools among the board members of the company or its subsidiaries

#### H. The ownership of senior executives:

- ◊ A description of any interest of senior executives and their wives and minor children in the shares of the company (the Saudi Group) during the year 2020 AD:

Name of the stakeholder	Beginning of the year	End of the year	Net change	Percentage change
SULAIMAN MOHAMMED AL MANDEEL	406,500	406,500	0	%0
HAZEM ALWAN ABU SWEIREH	----	----	----	----
MUHAMMAD ALI AL-DUGHAISH	----	----	----	----
FAHD NASSER ROZA	----	----	----	----

- ◊ Description of any interest of senior executives, their wives and minor children in the shares of the subsidiary of the National Petrochemical Company (Petrochem) during the year 2020:

Name of the stakeholder	Beginning of the year	End of the year	Net change	Percentage change
SULAIMAN MOHAMMED AL MANDEEL	1,000	1,000	0	%0
HAZEM ALWAN ABU SWEIREH	----	----	----	----
MUHAMMAD ALI AL-DUGHAISH	----	----	----	----
FAHD NASSER ROZA	----	----	----	----

Note: There are no debt instruments for senior executives in the company or its subsidiaries. Board Committees.

### G. Audit Committee The duties of the audit committee include the following:

- ◊ Study the company's accounting policy, monitor the company's business and verify the integrity and integrity of the financial reports and statements, and the company's compliance with the relevant laws, regulations and policies.
- ◊ Recommending the selection of the external auditors, removing them, determining their fees, evaluating their performance, verifying their independence and reviewing the scope of their work and the terms of contracting with them
- ◊ Study the annual and interim financial statements before their approval and publication
- ◊ Verify the adequacy of the design of the control activities in the company and the effectiveness of its design in an appropriate manner, verify the independence of the internal auditor, approve the internal audit work plan in the company, evaluate the performance of the internal audit, study the internal audit reports and follow up on the implementation of corrective measures for the notes contained therein.
- ◊ Evaluating the effectiveness of the company's assessment of important and potential risks and how to monitor and confront those risks.

The audit committee consists of three members, all of whom have practical and professional experiences that qualify them to participate actively in the work of the audit committee, as the committee held six meetings during the year 2020 AD, and the attendance of the committee members was as follows:

SN	Member name	Position	January 26	February 29	April 29	July 26	November 4	December 13
1	SAAD ALI AL KATHIRI	Chair	✓	✓	✓	-	-	-
2	ABDUL RAHMAN AL-RAJHI	Chair	-	-	-	✓	✓	✓
3	KHALED ABDULLAH AL-KHWAITER	Member	✓	✓	✓	✓	✓	✓
4	SAAD SALEH AL-RUWAITA	Member	✓	✓	✓	✓	✓	✓

Note: The membership of Mr. Saad Al Kathiri expired on 31/5/2020, Dr. Abdul Rahman Al-Rajhi's membership began on 14/7/2020, according to the decision of the Board of Directors at its meeting on 14/7/2020, noting that the approval of the Board on this appointment is not final. This appointment will be submitted to the first meeting of the General Assembly for approval.

### The Executive Committee:

The duties of the Executive Committee include the following:

- ◊ The duties and responsibilities of the Executive Committee include the work assigned to it by the Board of Directors in managing and directing the business and affairs of the company, and reviewing the estimated budget..
- ◊ Undermining the duties of the Risk Committee and the Social Responsibility Committee.
- ◊ After each meeting, the committee submits a report to the company's board of directors. The report includes a description of all measures taken by the committee at the meeting.
- ◊ The committee may seek the assistance of independent consultants whenever needed to carry out specialized studies to help the committee implement its tasks and determine its fees..

The committee held two meetings during the year 2020, and the attendance of the committee members was as follows:

SN	Member name	Position	July 5	December 16
1	HAMAD SAUD AL-SAYARI	Committee Chair	✓	✓
2	SULAIMAN ABDUL-RAHMAN AL-QUWIZ *	Committee member	-	✓
3	SULAIMAN MOHAMMED AL MANDEEL	Committee member	✓	✓
4	ADEL ABDUL AZIZ AL-QURAIISHI	Committee member	✓	✓
5	ABDUL RAHMAN SALEH AL-ISMAIL **	Committee member	✓	-

Note: The membership of Mr. Abdul Rahman Al-Samaail expired on 15/9/2020, and Mr. Suleiman Al-Quwiz's membership began on 15/9/2020, according to the decision of the Board of Directors at its meeting on 15/9/2020..

