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Custodian of the two Holy Mosques King Salman bin Abdul Aziz Al Saud



His Royal Highness
Prince Muhammad bin Salman bin Abdul Aziz Al Saud
Crown Prince Deputy Prime Minister and Minister of Defense

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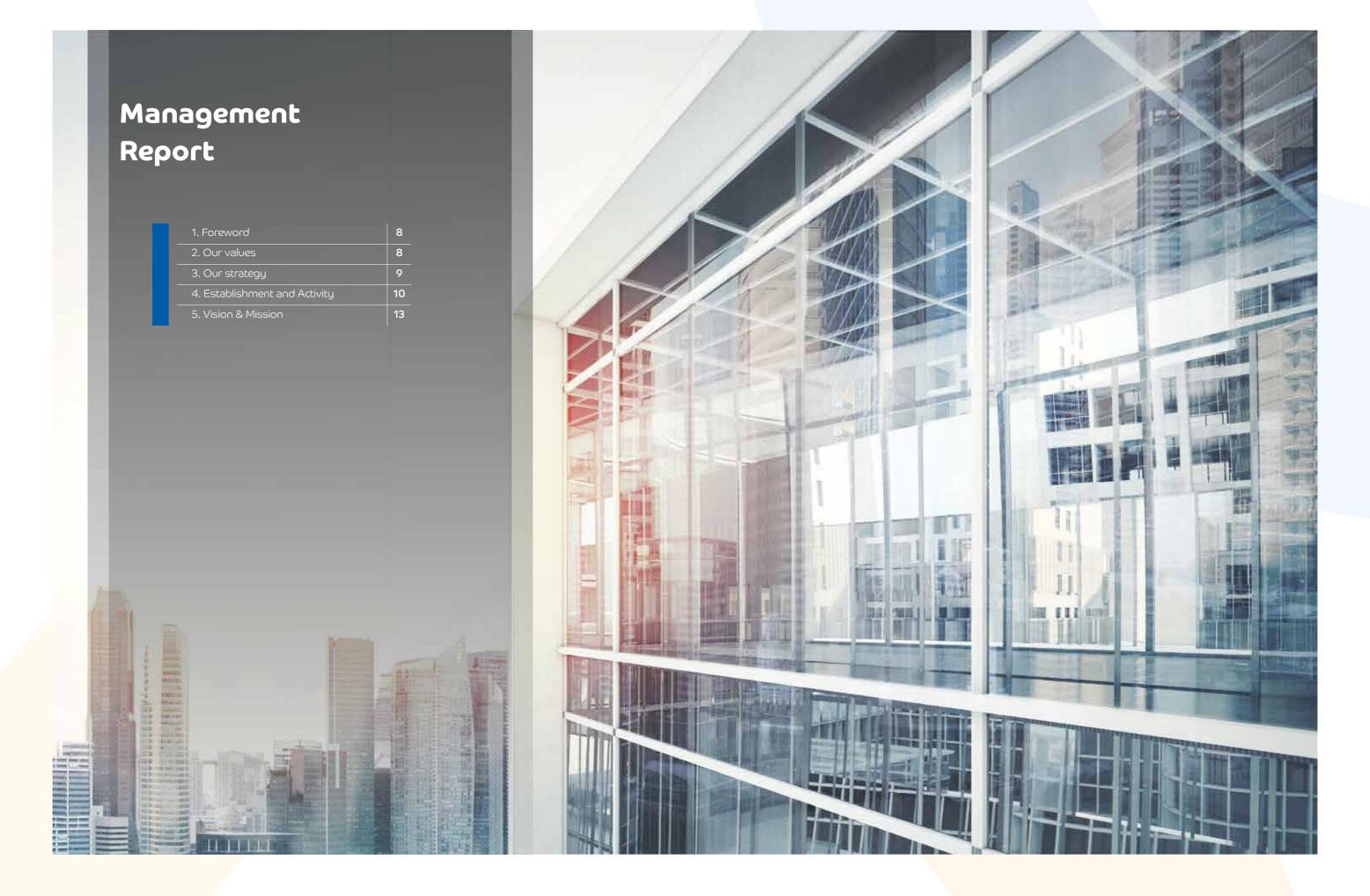
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Esteemed shareholders of Sabic Agri-nutrients Company,

Greetings

The Board of Directors of SABIC Agri-Nutrients Company "formerly SAFCO" (the "Company") is pleased to present to its esteemed shareholders the annual report of the fiscal year ended on December 31, 2020, which is prepared in accordance with the Saudi Companies Law, Company's Articles of Association, Corporate Governance Regulations, Rules on the Offer of Securities and Continuing Obligations, and Regulatory Rules and Procedures issued pursuant to the Companies Law relating to Listed Joint Stock Companies issued by the Capital Market Authority.

The Annual Report provides information on Company's activities, performance, achievements, and future plans as well as the efforts made to enhance the performance in developing the equity of shareholders and to support manufacturing of national fertilizer products, in addition to its contributions to development of the national economy, according to its financial statements for the fiscal year ended December 31, 2019.

2. Our values





3. Our strategy 📈





The Company has strengthened its competitive advantage and pursued the strategy pillars by implementing several projects:



Following the acquisition and in light of the Company's strategy for transformation and growth and its expansion plans locally, regionally and globally, the Company's Board of Directors resolved to form a strategic transformation committee with a mandate to follow up the general readiness of the Company in all administrative, financial, and structural aspects, as well as its capabilities and talents against the requirements of its new position and during the implementation of its pillars.

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Latest developments regarding acquisition of SABIC Agri-Nutrient Investments Company

On Wednesday November 18, 2020, the Company's extraordinary general assembly has approved the Board of Directors 'recommendation to increase its capital from SAR 4,166,666,660 to SAR 4,760,354,040 Saudi riyals, i.e. a capital increase of 14.25%, which entails an increase in the Company's shares from 416,666,666 shares to 476,035,404 shares (fully paid), by issuing 59,368,738 new ordinary shares with a nominal value of 10 Saudi Riyals per share ("Consideration Shares") to the Saudi Basic Industries Corporation (SABIC). By this step, the Company aimed to acquire all the capital shares of SABIC Agri-Nutrients Investments Company owned by SABIC, as SABIC Agri-Nutrients Investments Company holds 50% of the issued capital in both the National Chemical Fertilizers Company (Ibn Al-Baytar) and 33.33% of the issued capital of the Gulf Petrochemical Industries Company ("GPIC"). The Company's name was also changed from the Saudi Arabian Fertilizer Company "SAFCO" to SABIC Agri-Nutrients Company according to the announcement published on the website of the Saudi Stock Exchange "Tadawul" on 03/01/2021.

After that, all acquisition procedures were completed on Monday 04/01/2021, according to the announcement published on Tadawul website. This strategic direction, which is in line with SABIC's 2025 strategy, is to strengthen the position of SABIC Agri-Nutrients Company as one of the global leaders in the agri-nutrients industry.

4. Establishment and Activity



SABIC Agri-Nutrients Company is a Saudi joint stock company (listed), established by Royal Decree No. M / 13 dated Jumada Al-Awwal 11, 1385 AH, and registered in Dammam under Commercial Registration No. 2050001841 dated Dhu Al-Hijjah 1, 1385 AH, corresponding to March 24, 1966 AD. The Company's headquarters were then moved to Al Jubail Industrial City, where it was registered under Commercial Registration No. 2055002359 dated Shawwal 29, 1411 AH, corresponding to May 14, 1991 AD. The main business activity of SABIC Agri-Nutrients Company is to manufacture and market fertilizers. The total number of Company's shares is (416,666,666) shares, and its share capital amounts to SAR 4,166,666,660, divided into (416,666,666) shares, each has a nominal value of SAR10 per share by the fiscal year ended 2020 AD.