## Nomination Committee:

The Nominations Committee performs the following tasks:

- ◇ Recommending nomination for membership of the Board of Directors, and the committee must take into account not to nominate any person previously convicted of any crime involving dishonesty or dishonesty.
- ◇ Annual review of the required needs of appropriate skills for membership of the Board of Directors, and the preparation of a description of the capabilities and qualifications required for membership of the Board of Directors, including determining the time required to be allocated by the member Business Board of Directors
- ◇ Reviewing the composition of the Board of Directors and canceling recommendations regarding the changes that can be made.
- ◇ Determine the strengths and weaknesses of the board of directors, and propose remedying them when needed in line with the company's interest.
- ◇ Ensure, on an annual basis, the independence of the independent members, and that there is no conflict of interest if the member is a member of the board of directors of another company.

The committee held five meetings during the year 2020 AD, and the attendance of the committee members was as follows:

SN	Member name	Position	May 10	May 27	June 16	June 23	July 1
1	ABDULRAHMAN SULEIMAN AL-RAJHI	Committee Chair	✓	✓	✓	✓	✓
2	SAAD ALI AL KATHIRI	Committee member	✓	✓	✓	✓	✓
3	ABDULAZIZ SALEH AL-ANBAR	Committee member	✓	✓	✓	✓	✓

## Rewards Committee:

The remuneration committee performs the following tasks:

- ◇ Establishing clear policies for the remuneration of members of the Board of Directors and senior executives, and using performance-related criteria in determining this remuneration.
- ◇ Establish job descriptions for executive members, non-executive members, independent members and senior executives.
- ◇ The committee takes into account annually the knowledge of breaching the provisions of the Companies Law, the Financial Market Law and their implementing regulations.
- ◇ The committee periodically reviews the remuneration policy, and evaluates its effectiveness in achieving its desired goals.
- ◇ Recommending to the Board of Directors the remuneration of the members of the Board of Directors and the committees emanating from it, the senior executives and the employees of the company, in accordance with the approved policy

SN	Member name	Position
1	SALEH ABDUL HUSSAINI	Committee Chair
2	ABDULAZIZ SALEH AL-ATAR	Committee member
3	ADEL ABDUL AZIZ AL-QURAIISHI	Committee member

The committee did not hold any meeting during the year 2020, and the following table shows the members of the committee

Note: The Board of Directors agreed, in its meeting on 15/9/2020, to merge the Nominations Committee and the Remuneration Committee into one committee, and to carry out the same functions of the committees. The Board of Directors also reconstituted the Nominations and Remuneration Committee, which held six meetings during the year 2020, and the attendance of the committee members was as follows: As follows:

SN	Member name	Position	December 27	December 17	December 1	October 19	October 15	October 5
1	ABDUL AZIZ SALEH AL-ANBAR	Committee Chair	✓	✓	✓	✓	✓	✓
2	ABDUL RAHMAN SULEIMAN AL-RAJHI	Committee member	✓	✓	✓	✓	✓	✓
3	THAMER ABDULLAH AL-HAMOUD	Committee member	✓	✓	✓	✓	✓	✓

## Social Responsibility Committee:

The committee has the following objectives and responsibilities related to the company's social contribution plans:

- ◇ Developing the principles and criteria for the social contribution of the company.
- ◇ Developing and following up programs that contribute to deepening the sense of social responsibility for the company and its employees.
- ◇ Activating the company's role in adopting policies, initiatives and social responsibility programs towards its shareholders, customers, suppliers, the environment and society as a whole in order to support and enhance the company's reputation.
- ◇ Submit recommendations to the company's board of directors regarding the company's annual social contribution budget.

The committee did not hold any meeting during the year 2020 AD, and the following table shows the members of the committee:

SN	Member name	Position
1	SULAIMAN ABDUL RAHMAN AL-QUWIZ	Committee Chair
2	SULAIMAN MOHAMMED AL MANDEEL	Committee member
3	ABDULRAHMAN SALEH AL-ISMAIL	Committee member

Note: The Board of Directors, in its meeting on 15/9/2020, approved the cancellation of the Social Responsibility Committee, and authorizing the Executive Committee to carry out the tasks of the Social Responsibility Committee.