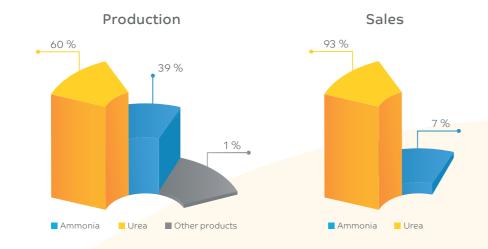
On January 4, 2021 AD, the Company announced on Tadawul website "that it has completed the acquisition of all shares in SABIC Agri-Nutrients Investments Company, owned by SABIC, thereby increasing its capital from SAR 4,166,666,660 to SAR 4,760,354,040, and its shares from 416,666,666 shares to 476,035,404 shares, each with a nominal value of SAR.



S	Companies	Percentage Of Shares
1	National Chemical Fertilizer Co Ibn Al-Baytar	50 %
2	Arabian Industrial Fibers Co IBN RUSHD	3.87%
3	Yanbu National Petrochemical Co YANSAB	1,69 %
4	SABIC Agri-Nutrients Investments Co.*	100%
	SABIC Agri-Nutrients Investments Co. also holds shares in these companies	
1	National Chemical Fertilizer Co Ibn Al-Baytar	50%
2	Al-Jubail Fertilizer Co Al-Bayroni	50%
3	Gulf Petrochemical Industries Co GPIC - Bahrain	33,33%

^{*}According to the acquisition made on January 4, 2021 and announced by Tadawul

The following graph shows the percentage of production and sales quantities by products:







To be the Preferred Global Leader in Agri-Nutrients by 2025.



- 1. Contribute to global food security towards better quality of life by providing sustainable Agri-nutrient solutions to our customers and society.
- 2. Engage innovative minds to develop differentiated and integrated range of sustainable Agri-Nutrient solutions utilizing the most advanced technologies to deliver premier Agri- nutrients products, toward higher yields of quality crops to feed an ever-growing global population.
- 3. Sustain and maximize value for shareholders, customers and employees.
- 4. Attract, Develop, and Retain our greatest assets our people.



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1. EHSS.

The management of SABIC Agri-Nutrients Company seeks to maintain a safe and sound work environment for all its employees. The management at all levels is keen to achieve this goal for all employees and contractors to enable them to perform their duties and assignments to the fullest, through active leadership, effective engagement, continuous support to environment, health, safety and security (EHSS) programs, responsible care and compliance with the local laws and international standards. During 2020, the Company's management set its objectives and made efforts in pursuit of them and eventually managed to make the following achievements:

- During COVID 19 pandemic, the Company's management managed to keep its employees and all
 contractors safe, by having in place regulations and systems to control the spread of COVID 19, providing
 all preventive supplies to them, and maintaining continuity of production for all its plants.
- Obtaining the full score of the mock drill held by Jubail Area Mutual Aid Association (JAMA'A).
- Joint work with King Abdullah University of Science and Technology, King Fahd University of Petroleum and Minerals and leading companies in the environment filed to conduct the pilot phase of soil treatment, the first of its kind, which demonstrates Company's concern for preserving the environment and society.
- Developing the qualitative shift program on EHSS performance (Edrak), which aims to develop its cultural
 and application levels in pursuit of the best global performance.
- Starting the establishment of an ammonia wastewater treatment plant in an effort to maintain environmental standards.
- · Conducting the annual medical examination of employees exposed to chemical hazards as scheduled.
- Equipping the Company's clinic with all equipment necessary to conduct the annual medical examination for all employees with a view to developing and facilitating examination of employees.
- Launching the reliability improvement project, which would increase the production capacity and energy efficiency and decrease environmental emissions of Ibn Al-Baytar plants in 2020.
- Continuing efforts to fulfill the new security requirements of the High Commission for Industrial Security.
- Joint work with Jubail Area Mutual Aid Association (JAMA'A) to provide support in Al Jubail Industrial City in cases of emergency.
- Providing supplied air respirators to all emergency response team personnel.
- Completing periodic maintenance of Al-Bayroni plants and SAFCO 5 without any recorded injury or security incidents, in addition to the safe implementation of firefighting and operation of plants.
- The Company continued its responsible care activities and compliance with the environmental protection regulation issued by the Royal Commission for Jubail and Yanbu (RCJY) with no recorded violations and fines.
- The Company managed to renew its environmental operating license from RCJY for Al-Bayroni 2-EH & DOP Plant and Safco Plant 5
- The Company succeeded in meeting the requirements for obtaining the environmental license for Al-Jubail Fertilizer Company (Al-Bayroni).
- Submitting all environmental reports to RCJY, which demonstrates the Company's commitment to environment protection and operation safety.
- Completing unification and upgrade of the digital wireless communication system to include all sites of SABIC Agri-Nutrient Company, Ibn Al-Baytar and Al-Baytari, dropping 8 frequencies.
- Completing unification of the risk management unit for all SABIC Agri-Nutrients, Ibn Al-Baytar and Al-Bayroni sites.
- Completing digital transformation of all internal security process as part of realizing SABIC's digital transformation objectives.
- Obtaining memberships of the Saudi Standards, Metrology and Quality Organization (SASO) and the Saudi Food and Drug Authority for all sites.





- As for the developmental, awareness and educational programs, the Company has made the following achievements:
- Launching a variety of awareness programs during periodic maintenance, such as: safe operation, emergency preparedness plan, lifting mechanisms, hygiene, waste management and separation, lessons learned from past experiences, and other areas.
- Launching a variety of environmental awareness programs for employees and contractors, such as: Responsible Care Programs, in addition to numerous environment management and preservation programs.
- Training and qualification to study the operation risk analysis provided by a licensed provider.
- Training and qualification in advanced stages of process engineering through accredited training centers.
- Continuing to train and qualify specialists in the field of environment, safety and occupational health (ESOH) by the National Examination Board in Occupational Safety and Health (NEBOSH).
- Executing 6 mock drills for emergencies without prior warning and getting the desired emergency response from the entire team.
- Continuing to train and qualify specialists in the field of radiation protection and occupational health using accredited programs.
- Training and qualifying a response team to deal with hazardous materials and gases according to the requirements of the National Fire Protection Association (NFPA 472).
- Conducting multiple mock drills for emergencies and assess employees' response and readiness throughout the year.
- Training and developing the industrial security personnel in all security fields according to the job duties requirements and as per the requirements of the High Commission for Industrial Security in the manner that suits them and helps them perform their job duties.
- Training plans for all employees regarding security, safety, occupational health and environment.
- Cooperating with the Civil Defense Directorate and launching an awareness campaign for Jubail schools to raise awareness of dangers of fires in homes and how to prevent them.
- Winning the fourth place of International Fertilizer Association's (IFA) award "Green Leaf 2020".
- The International Fertilizer Association (IFA) is a global agrinutrient association comprising 476 companies from 67 countries. The Green Leaf Award is one of IFA's programs, which aims to reward the outstanding EHS performance of agri-nutrients companies that are members of IFA.

In 2020, SABIC Agri-Nutrients Company (formerly SAFCO) participated in this award program. The application for that participation was subjected to several evaluation criteria such as submitting EHS performance records and case study related to innovation management and enhanced performance practices in these areas and then the case study was compared to those of the competing companies in the same field. After evaluation of its participations, SABIC Agri-Nutrients Company ranked fourth out of 476 members.

2. Investment in Human Resources

During 2020, the Company maintained a high Saudization rate of 90%, where the total number of employees employed by the Company under the direct employment system until the end of December 2020 reached 1,289 employees.

In line with the strategic job localization plan, the Company has invested in human resources, where a number of fresh graduates from universities, colleges and institutes were employed. With a view to preparing qualified national cadres, during 2020, a number of the Company's employees were trained and enrolled in training courses and workshops in order to gain the necessary expertise. Most of these courses were provided remotely by virtual means of communication, due to the precautionary measures. A total of 1,169 employees completed multiple training programs through specialized training centers and SABIC e-programs. Moreover, 5 new employees were onboarded through SABIC Scholarship Program, while the number of trainees under Basic Operation Training Program was (48) trainees. In addition, there are 220 employees who completed 105 training courses under SABIC's On-The-Job Supervisor Development Program, which aims to develop the leadership side.