## Governance Committee:

The committee has the following objectives and responsibilities related to corporate governance rules:

- ◇ Ensure that the company is committed to implementing the rules of the governance regulation, clarifying the terms of reference of the board of directors and committees, and developing their competencies to enhance the decision-making mechanisms in the company.
- ◇ Inform the board of developments in the field of governance, and provide the board with the reports and recommendations reached by the committee.
- ◇ Reviewing and developing the rules of professional conduct that represent the company's values, and other internal policies and procedures to meet the company's need to apply best practices.

The committee held three meetings during the year 2020, and the attendance of the committee members was as follows:

SN	Member name	Position	June 16	July 11	September 10
1	ADEL ABDULAZIZ AL-QURASHI	Committee Chair	✓	✓	✓
2	ABDULRAHMAN SULEIMAN AL-RAJHI	Committee member	✓	✓	✓
3	SALEH ABDUL HUSSAINI	Committee member	✓	✓	✓

Note: The Board of Directors agreed in its meeting on 15/9/2020 to reconstitute the Governance Committee, and the following table shows the members of the committee:

SN	Member name	Position
1	SULEIMAN ABDUL-HASSAN AL-QUWIZ	Committee member
2	SALEH ABDUL HUSSAINI	Committee member
3	THAMER ABDULLAH AL-HAMOUD	Committee member

## Investment Committee:

The Board of Directors approved, in its meeting on 9/15/2020, the formation of the Investment Committee, and the functions of the committee under the relevant laws and regulations are as follows:

- ◇ The investment study committee has the right, in order to perform its duties, to communicate and initially research with other related parties, without this entailing any legal obligation on the company except after obtaining the approval of the Board of Directors..
- ◇ Prepare the investment strategy, guidelines and policies for it, and suggest possible internal and external investment areas.
- ◇ Searching for investment opportunities in specific areas, including mergers or acquisitions, and expanding existing projects.
- ◇ To seek the assistance of experts or specialists it deems necessary to study the topics that fall within its duties and responsibilities, after approval by the Board.
- ◇ The authority to contract with consultants and experts and spend their fees within the limits of the annual budget of 500 thousand riyals, and what is more than that must be obtained the approval of the Board of Directors.
- ◇ Determining and arranging the priorities for the proposed investment offers, identifying attractive investment opportunities, and studying their feasibility before submitting them to the Board.
- ◇ Reviewing the impact of proposed investments on the group's balance sheet, including required financing, and assessing the impact on liquidity and debt ratios.
- ◇ Following up on the development of these new investments, following up on investment activities and setting appropriate standards for measuring and evaluating investment performance, and the level of risk, As follows:

SN	Member name	Position	7 October
1	Saleh Eid Al-Hussaini	Committee Chair	✓
2	Abdulaziz Saleh Al-Anbar	Committee Member	✓
3	Abdulrahman Saleh Al-Ismail	Committee Member	✓



**G- Names of members of the board of directors, members of committees, and executive management, their current and previous positions, qualifications and experiences:**

Board of Directors Members (Committees emanating from the Board):	
1. Hamad Saud Al-Sayari - Chairman of the Board of Directors - Chairman of the Executive Committee	
Current job:	Retired
Qualification:	MA in Economics - University of Maryland
Previous jobs and experiences:	Governor of the Saudi Arabian Monetary Agency, and has multiple positions and experiences in the Industrial Development Fund, the Public Investment Fund, and the Institute of Public Administration.
2. Suleiman Abd Al-Rahman Al-Quwais - Vice Chairman of the Board of Directors - Member of the Executive Committee - Chairman of the Governance Committee	
Current job:	Governor of the General Organization for Social Insurance
Qualification:	<ul style="list-style-type: none"> <li>Professional training in corporate financial management and banking operations management</li> <li>Bachelor of Business Administration</li> </ul>
Previous jobs and experiences:	Assistant CEO for the individual, corporate, treasury and investment sectors - Riyad Bank, and he has multiple positions and experiences in Riyadh Bank and Samba Bank
3. Sulaiman Muhammad Al-Mandeel - Member of the Board of Directors - Member of the Executive Committee	
Current job:	MD of Saudi Industrial Investment Group
Qualification:	<ul style="list-style-type: none"> <li>Chase Manhattan Bank Credit Training Program</li> <li>Bachelor of Economics</li> </ul>
Previous jobs and experiences:	General Manager of Riyadh Bank, and he has multiple positions and experiences in Riyadh Bank, Ministry of Finance, Public Investment Fund, and Saudi Industrial Development Fund
4. Abdulrahman Sulaiman Al-Rajhi - Member of the Board of Directors - Chairman of the Audit Committee - Member of the Nomination and Remuneration Committee - Member of the Integration Committee	
Current job:	businessman
Qualification:	PhD in Accounting
Previous jobs and experiences:	Multiple positions and experiences in the management of Sulaiman Abdulaziz Al-Rajhi Holding Company, the Sulaiman Al-Rajhi Charitable Foundation, and the National Company for Information Systems

5. Saleh Eid Al-Hussaini - Member of the Board of Directors - Member of the Governance Committee - Member of the Governance Committee	
Current job:	Contracted to work as a permanent representative of the Kingdom to the World Trade Organization
Qualification:	Master of Economic Sciences
Previous jobs and experiences:	Multiple positions and experiences in the Shura Council, the Ministry of Trade and Investment, the Saudi House for Consulting Services, and the International Monetary Fund
6. Saad Ali Al Kathiri * - Member of the Board of Directors - Chairman of the Audit Committee - Member of the Nomination Committee	
Current job:	Financial advisor - Public Pension Agency
Qualification:	Master of Accounting
Previous jobs and experiences:	Multiple positions and experiences in financial affairs - Public Pension Agency, Ministry of Finance
7. Thamer Abdullah Al-Hamoud ** - Member of the Board of Directors - Member of the Nominations and Remuneration Committee - Member of the Governance Committee	
Current job:	General Legal Counsel - a leading investment firm
Qualification:	Master of Finance and Securities Law - Bachelor of Law
Previous jobs and experiences:	Seconded Legal Adviser at Norton Rose Fulbright - Director of the CMA Board Decisions and Instructions Unit - Legal Adviser at the Food and Drug Administration
8. Abdul Aziz Saleh Al-Anbar - Member of the Board of Directors - Member of the Nomination and Remuneration Committee - Member of the Investment Committee	
Current job:	businessman
Qualification:	bachelor of Civil Engineering
Previous jobs and experiences:	CEO of the Saudi Hotels Company (currently Dur Hospitality), Technical Affairs of the Real Estate Development Fund, Managing Director of Al-Watan Newspaper, and Project Supervisor at King Salman Center for Disability Research
9. Adal Abdul-Aziz Al-Quraishi - Member of the Board of Directors - Member of the Executive Committee	
Current job:	businessman
Qualification:	Bachelor of Industrial Management
Previous jobs and experiences:	Managing Director of the United Arab Automobile Company, working for Samba Bank, and holding positions and memberships on the boards of directors in government companies and institutions
10. Abdulrahman Saleh Al-Ismail - Member of the Board of Directors - Member of the Investment Committee	
Current job:	Managing Director - National Petrochemical Company
Qualification:	MA in Economics
Previous jobs and experiences:	Projects Manager - Saudi Industrial Investment Group, General Manager - Interconnected Solutions for Technology, Director of Investment Programs - Institute of Banking

Note: Mr. Saad Al-Kathiri's membership ended on 5/31/2020 AD, and Mr. Thamer Al-Hammoud's membership began on 6/1/2020 AD.

Committee Members (from outside the Board):	
1. Khalid Muhammad Al-Khwaiter - Member from outside the Board - Member of the Audit Committee	
Current job:	Financial and management consultant
Qualification:	Bachelor of Administrative Sciences - Accounting Department American CPA Fellowship
Previous jobs and experiences:	Financial Director at the Advanced Electronics Company, and he has positions and memberships in audit committees in government companies and institutions
2. Saad Saleh Al-Ruwaita - Member from outside the Board - Member of the Audit Committee	
Current job:	Vice President of Prince Sultan University for Administrative and Financial Affairs
Qualification:	PhD in Accounting
Previous jobs and experiences:	Head of the Accounting Department at King Saud University, and he has positions and memberships in boards of directors and audit committees in government companies and institutions