Furthermore, 73 employees were enrolled in 13 leadership courses under SABIC Leadership Program to enhance and stimulate their leadership and administrative capabilities, which will positively affect the employees' satisfaction and increase their productivity and employment stability.

As part of the development and training strategies, a career and talent development program was launched, which aims to develop future leaders in the belief that business success comes from continuous investment in highly qualified and skillful human capital. Through SAFCO Training and Development Center and under SAFCO Knowledge Management Program, the Company delivered training and education on 36 specialized topics in the professional and technical fields by those with high professional experience in the Company, and 285 employees benefited from the program.

The Company's management attaches great attention to developing its talents through personal development plans and career progression programs, which ensure inexhaustible talent pipeline. Moreover, the Company's management pays great attention to onboarding and training Saudi engineers to serve the Company's directions and strategies.

In seeking to ensure a bright future for its Saudi employees and achieve employment security for them, the Company has adopted a number of motivational programs, including the savings program that aims to encourage employees to save and increase their savings, and help them secure their future, in addition to the housing units ownership program for Saudi employees, which aims to help employees secure housing for themselves and their families in a plan ends up with owning the housing unit through loans or construction of housing units.



3. Production & Sales

Operation & Production

The total actual production for the year 2020 was 5.995 thousand metric tons compared to 5.551 thousand metric tons for the year 2019, with an increase of nearly (8%).

The following chart shows the volume of production during the year 2020 compared to 2019.



Marketing & Sales

With Allah's help, the Company was able to market all products offered for sale. The total sales during 2020 reached 3.933 thousand metric tons, compared to 3.535 thousand metric tons in 2019, with an increase of nearly (11.3%).

The following chart shows the volume of sales during the fiscal year 2020, compared to 2019





• Geographical Distribution of Revenues

The following figure shows the percentage of sales by geographical regions during the fiscal year 2020:



4. Assets, Liabilities and Business Results

The net profit for the current fiscal year 2020 amounted to SAR 1.294 million, which is approximately 12% less than the net profit of year 2019, which amounted to SAR 1.473 million.

Business results (in SAR thousands)

Statement	2020*	2019*	2018*	2017*	2016*
Revenues	3,327,542	3,287,582	3,859,836	2,759,455	2,855,924
Cost of Revenue	(453,266,1)	(1,593,557)	(1,728,590)	(1,560,252)	(1,489,170)
Gross profit	1,665,188	1,694,025	2,131,246	1,199,203	1,366,754
Net profit	1,294,401	1,473,919	1,738,438	878,628	1,035,948

Statement of financial position (in SAR thousands)

Statement	2020*	2019*	2018*	2017*	2016*
Assets	2,713,559	2,167,998	2,249,981	1,192,281	1,440,161
Non-current assets	7,281,218	7,494,544	7,254,486	7,154,587	6,787,486
Total assets	9,994,777	9,662,542	9,504,467	8,346,868	8,227,647
Current Liabilities	639,107	681,385	855,264	785,304	878,060
Non-current liabilities	1,195,061	984,866	743,154	700,939	682,536
Total liabilities	1,834,168	1,666,251	1,598,418	1,486,243	1,560,596

^{*} Note: The Company's financial statements for the years 2020, 2019, 2018, 2017 and 2016 are in accordance with International Financial Reporting Standards "IFRS".

5. The essential differences in operating results

ltem	In millio	Change ration	Changes (+ / -)	
Sales	3.328	3.288	(40)	(1%)
Cost of sales	1.662	1.594	(68)	(4%)
Gross profit	1.665	1.694	(29)	(2%)
Other operating income	-	-	-	-
General and administrative expenses	357	366	(9)	(2%)
Operating profits	1.308	1.328	(20)	(2%)

The decrease in net profit during this year compared to the previous year is attributed to:

- Low average sales prices of the Company's products.
- Low share of profits the Company received from Ibn Al-Baytar Company.
- Increase in Zakat provision for this year due to the increase in Zakat assessment base.



6. Paid and Outstanding Statutory levies.

The following table shows the amount of the statutory levies both paid and outstanding covering zakat, taxes, fees or any other charges that were not paid until the end of the annual fiscal period, with a brief description of them and their reasons (in SAR thousands)

		2020			
Item	The Paid	Outstanding payment up to the end of fiscal year	Brief description	Reasons	
Zakat	23,454	67,748	Zakat provision for 2020.	Waiting for the final zakat assessment	
General Organization for Social Insurance	57,324	4,841	Provision for December 2020.	It will be paid during January 2020.	
Passport visa costs	812	0	There is no provision	Payment is made upon service execution	

7. Information on Company's Loans

The company has no existing loans during the fiscal year 2020.

8. Subsidiary Companies

Subsidiary name	Capital	Ownership percentage	Main activity	State of its operations	State of incorporation	الحولة محل التأسيس
1	National Chemical Fertilizer Company - Ibn Al-Baytar	494,700,000	50%	Fertilizer manufacturing	KSA	KSA
2	SABIC AGRI-Nutrients Investments Company *	25,000	100%	Mining of chemical minerals, fertilizer minerals, and manufacturing of fertilizer and azotic compounds	KSA	KSA
SABIC AGRI-Nutrients Investments Company owns shares in the following companies:						
1	National Chemical Fertilizer Company - Ibn Al-Baytar	494,700,000	50%	Fertilizer manufacturing	KSA	KSA
2	Al-Jubail Fertilizer Company - Al-Bayroni	671,500,000	50%	Fertilizer manufacturing	KSA	KSA

^{*} According to the acquisition deal announced in Tadawul on January 04, 2021, "Referred to in the company's strategy item"

• Shares and Debt Instruments of the Company and its Subsidiaries

Details of Company's and its subsidiaries' shares:

Company name	Shares	Company type
ynapmoC stneirtuN-irgA CIBAS	416,666,666	Joint-stock company

Company name	Shares	Company type
National Chemical Fertilizer Company - Ibn Al-Baytar	494,700	Limited liability company

Details of debt instruments of the Company and subsidiaries:

No debt instruments (Sukuk or bonds) were issued by the Company or any of its subsidiaries during the fiscal year 2020.

9. Investments and Reserves for Company's Employees

The Company is keen on securing the future of its Saudi employees and achieving job security for them through the adoption of several incentive programs, including: Savings Program which aims at encouraging Saudi employees to save in a way that ensures increasing their income and contributing to securing their future, as well as Housing Unit Ownership and Loans Program, which in turn enhances the provision of suitable housing for employees and their

The following table shows the value of provisions made during the fiscal year 2020 for the benefit of Company's employees:

(Thousands of Saudi riyals)

ltems	Balance as at January 01, 2020	During 2020	Balance as at December 31, 2020
End-of-Service Benefits	776,214	181,435	957,649
Savings program	68,842	16,168	85,010
Loans and home ownership	148,201	(24,676)	78,074
Total	947,897	172,836	1,120,733



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The Company has developed clear strategic plans, and specific practical objectives for achieving 2025 sustainability strategy, based on Company core values, ethical commitment towards the environment and sustainability principles, and has confirmed this commitment by making it an integral part of Company's policy. The Company, in cooperation with SABIC Technology and Innovation Centers, and global manufacturing technology licensors have dedicated a team of experts and engineers to study the best ways to develop their plants, raise their productivity, and promote sustainability practices as well as to make them a role model.

Notwithstanding the economic and health effects of Coronavirus pandemic (Covid-19) worldwide, the Company committed to achieving 2025 sustainability strategic objectives by adhering to our wise government's instructions to take precautionary measures to curb the spread of Covid-19 pandemic and ensure safety of employees and their families.

Moreover, the Company has also held several online workshops and brainstorming sessions through its network following precautionary measures to curb spread of Coronavirus (Covid-19) pandemic, to gather as many suggestions and ideas as possible. Besides, the Company has also been keen to continue intensive remote training programs through its network and to spread awareness among all employees, which in turn has raised their own initiatives and motivated them to participate effectively, resulting in innovative ideas and solutions that have fundamentally contributed to the development and improvement of production processes, reduction of energy and water consumption, in addition to decrease of materials and greenhouse gases consumption.