Executive Management:	
1. Suleiman Muhammad Al-Mandayel	
Current job:	Managing Director of the Saudi Industrial Investment Group
Qualification:	<ul style="list-style-type: none"> <li>Chase Manhattan Bank Credit Training Program</li> <li>Bachelor of Economics</li> </ul>
Previous jobs and experiences:	General Manager of Riyadh Bank, and he has multiple positions and experiences in Riyadh Bank, Ministry of Finance, Public Investment Fund, and Saudi Industrial Development Fund
2. Hazem Marawan Abu Sweireh	
Current job:	Financial Manager - Saudi Industrial Investment Group
Qualification:	Bachelor of Economics and Administrative Sciences
Previous jobs and experiences:	Head of Accounts - Saudi Industrial Investment Group, and he has multiple positions and experiences in the fields of auditing, accounting and finance (Al-Rubaish Chartered Accountants, Real Estate and Tourism Development Company, Developmental Investment and Real Estate and Tourism Development Company, Saudi Industrial Investment Group)

3. Muhammad Ali Al-Dughaish	
Current job:	Project Manager and Board Secretary - Saudi Industrial Investment Group
Qualification:	Master of Engineering Management - BA in Petroleum Engineering
Previous jobs and experiences:	Projects Analyst - Saudi Industrial Investment Group, and has multiple positions and experiences in the Saudi Industrial Investment Group and the International Electronics Company
4. Fahd Nasser Roza	
Current job:	Group internal auditor
Qualification:	Bachelors and Masters of Accounting
Previous jobs and experiences:	Director of Internal Audit at Saudi Kayan Petrochemical Company, Senior Internal Auditor at Southern Cement Company, Financial Controller at the General Accounting Bureau



## Tenth: Remuneration of Board Members, Committee Members and Senior Executives:

Rewards Policy:

1. Rewards are provided for urging members of the Board of Directors and executive management to make the company succeed and develop in the long term, such as linking the variable part of the remuneration to performance long-term.
2. Rewards are determined based on the level of the position, the tasks and responsibilities assigned to the occupant, academic qualifications, practical experiences, skills, and level of performance.
3. Rewards disbursement or refunds are stopped if it appears that they are decided based on inaccurate information provided by a member of the board of directors or executive management, for those who exploited the position of employment to obtain undue rewards.

Remuneration of Board Members:

	Fixed rewards							Variable rewards						End of Service Gratuity	Grand Total (Thousand Riyals)	Expense allowance
	A certain amount	Allowance for attending council sessions	Total allowance for attending committee sessions	Benefits in kind	Reward for technical, administrative and advisory work	Remuneration for the council chairman, delegated member, or secretary if he is a member	Total	percentage of profits	Rotating rewards	Short-term motivational plans	Long-term incentive plans	Granted shares	Total			

First: Non-executive members

HAMAD AL-SAYARI	200	18	6	-	-	-	224	-	-	-	-	-	-	-	224	-
SULAIMAN AL-QUWAIS	200	18	3	-	-	-	221	-	-	-	-	-	-	-	221	-
ADEL AL-QURAIISHI	200	18	15	-	-	-	233	-	-	-	-	-	-	-	233	-
SAAD AL KATHIRI *	200	6	24	-	-	-	230	-	-	-	-	-	-	-	230	-
THAMER AL-HAMOUDA	-	12	18	-	-	-	30	-	-	-	-	-	-	-	30	-
ABDULRAHMAN AL-ISMAIL	200	18	6	-	-	-	224	-	-	-	-	-	-	-	224	-

Second: independent members

ABDULRAHMAN AL-RAJHI	200	18	51	-	-	-	269	-	-	-	-	-	-	-	269	-
SALEH AL-HUSSAINI	200	18	12	-	-	-	230	-	-	-	-	-	-	-	230	-
ABDUL AZIZ ANBAR	200	18	33	-	-	-	251	-	-	-	-	-	-	-	251	-

Third: executive members

SULAIMAN AL-MANDEEL	200	18	6	-	-	-	224	-	-	-	-	-	-	2,078	2,302	-
<b>Total (Thousand Riyals)</b>	<b>1,800</b>	<b>162</b>	<b>174</b>	-	-	-	<b>2,136</b>	-	-	-	-	-	-	<b>2,078</b>	<b>4,214</b>	-

\* His membership in the Board of Directors expired on 31-05-2020

\*\* His membership in the committees began on the 01-06-2020

Remuneration of committee members:

Member	Committees	Fixed Rewards (Thousand Riyals)	Total attendance allowance (thousand riyals)	Total (Thousand Riyals)
HAMAD AL-SAYARI	Executive Committee	200	6	206
SULAIMAN AL-QUWAIS	Social Responsibility - Governance - Executive	200	3	203
SULAIMAN AL-MANDEEL	Social Responsibility - Executive	200	6	206
ABDULRAHMAN AL-RAJHI	Governance - Review - Nominations and Remuneration	258	51	309
SALEH AL-HUSSAINI	Rewards * - Governance - Investment	200	12	212
SAAD AL KATHIRI *	Review - nominations	142	24	166
THAMER AL-HAMMOUD **	Nominations and Remuneration - Governance	93	18	111
ABDULAZIZ AL-ANBAR	Nominations and rewards - investment	200	33	233
ADAL AL-QURAISHI	Governance Committee * - Executive Committee	200	15	215
ABD AL-RAHMAN AL-ISMAIL	Social Responsibility Committee * - Investment Committee	200	6	206
KHALDA AL-KHWAITER ***	Review Committee	100	18	118
SAAD AL-RAWAITA ***	Review Committee	100	18	118
<b>Total (thousand riyals)</b>		<b>2,093</b>	<b>210</b>	<b>2,303</b>

\* His membership in the audit committee ended on 31-05-2020 and his membership in the remaining committees ended on 16-07-2020

\*\* His membership in the committees started on 16-07-2020

\*\*\* Member of the Audit Committee from outside the Board.

Note: The Board of Directors agreed, in its meeting on 15-09-2020, to reconstitute the committees, as it decided to merge the Nominations and Remuneration Committee into one committee, and abolished the Social Responsibility Committee, while undermining the Executive Committee to carry out its work, and decided to form the Investment Committee.

Rewards for senior executives:

	Item	Senior executives
Fixed rewards	Salaries	3,550,930
	Allowances	1,398,692
	Benefits in kind	-
	<b>Total</b>	<b>4,949,622</b>
Variable rewards	Periodic rewards	-
	Earnings	-
	Short-term incentive plans	2,112,954
	Long-term incentive plans	93,144
	Granted shares	-
	<b>Total</b>	<b>2,206,098</b>
End of Service Gratuity		<b>827,488</b>
Total executive remuneration for the board if it exists		<b>200,000</b>
Grand Total (SAR)		<b>8,183,208</b>

All fees and rewards have been disbursed to members of the Board of Directors, members of committees and senior executives based on the policy followed by the company, and the recommendation of the Nomination and Remuneration Committee, and approved by the Board of Directors, and there is no default on the policy

## Eleventh: the company's social contributions:

Among the social contributions made by the company for the year 2020 is to support the Health Endowment Fund, under the supervision of the Ministry of Health, with an amount of 2 million riyals, to combat the emerging corona virus and limit its spread, as the fund aims to contribute to the health development in the Kingdom, and to help provide patients with devices Treating and rehabilitating, highlighting the importance of health care, contributing to the financing of preventive programs and health research, applying preventive and precautionary measures, and the company also contributed during the year 2020, and in cooperation with the following associations to support programs that are in the interest of society, where the total support for the year 2020 is approximately 1,485 thousand Real, which is as follows:

#	The authority	The program
1	SAUDI FOOD ASSOCIATION (ITAAM)	Takaful to feed needy families
2	AL BER SOCIETY IN MAKKAH AL-MUKARRAMAH	Equipping a training center to train and support poor families and orphans
3	CHILDHOOD WELFARE ASSOCIATION	Training courses in community awareness and education
4	HANDICAPPED CHILDREN ASSOCIATION	Manufacturing splints for children
5	SANAD ASSOCIATION	SANAD classroom in King Fahd Medical City for children with cancer patients
6	BUNYAN ASSOCIATION	English language programs, computer and secretarial

The company works to continue searching for distinguished programs that carry lofty goals with a focus on supporting educational programs in health and safety, supporting orphans and poor families in the field of education and training, encouraging educational and training institutions, educating, training and employing women, and the company is always working to evaluate the extent of The effectiveness and seriousness of the training course supported by the company, and the participating team, so that the company can make a decision to continue support or search for other programs.