In order to reduce water consumption in plants, indicators are added to monitor water vapor consumption in order to achieve optimal consumption. As a result, the amount of water vapor production for ammonia plant 3 increased after completion of the development and improvement project. Accordingly, a water evaporation facility was discontinued after the sustainability team studied potential of consumption's optimal balance for energy and water conservation, and efficiency upgrading.

In another area, CDM scrutiny of Al-Bayroni facilities was successfully completed by reducing emissions by 83,815 points for the period (2017-2019), representing a 73% increase over the previous scrutiny period (2015-2017).

In order to implement the Company's strategy to improve and reduce energy consumption according to Saudi Energy Efficiency Center (SEEC) standards, the Company has successfully achieved the objectives required for the first package in 2019. Work is underway for Ibn Al-Baytar and Al-Bayroni plants to meet the standards.

11. Reliability

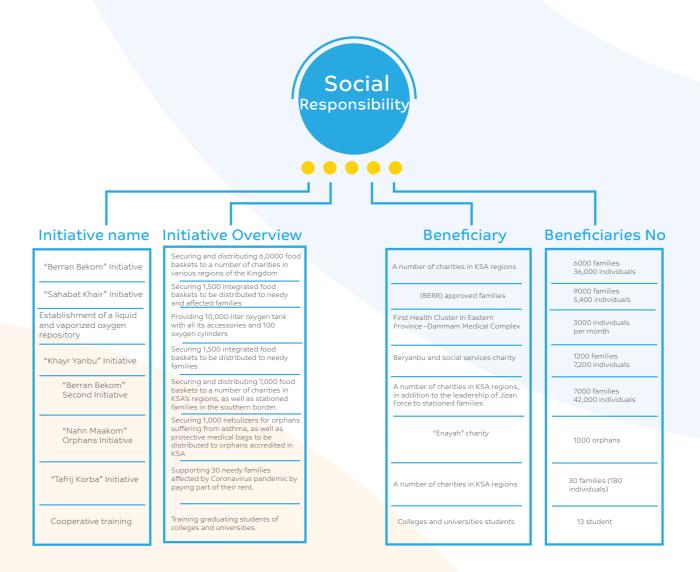
In continuation of efforts over the past years, the Company pursues outstanding strides towards achieving its 2025 strategy by leveraging its human resources, materials and internal expertise. This was done in coordination with SABIC Technology and Innovation Center and global manufacturing technology licensors to accomplish several projects related to reliability, in order to achieve objectives planned for 2020-2021.

Improving reliability is one of this strategy's pillars. Accordingly, in the past few years, the Company has completed reliability projects of SAFCO plant 3 and SAFCO plant 4, which were successful. It is followed by Ibn Al-Baytar plant's reliability project, which is to be implemented in 2020-2021. It also aims to improve energy efficiency and improve plant's reliability. In addition, it will add 25,000 metric tons per year to the current production capacity of the Ibn Al-Baytar Ammonia plant. In 2020, the Company planned to develop the Operations and Safety Management System program. This system shall be allinclusive of Company's business and managements in all respects, which includes, for example, how to manage asset's life cycle in the Company from the design and project phase, to operation and maintenance phase and ends with rehabilitation or replacement plan at the end of life expectancy. The operations management system aims to develop continuous improvement plans that open up new horizons for the Company which contribute to raising level and performance of plants to be consistent with 2025 strategy's objectives. This, in turn, contributes to a more harmonized business system between all of Company's requirements and those of stakeholders.



12. Social Responsibility

The Company is keen on its leading role in social responsibility, and as dictated by national feelings and moral values. Within worldwide spread of Coronavirus 19 pandemic, the Company has contributed to several initiatives through SABIC Employees Charity Fund (BERR) initiatives. The following is a brief overview of these initiatives:



13. Total Quality

In 2020, the Company obtained (ISO:10015) certificate as per the approved standards after being evaluated by the external accreditation authority DNA.

This certificate is a reliable indicator of commitment to best practices in training and development, as well as a source of ongoing development and improvement of Company's professional training and development programs.

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1. Plans, Decisions, Expansions and Future Expectations

The Company aims to develop its shareholders' equity by optimizing its assets, human and financial resources, and studying any available opportunities for increased income in accordance with Company's expansion and growth-based strategy. The Company is also marketing its products in local, regional and international markets through a marketing agreement signed with SABIC. In addition, it continuously follows up on safe operation requirements of its plants and expands its customer base to maximize returns

The Company informed its shareholders that, according to 2021 plan, there will be a scheduled discontinuation of its plants during the first and second half of 2021 as follows:

Ibn Al-Baytar plant for 61 days, to implement the project of improving reliability of ammonia plant and perform periodic maintenance of ammonia and urea plants in the first half of 2021.

Ammonia plant (SAFCO 2) for 6 days, for periodic maintenance in the first half of 2021.

Ammonia and urea plant (SAFCO 4) for 36 days, for periodic maintenance in the second half of 2021.

Urea plant (SAFCO 5) for 32 days, for periodic maintenance in the second half of 2021.

2-Ethylhexanol plant (Al Bairony) for 23 days, for periodic maintenance in the second half of 2021.

SABIC's collaboration with Saudi Aramco to explore areas of cooperation that maximize value for both parties and benefit therefrom, is a great opportunity for the Company to achieve mutual benefit and for the benefit of customers, related parties and shareholders through the integration of hydrocarbons, optimal utilization of feedstock and maintenance. In the event these studies led to any substantial opportunities, they will be announced to all investors.

2. Risks Relating to Company's Business

Risk Management System

The Company has established an integrated risk management system that operates with a consistent and comprehensive approach to ensure the continuity of Company's business in order to achieve its goals and aspirations, while complying with all requirements and regulations and ensuring the application of the latest systems and methods in all fields.

The Company's management develops and updates the adopted procedures and policies to provide an effective control system which is comprehensive, independent and transparent, and also builds electronic systems and implement professional and ethical standards. The Company's management functions include reviewing operations, assessing associated risks, and developing plans to face or mitigate the risks. In return, the external auditor appointed by the General Assembly, the General Audit Bureau and SABIC audits the Company's accounts and operations on a regular basis, as required by the audit plan. Moreover, Internal Audit Department independently issues its reports on a regular basis. The Company's management also holds workshops and training courses aimed at establishing a disciplined and constructive control environment that raises awareness among employees of their duties and obligations.

The Company's Audit Committee oversees the mechanism whereby the Company's management monitors compliance with Company's risk management policies and procedures. Moreover, Audit Committee checks the adequacy of risk management framework and its applications. Internal Audit Department assists Company's Audit Committee in its oversight role by conducting regular and ad hoc reviews of the main activities and processes related to risk management controls and procedures and assesses their adequacy, and then submits the results to Audit Committee.

The Company's risk register included an assessment of the future potential risks related to Company's strategy, and its ability to carry out expansion, study of possible alternatives and obstacles to implementation, and ways to avoid or minimize the impact of these obstacles.

The risk register also includes an assessment of risks related to plants operations. In this context, the Company has taken the necessary procedures to deal with these risks by following up on the application of production, manufacturing processes, EHSS and information security procedures. It has also implemented reliability programs for some plants to increase their operational efficiency and reliability and to reduce the unscheduled interruptions of plants, which would have a positive impact on financial results.

With regard to the financial risks that the Company may face as a result of using financial instruments, namely credit and liquidity risks, especially cash and cash equivalents, the trade and other receivables, investments in securities, advance payments, payables, accrued expenses, rental liabilities and other liabilities, the Company has studied and assessed these risks as follows:

Credit Risks

Credit risks are the risks of financial loss sustained by the Company if a customer or party to a financial instrument fails to meet its contractual obligations, mainly arising from receivables owed to the Company by customers and investment in securities. The Company has no fundamental concentrations of credit risk, as cash and cash equivalents are usually deposited with banks with a good credit rating, and sales are generally made to SABIC, which has an excellent market reputation.

Liquidity Risks

Liquidity risks are that the Company cannot meet its obligations associated with financial requirements, which are paid by handing over cash or other financial asset. The practice followed by the Company is to manage liquidity to ensure, to the extent possible, that it has sufficient liquidity to meet its obligations when fall due, under normal or difficult circumstances, without incurring unacceptable losses or risks that causes damage to Company's reputation.

Market Risks

Market risks are the changes in market prices such as foreign exchange rates, interest rates and stock prices that affect the Company's income or the value of its financial instruments. The purpose of market risk management is to manage and control exposure to market risks in the light of acceptable input while improving returns. There is no change in the Company's exposure to market risks or in the way that these risks are managed and measured.

Price Risks

The Company's securities price risk exposure arises from investments owned by the Company classified as a financial asset listed at fair value through other inclusive income. Risks register also includes an assessment of risks associated with product price drops, and in this regard the Company has taken some necessary actions to deal with these risks. It is worth mentioning that because of repercussions of COVID-19 pandemic in 2020, prices of products were affected significantly, which prompted the Company, in cooperation with the marketing team, to take additional steps and procedures to alleviate the financial impact of prices drop.

Currency Risks

Currency risks is the risk of fluctuation in the financial instruments value due to changes in foreign exchange rates. The Company is not significantly exposed to fluctuations in foreign exchange rates in the course of its normal business, as the Company did not conduct significant transactions during the year in currencies other than the Saudi riyal and US dollar, which has a fixed exchange rate against the Saudi riyal.

Commodity Risks

The Company is exposed to the influence of market fluctuations in the prices of various production inputs, including natural gas, sulfuric acid and phosphoric acid. The Company occasionally manages certain elements of commodity price risk by using fixed-price contracts.

Operational Risks

Operational risks are risks of direct or indirect loss due to several reasons related to Company operations, employees, technology, infrastructure and external factors other than credit risks, market risks and liquidity risks such as those resulting from legal and regulatory requirements and generally accepted institutional discipline standards. Operational risks result from all Company's operations.

The Company's objective is to manage operational risks in order to strike a balance between avoiding financial losses and damaging the Company's reputation and saving costs in general, and also to avoid regulatory procedures that restrict initiative and innovation.

The Senior Management of each business unit has the main responsibility for developing and applying controls to address operational risks. This responsibility is supported by the general development of Company operational risk management standards in the following areas:

- Appropriate segregation of duties requirements, including independent authorization of transactions.
- · Requirements for transactions' reconciliation and control.
- · Compliance with other regulatory and legal requirements.
- Documentation of controls and procedures.

Compliance with Company's standards is monitored through a periodic review program implemented by the Internal Audit Department. Review results are discussed with the management of the concerned business unit and brief reports are submitted to Company's Audit Committee and Senior Management.

Capital Management

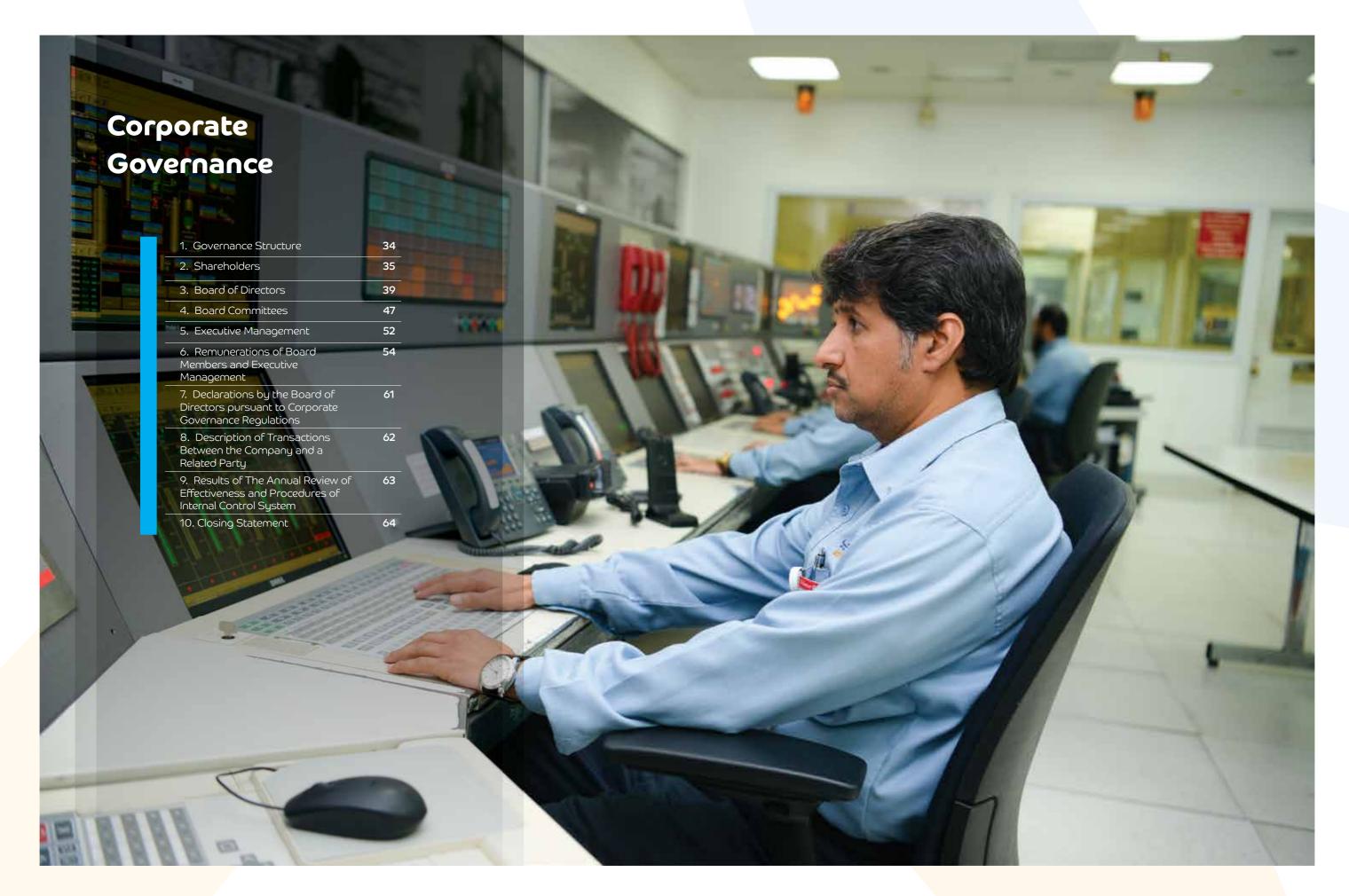
Capital is the equity of Company's shareholders. The main purpose of managing Company's capital is to support its business and maximize shareholder returns.

The Board's policy is to maintain a strong capital base so as to maintain confidence of investors, creditors and the market and ensure that future business developments are sustained. The Company manages its capital structure and makes adjustments thereto in the light of changes in economic conditions. The Board monitors the return on capital determined by the Company as a result of its operational activities, divided by total equity of shareholders. In addition, there were no changes in the Company's capital management methodology during the year. The Board also monitors the level of common dividends distribution to shareholders and capital management. Neither the Company nor any of its associated companies are subject to externally imposed capital requirements.

Furthermore, the Company did not lose sight of the assessment of risks related to compliance with the relevant legal requirements, as the risk register also included identification of risks related to human resources retention and their emphasis on improving work environment, which would reflect positively on upgrading performance. The Company remains committed to requirements of Global Quality Certificate ISO 22301:2012 in Business Continuity Management Systems (BCMS), which helps in reproduction as quickly as possible and enables it to ensure minimum interruptions, consistent productivity and service to its customers.