## Twelfth: A statement of the due regular payments:

The company does not have any loans or debts payable except for the following payments:

Item	2020		Brief description	Reasons
	Paid	Due		
Zakat	30,764,045	39,821,052	The receivable represents zakat for the year 2020	Upon completion of the zakat declaration for the year 2020
Social Security	370,864	34,188	Insurance subscriptions	Due for December 2020 and paid in January 2021
The costs of visas and passports	9,890	0	Fees for residency renewal, exit and re-entry visas.	
Labor office fees	33,532	0	Work permit renewal fees.	

## Thirteenth: Transactions with Related Parties:

During the year 2020, transactions were carried out with related parties on commercial assets, and they were as follows:

Related party	The type of relationship he has with the company	Transaction type / duration / value
National Petrochemical Company (Petrochem)	Subsidiary	Many financial transactions took place between the Saudi Industrial Investment Group and the National Petrochemical Company (Petrochem) during the year, including joint services and dealings, without preferential terms, and the total transactions with Petrochem during the year 2020 amounted to 1,413 thousand riyals.

## Fourteenth: Corporate Governance Regulations:

The Board of the Capital Market Authority issued a Corporate Governance Regulation on 13-02-2017 based on the Companies Law, and this regulation sets out the rules and standards governing the management of joint stock companies listed on the Market, in order to ensure compliance with the best governance practices that ensure the protection of shareholders' rights and the rights of stakeholders. The companies listed in the financial market, except for some articles that are still indicative, and the company must adhere to disclosure in the report of the board of directors of the provisions of this regulation and the provisions that have not been applied and the reasons for that. The company's board of directors has approved a corporate governance regulation, by updating the previous bylaw, to be in line with the corporate governance regulation issued by the Capital Market Authority, which was approved in the company's general assembly on 17-04-2018.

The following table shows the remaining provisions of the Corporate Governance Regulations that have not been applied, or do not apply:

Article / clause number	The text of the article / clause	Reasons for not applying
Article 41	Evaluation - the necessary mechanisms to evaluate the performance of the board, its members, committees, and executive management	The company will work on applying best practices for evaluating the performance of members of the Board of Directors and the committees emerging from them.
Chapter 5 Article 70 Article 71 Article 72	Risk Management Committee: Formation of the Risk Management Committee Terms of reference of the Risk Management Committee Meetings of the Risk Management Committee	As a guide, the audit committee works on assessing risks, by appointing an external body to study the risks related to the company's business. The subsidiary companies also work to send periodic reports to the company on the internal audit that they undertake.

## Fifteenth: General Assemblies of Shareholders during the year 2020:

The company held one general assembly meeting for shareholders during the year 2020, and the general assembly was ordinary, and in the presence of the following board members:

Member name	15 April 2020
HAMAD SAUD AL-SAYARI	✓
SULEIMAN ABDULRAHMAN AL-QUWIZ	✓
SULEIMAN MOHAMMED AL MANDEEL	✓
ABDUL RAHMAN SULEIMAN AL-RAJHI	✓
SALEH EID AL-HUSSAINI	✓
SAAD ALI AL KATHIRI	✓
ABDULAZIZ SALEH AL-ANBAR	✓
ADEL ABDULAZIZ AL-QURAIISHI	✓
ABDULRAHMAN SALEH AL-ISMAIL	✓

## Sixteenth: Register of Shareholders:

The records for the shareholders of the company were requested from the TADAWULATI website as follows:

Number of applications	The date of application	Reasons for application
1	02/01/2020	Data of shareholders deserving of dividends
2	02/01/2020	Company procedures
3	31/03/2020	Shareholders data for attending the General Assembly.
4	11/04/2020	Shareholders data for attending the General Assembly.
5	12/04/2020	Shareholders data for attending the General Assembly.
6	15/04/2020	Shareholders data for attending the General Assembly.
7	03/06/2020	Company procedures
8	02/07/2020	Data of shareholders deserving of dividends
9	30/08/2020	Company procedures
10	03/12/2020	Company procedures