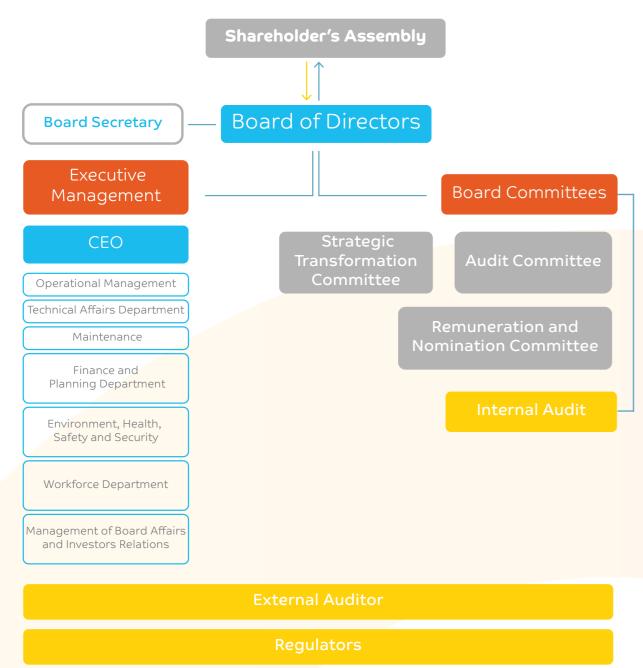
Report of the Board of Directors 2020 Report of the Board of Directors 2020



1. Governance Structure

The Company is committed to the regulations and rules of governance issued by regulators, as the company has set the general framework for its governance that includes a set of regulations and policies through which the roles and responsibilities are defined, and advise on how to make and undertake decisions and control over their implementation in light of the transparency rules that achieve accountability and enhance adequacy of performance, based on the relevant laws and regulations. The Board of Directors monitors the implementation of Governance Laws to verify the integrity and accuracy of application to ensure compliance with the best practices of governance, and to ensure the adoption and application of the best global systems in terms of control and commitment, which guarantees employees, investors and stakeholders' rights and shareholders' equity alike.

The overall governance structure of the Company is as follows:



The company applies the provisions of the Corporate Governance Regulations issued by the Capital Market Authority except for the following paragraph:

Report of the Board of Directors 2020 /

Article Clause / No.	Provision of Article / Clause	Reason
Article 70: Composition of the Risk Management Committee	The Company's Board shall, by resolution therefrom, form a committee to be named the "Risk Management Committee".	Indicative article * Audit Committee is currently carrying out the competencies of Risk Committee as provided for in its Regulations adopted by the General Assembly
		Indicative article
Article 71: Competencies of the Risk Management Committee	The competencies of the risk management committee shall include the following: (as provided for in Article 71 of the Regulations)	* Audit Committee is currently carrying out the competencies of Risk Committee as provided for in its Regulations adopted by the General Assembly.
Article 72: Meetings of the Risk Management Committee	The risk management committee shall convene periodically at least once every six months, an as may be necessary.	Indicative article
Article 78: Internal Audit Report	In accordance with the provisions and paragraphs stated in Article 78.	Indicative article
Article 95: Formation of a Corporate Governance Committee	If the Board forms a corporate governance committee, it shall assign to it the competences stipulated in Article (94) of these Regulations. Such committee shall oversee any matters relating to the implementation of governance, and shall provide the Board with its reports and recommendations at	Indicative article

2. Shareholders

Communicating with Shareholders and Investors

The Company is committed to achieving the principle of fairness and equality in providing the appropriate information at the right time. The Company informs its shareholders of its performance and activities during the year through the annual report of the Board, and also keeps them updated with any significant developments that may occur and affect its financial position and business, in a way that does not affect its competitiveness, through Tadawul's website, its website, and other means of communication with the aim of helping investors make investment decisions based on correct and adequate information, and ensuring that information is not leaked to some investors without others and that all beneficiaries have equal opportunities to access information. The Company is strictly and keenly committed to implementing the policies and procedures for disclosing the essential developments, financial statements and performance reports in accordance with the legal requirements, the applicable regulations and instructions received from the competent authorities. The Company is also keen on handing over its shareholders their due dividends by reminding them of the need to update their data and making sure to link their Bank accounts' numbers to Tadawul's portfolios in order to ensure the deposit of their profits without delay.

The Company is keen on regular disclosure on Tadawul's website about the relevant events, substantive developments and financial statements, in accordance with the provisions governing disclosure and transparency, and making them available to shareholders, investors and stakeholders. During the fiscal year ended on 31 December 2020, The Company posted 16 announcements. The following table shows the topics of the announcements:

No.	Date of Posting	Topic of Announcement
1	January 23, 2020	Saudi Arabian Fertilizer Company (SAFCO) announces the preliminary financial results for the period ended on December 31, 2019 (twelve months)
2	February 23, 2020	SAFCO announces the annual financial results for the year ended on December 31, 2019 (twelve months)
3	March 04, 2020	SAFCO announces the invitation of shareholders to attend the Ordinary General Assembly Meeting (First Meeting).
4	March 19, 2020	SAFCO announces the latest developments regarding the invitation of shareholders to attend the Ordinary General Assembly Meeting (First Meeting).
5	March 30, 2020	SAFCO announces the results of the Ordinary General Assembly Meeting (First Meeting).
6	April 06, 2020	SAFCO announces that the General Authority for Competition has no objection to complete the process of economic concentration for SAFCO's 100% acquisition of SABIC Agri-Nutrients Investment Co. by increasing the capital of SAFCO by issuing shares to owners of SABIC Agri-Nutrients Investment Co.
7	April 28, 2020	SAFCO announces the preliminary financial results for the period ended on March 31, 2020 (three months)
8	May 14, 2020	SAFCO announces Board's decision to distribute cash dividends to shareholders for the first half of 2020.
9	July 22, 2020	SAFCO announces the preliminary financial results for the period ended on June 31, 2020 (six months).
10	October 06, 2020	SAFCO announces that CMA approved its request to increase its capital in order to acquire all shares of SABIC Agri-Nutrients Investment Co.
11	October 20, 2020	SAFCO announces the preliminary financial results for the period ended on September 31, 2020 (nine months)
12	October 27, 2020	SAFCO announces access to the circulation of shareholders regarding increase of Company's capital.
13	October 27, 2020	SAFCO announces the invitation of shareholders to attend the Extraordinary General Assembly Meeting including increase of capital (First Meeting).
14	November 19, 2020	SAFCO announces the results of the Extraordinary General Assembly Meeting included increase of capital (First Meeting).
15	December 15, 2020	SAFCO announces temporary shutdown of SAFCO plant 4 for maintenance.
16	December 15, 2020	SAFCO announces Board's recommendation to distribute cash dividends to shareholders for the second half of 2020.

Report of the Board of Directors 2020

Dividend Distribution Policy

The Company's dividend distribution policy, whether in cash or in kind or an increase of the company's capital by granting shares, is based on several controls that take into account the net dividends realized, cash flows and distribution policy in the company's Articles of Association. When conducting in kind distribution, the Company's interests and all the foregoing shall be taken into consideration. With regard to cash or in-kind distributions, the distribution shall be made according to Board's recommendation to the Company's General Assembly in accordance with all the relevant regulations. The Board recommended to distribute dividends to shareholders for the second half of 2020, in the amount of SAR (1) per share, which was disbursed for the first half of 2020. The Board also recommended to disburse SAR (1) for the second half of 2020.

The following table shows the ratios of the dividends distributed to shareholders for the fiscal year ended on December 31, 2020, in addition to the ratios of dividends proposed to be distributed at the end of the year and the total dividends:

		ds distributed for the year Dividends proposed to be distributed at the end of the		Total
	Second half 2019	First half 2020	year	IOLAI
Percentage	15%	10%	10%	35%
Total (amounts in thousands, SAR)	624,999	416,667	*476,035	1,517,701
Maturity Date	March 29, 2020	June 21, 2020	The end of Company's General Assembly	

^{*} The Company's capital increased from SAR 4,166,666,660 to SAR 4,760,354,040, an increase of 14.25% in the Company's capital by issuing 59,368,738 new ordinary shares.



The following table shows the dates of General Assembly meetings and names of the Board members who attended those meetings, during the fiscal year ended on Dec 31, 2020 AD, as follows:

			Ordinary Meeting	Nov 18, 2020 AD Extraordinary meeting	
بر ت	Mr. Youssef Abdullah Mohammed Al Benyan	Chairman	Attended	Attended	
of the members present the Assembly	Eng. Samir Bin Ali Al Abdrabbuh (2)	Deputy Chairman		Attended	
	Dr. Waleed Mohammed Al-Eissa	Board member	Attended	Attended	
	Mr. Abdulaziz Bin Habdan Abdullah Al Habdan	Board member	Attended	Attended	
	Mr. Sulaiman A. Al-Hussain (2)	Board member		Attended	
Names o	Mr. Mohammed A. Al-Bahussain (2)	Board member	_	Attended	
Na	Mr. Yousef M. Al Suhaibani	Board member	Attended	Attended	
	Eng. Anas bin Yousef Kentab (1)	Former Deputy Chairman	Attended		
	Mr. Mohamed bin Mahmoud Al Oahli (1)	Former Board member	Attended	_	
	Eng. Yousef bin Abdulrahman Al Zamil (1)	Former Board member	Attended		

- (1) Board membership ended on Mar 28, 2020 AD.
- (2) His membership started on the Board formation date on Mar 29, 2020 AD.



• Company's requests for the shareholders' register, and the dates and grounds of those requests.

During the fiscal year ended on December 31, 2020 AD, the Company requested the shareholders' registers ten (10 times) and the following table shows the dates of and reasons for those requests:

No.	Date	Reason
1	February 3, 2020 AD	Prepare Company's internal reports
2	February 25, 2020 AD	Prepare Company's internal reports
3	March 11, 2020 AD	Prepare Company's internal reports
4	May 10, 2020 AD	Prepare Company's internal reports
5	June 2, 2020 AD	Dividends for the second half of 2019.
6	November 10, 2020 AD	Prepare Company's internal reports
7	November 14, 2020 AD	Prepare Company's internal reports
8	December 9, 2020 AD	Prepare Company's internal reports
9	December 9, 2020 AD	Prepare Company's internal reports
10	December 9, 2020 AD	Prepare Company's internal reports

3. Board of Directors

Names of Board members and classification of their membership

The Board comprises seven members and they were appointed during the Extraordinary General Assembly meeting held on March 29, 2020 AD for a period of three years.

1 Mr. Youssef Abdullah Mohammed Al Non-executive Chairman 2 Eng. Samir Bin Ali Al Abdrabbuh * Non-executive Deputy Chairman	
2 Eng. Samir Bin Ali Al Abdrabbuh * Non-executive Deputy Chairman	
3 Dr. Waleed Mohammed Al-Eissa Non-executive Board member	
4 Mr. Abdulaziz Bin Habdan Abdullah Al Independent Board member	
5 Mr. Mohammed A. Al-Bahussain * Non-executive Board member	
6 Mr. Sulaiman A. Al-Hussain * Independent Board member	
7 Mr. Yousef M. Al Suhaibani Independent Board member	

^{*} This member was appointed as a Board member as approved by the General Assembly on Mar 29, 2020 AD.

 Academic qualifications and current and previous experiences of the members of Board, Board committees and executive management, as well as the former and current board members within the Kingdom and abroad.



Mr. Youssef Abdullah Mohammed Al Benyan

Current position: Vice Chairman, CEO (SABIC)

Previous jobs and experiences: Chairman of the Business Group B20 of G20 - January 11, 2015 AD - February 14, 2015 AD Executive Vice President, Corporate Finance (SABIC)- October 15, 2013 AD -January 10, 2015 AD.

Executive Vice president, Chemicals SBU (SABIC) - February 1, 2008 AD -October 14, 2016 AD.

Executive Vice President, Human Resources (SABIC) General Manager of SABIC in the Americas Region (Houston). General Manager of SABIC in Asia (Singapore). Commercial Director of SABIC in USA and Latin America.

Qualifications: Mr. Youssef holds a Master's Degree in Industrial Management and a Bachelor's Degree in Economics



Eng. Samir Bin Ali Al Abdrabbuh Deputy Chairman Chairman of Strategic Transformation Committee

Current Positions: Executive Vice President, Agri-Nutrients SBU (SABIC)

Previous jobs and experiences:

Jan 1, 2017 – Jan 31, 2018 - Vice President, Global Supply Chain July 1, 2015 - Dec 31, 2016 - Vice President of SABIC's Oxygenates

Nov 1, 2009 - Jun 30, 2015 - Vice President, Communications and Media. Sep 1, 2005 - October 31, 2009 - Executive General Manager of SABIC affiliate (TAYF) Company

Eng. Samir holds a bachelor degree in Computer Science & Engineering.



Dr. Waleed bin Mohammed Al-Eissa **Board Member** Member of Audit Committee Member of Strategic Transformation Committee

Current Position: Managing Director (Assila Investments)

Previous jobs and experiences:

2016 - 2019: CEO, Investment at Assila Investments Company. 2014-2016: Associate Professor at Graduate School of Management in

2009-2014: Assistant Professor at Graduate School of Management in Paris, France.

2004-2009: Scientific Research Assistant at Pennsylvania State University (Inver City Park).

1997-2000: Electrical engineer at the Saudi Petrochemical Company (SADAF) in Jubail.

Qualifications: Dr. Walid holds a PhD degree in Accounting, a Master's degree in Business Administration, a postgraduate diploma in Business Administration, a postgraduate diploma in Finance and a Bachelor's degree in Electrical Engineering.



Mr. Abdulaziz bin Habdan Al-Habdan **Board Member** Chairman of Audit Committee Member of Strategic Transformation Committee

Current position: General Manager of Health Oasis Company

Previous jobs and experiences: Assistant Governor of Insurance Affairs at the General Organization for Social Insurance. He had a work experience of more than 30 years at the General Organization for Social Insurance, and a member of several boards of directors and committees in joint stock

Qualifications: Mr. Abdulaziz holds a Master's degree in Management, a Bachelor's degree in Business Administration, and a diploma in Finance and



MR. MOHAMMED A. ALBAHUSSAIN **Board Member** Member of Remuneration and Nominations Committee

Current position: General Director of Financial Control (General Organization for Social Insurance - GOSI)

Previous jobs and experiences: During the fiscal year 2015, he worked as HR Operations Director in GOSI. He also worked from January 2013 to February 2015 in GOSI's financial affairs.

Qualifications: Mr. Mohamed holds a Master's degree in banking, Finance and Risk Management and a bachelons degree in accounting.



Mr. Sulaiman A. Al-Hussain **Board Member** Head of Remuneration and Nominations Committee Member of Strategic Transformation Committee

Current position: retired

Previous jobs and experiences:

Apr 2005 - May 2011: President of Saudi Yanbu Petrochemical Company

Aug 1997 - March 2005: General Director of Finance and Materials at

Sep 1992 - July 1997: Financial Controller at Yanbu Saudi Petrochemical Company (Yanpet).

October 1988 - 1992 AD: Director of Materials Department, Saudi Yanbu Petrochemical Company (Yanpet).

Qualifications: Mr. Sulaiman holds a Bachelor's degree in Business Administration and Marketing.



Mr. Yousef M. Al Suhaibani **Board Member** Member of Remuneration and Nominations Committee

Current position: Director of Internal Audit Department (Al Ra'idah Investment Company)

Previous positions and experiences:
July 2016 - March 2018 AD: Director of Internal Audit Department (Malath Insurance Company).

February 2015 - June 2016 AD: Operational Risk Manager- The Mediterranean and Gulf Insurance Company (MedGulf)

December 2010 - February 2015 AD: Senior Consultant (Ernst & Young).

Qualifications: Mr. Youssef holds a Master's degree in Finance Management and a Bachelor's degree in Accounting.



Mr. Khalid bin Sulaiman Al-Muhaisen Member of Remuneration and Nominations Committee

Current position: General Manager of Talent, Organization and Human Resources

Previous jobs and experiences:

General Director of Human Resources - SABIC America. General Director of Global Talent Management – SABIC. Director of Global Human Resources - SABIC.