## Seventeenth: General Disclosures:

- ◇ During the year 2020, the Board of Directors approved the start of initial discussions with the National Petrochemical Company (Petrochem) to study the economic feasibility of merging the two companies' business, which is still under study.
- ◇ The company held a regular meeting on 15/4/2020, in which the Board of Directors' report, the examination report and the financial statements for the fiscal year 2019 were approved, and the Company's Corporate Governance Regulations were updated regarding the tasks of the Executive Committee.
- ◇ The Board of Directors approved, by circular on 19/07/2020, the change of the representative of the Public Pension Agency in the Board of Directors, and the appointment of Mr. THAMER BIN ABDULLAH AL-HAMOUD (a non-executive member), in place of Mr. SAAD ALI AL-KATHIRI (a non-executive member), based on a letter From the Public Pension Agency, provided that this is effective from the date of 01-06-2020. Note that the approval of the Council on this appointment is not final and this appointment will be presented to the first meeting of the General Assembly for approval.
- ◇ The Board of Directors, in its meeting on 14/07/2020, agreed to accept the resignation of Mr. SULAIMAN AL MANDEEL as of 31/12/2020, while continuing to be a member of the Board of Directors until the end of the current session, and appointing a member of the Board of Directors Mr. Abdulrahman Saleh Al-Ismael as CEO of the Saudi Group As of 01/01/2021.
- ◇ The Board of Directors approved, in its meeting on 14/07/2020, the appointment of Dr. ABDULRAHMAN AL-RAJHI as a member of the Audit Committee, succeeding Mr. SAAD AL-KATHIRI, who resigned on 31/05/2020, noting that the approval of the Board on this appointment is not final, and this appointment will be presented in the first meeting of the General Assembly to approve it.
- ◇ The Board of Directors approved, in its meeting on 15/09/2020, the committees were reconfigured, as it decided to merge the Nominations and Remuneration Committee into one committee, and abolished the Social Responsibility Committee, while authorizing the Executive Committee to carry out its work, and also approved the formation of the Investment Committee.
- ◇ There are no transferable debt instruments, contractual securities, subscription right notes, or similar rights issued or granted by the company during the fiscal year.
- ◇ There is no transfer or subscription under convertible debt instruments, contractual securities, subscription right notes, or similar rights issued or granted by the company.
- ◇ There is no refund, purchase or cancellation by the company of any redeemable debt instruments, and the value of the remaining securities, with a distinction between the listed securities purchased by the company and those purchased by its subsidiaries.
- ◇ There is no arrangement or agreement under which a member of the company's board of directors or a senior executive waived any remuneration.
- ◇ There is no arrangement or agreement under which a shareholder of the company waived any rights to dividends.
- ◇ There was no penalty, sanction, precautionary measure, or precautionary restriction imposed on the company by the Authority or any supervisory, regulatory or judicial authority during the year 2020.
- ◇ There is no conflict between the decisions of the audit committee and the board of directors, regarding the nomination or removal of the company auditor, determining his fees, evaluating his performance, or appointing the internal auditor.
- ◇ The company has not made any investments or precautions established for the benefit of the company's employees.
- ◇ The auditor's report did not include any reservations on the annual financial statements.
- ◇ The Board of Directors did not recommend changing the auditor before the end of the period for which he was appointed.
- ◇ The company has not issued and held any treasury shares.

## **Eighteenth: Results of the annual review of the effectiveness of internal control procedures:**

Internal audit is an objective and independent assurance and advisory activity, with the aim of adding value and improving the company's operations, and the internal audit helps the company in achieving its objectives by providing a regular basis for evaluating and improving the effectiveness of control, and the processes involved in the supervisory performance of the company. This internal audit has carried out many auditing processes. Periodic and special, which would have ensured the effectiveness of the internal control systems and the safety of their implementation, in addition to contributing to reviewing the initial and final financial statements and coordinating the work of the external control authorities

The Board of Directors reviewed the report of the Audit Committee regarding the audit results reports for the year 2020, submitted to it by the internal auditor, and it did not discover the existence of any material observations, and it was found that the internal control system is functioning properly.

## **Nineteenth: Declarations of the Board of Directors and Senior Executives:**

The Board of Directors declares the following:

1. That the account records were prepared correctly.
2. The internal control system was prepared on a sound basis and was effectively implemented.
3. That there is no doubt about the ability of the company to continue its activity.
4. That there is no material interest for the members of the board of directors, the CEO, the chief financial officer, or the senior executives in the company's contracts, except for what was disclosed in the section on transactions with related parties, in this report.

In conclusion, the Board of Directors would like to express sincere thanks to the Custodian of the Two Holy Mosques and his government for their continuous support to the industry sector and all sectors.

**Board of Directors**



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