Director of Global Talent Exchange - SABIC.

Human Resources,

Director of Human Resources Department.

Qualifications: Mr. Khaled holds a Bachelor's degree in Engineering (Computer Engineering) from King Fahd University of Petroleum and Minerals.



Mr. Badr bin Ibrahim Al-Badr Member of Audit Committee

Current position: General Manager of Risk and Data Management (SABIC)

Previous jobs and experiences:

General Manager of Risk Management (SABIC).

Internal Audit Manager (SABIC).

Extensive experiences in BAE Systems and Saudi Industrial Development Fund.

Certified auditor (CISA),

Certified SAP system consultant.

Member of the Global Institute of Internal Auditors.

Member of Information Systems Audit and Control Association (ISACA),

Qualifications: Master's degree in Management, Bachelor's degree in Computer Science, completed numerous management courses and leadership programs.

Report of the Board of Directors 2020 -43

• The following table shows the former and current Board memberships inside the Kingdom and abroad.

Name	Current board members or managers within or outside the Kingdom	Former board members or managers within or outside the Kingdom
Mr. Youssef Abdullah Mohammed Al Benyan	Within the Kingdom: Corporation (SABIC) (Listed Joint Stock Company). SABIC Agri-Nutrients Company (Listed Joint Stock Company). National Informatics Company (Closed joint stock) Saudi Stock Exchange (Tadawul) (Closed joint stock) Advisory Board of the Ministry of Finance. General Authority for Foreign Trade. Royal Commission for Jubail and Yanbu. Saudi Ports Authority. Outside the kingdom: Gulf Petrochemical and Chemical Association.	Within the Kingdom: Saudi Yanbu Petrochemical Company (Yanpet) (Limited Liability Company). Yanbu National Petrochemical Company (Yansab) (Listed Joint Stock Company) Al-Jubail Petrochemical Company (Kemya) (Limited Liability Company). Power and Water Utility Company for Jubail and Yanbu (Marafiq) (Limited Liability Company). Saudi Iron & Steel Company (Hadeed) (Limited Liability Company). Outside the Kingdom: SABIC Asia Pacific (Limited Liability Company).
Eng. Samir Bin Ali Al Abdrabbuh	Within the Kingdom: SABIC Agri-Nutrients Company (Listed Joint Stock Company). Al Jubail Fertilizer Co (Al-Bayroni) (Limited Liability Company). SABIC Services Supply Company (Limited Liability Company). National Research and Development Center for Sustainable Agriculture (Estidamah) Outside the Kingdom: Gulf Petrochemical Industries Company (Closed joint stock) Arab Fertilizer Association (Association) International Fertilizer Association (Association) Gulf Petrochemicals and Chemicals Association (Association) Within the Kingdom:	Within the Kingdom: SABIC Terminal Services (Sabtank) (Limited Liability Company) Jubail Chemical Storage and Services Company (Chemtank) (Limited Liability Company) National Methanol Company (Ibn Sina) (Limited Liability Company) Saudi Japanese Acrylonitrile Company (Shrouq) (Limited Liability Company) Saudi Organometallic Chemical Company (SOCC) (Limited Liability Company) Within the Kingdom: Asia Clean Fuels Association (ACFA)
Dr. Waleed bin Mohammed Al-Eissa	Alaqeeq Real Estate Development (Closed Joint Stock Company) Taiba Holding Company (Listed Joint Stock) Assila Holding Company (Closed Joint Stock Company) Saudi heritage hospitality co. (Nuzul) (Closed Joint Stock Company) SABIC Agri-Nutrients Company (Listed Joint Stock Company) Knowledge Economic City Company (Listed Joint Stock) Knowledge Economic City Company (Listed Joint Stock)	Within the Kingdom: Herfy Food Services Company (Listed Joint Stock Company) Arab Resort Areas Company (ARAC) (Closed Joint Stock Company) Oasis Fiberglass Company (Closed Joint Stock Company)
Mr. Abdulaziz bin Habdan Al-Habdan	Within the Kingdom: SABIC Agri-Nutrients Company (Listed Joint Stock Company).	Within the Kingdom: Saudi Basic Industries Corporation (SABIC) (Listed Joint Stock Company). Makkah Medical Center Company (Closed Joint Stock Company) Bank AlJazira (Listed Joint Stock Company) Banque Saudi Fransi (Listed Joint Stock Company) Allianz Saudi Fransi Cooperative Insurance Company (Listed Joint Stock Company) Saudi Telecom Company (STC) Saudi Fransi Capital (Closed Joint Stock)
Mr. Mohammed A. Al- Bahussain	Within the Kingdom: SABIC Agri-Nutrients Company (Listed Joint Stock Company)	Within the Kingdom: • Dar Al Tamleek Company (Closed Joint Stock)
Mr. Sulaiman A. Al-Hussain	Within the Kingdom: • Arabian Plastic Compounds Co. Ltd (Limited Liability Company) • SABIC Agri-Nutrients Company (Listed Joint Stock Company)	Within the Kingdom: Rabigh Refining and Petrochemical Company (Petro Rabigh) (Listed Joint Stock Company) Arabian Industrial Fibers Company (Ibn Rushd) (Limited liability Company) Eastern Petrochemical Company (Sharq) (Limited Liability Company)
Mr. Yousef M. Al Suhaibani	Within the Kingdom: SABIC Agri-Nutrients Company (Listed Joint Stock Company)	Within the Kingdom: N/A

• Board meetings and attendance record:

The Board held (6) meetings during the fiscal year 2020 and the attendance record was as follows:

Member name	Meeting no. 1 Feb 23, 2020 AD	Meeting no. 2 Mar 29, 2020 AD	Meeting no. 3 Apr 26, 2020 AD	Meeting no. 4 May 14, 2020 AD	Meeting no. 5 Aug 16, 2020 AD	Meeting no. 6 Dec 14, 2020 AD	Total				
Mr. Youssef Abdullah Mohammed Al Benyan	√	√	√	√	√	√	6				
Eng. Samir Bin Ali Al Abdrabbuh *	×	√	√	√	√	√	5				
Dr. Waleed bin Mohammed Al-Eissa	√	√	√	√	√	√	6				
Mr. Abdulaziz bin Habdan Al-Habdan	√	√	√	√	√	√	6				
Mr. Mohammed A. Al-Bahussain*	×	√	√	√	√	√	5				
Mr. Sulaiman A. Al-Hussain*	×	√	√	√	√	√	5				
Mr. Yousef M. Al Suhaibani	√	√	√	√	√	√	6				
Eng. Anas Youssef Kantab**	√						1				
Eng. Yousef Abdulrahman Al-Zamil ** √ His membership ended on Mar 28, 2020 AD											
Mr. Muhammad Hammoud Al-Ohali** √											

^{*} He was appointed as a Board member with the approval of General Assembly on March 29, 2020.

• Statement of any interest, contractual securities and subscription rights of Company's Board members and their relatives with regard to the shares or debt instruments of the Company or any of its subsidiaries, and any change in that interest or those rights during the last fiscal year



Current Board members:

Statement of any interest, contractual securities and subscription rights of Company's Board members and their relatives with regard to the shares or debt instruments of the Company.

	Begir	ning of the ye	ar	E	End of the yea	ar		
Name	No. of shares	Debt instrument	Ownership %	No. of shares	Debt instrument	Ownership %	Net of Change	Change %
Mr. Youssef Abdullah Mohammed Al Benyan	2,950	0.0	0.0	8,700	0.0	0.0	5,750	195%
Eng. Samir Bin Ali Al Abdrabbuh	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dr. Waleed bin Mohammed Al- Eissa	4,000	0.0	0.0	4,000	0.0	0.0	0.0	0.0
Mr. Abdulaziz bin Habdan Al-Habdan	500	0.0	0.0	3,649	0.0	0.0	3,149	630%
Mr. Mohammed A. Al-Bahussain	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mr. Sulaiman A. Al- Hussain*	0.0	0.0	0.0	100	0.0	0.0	100	100%
Mr. Yousef M. Al Suhaibani	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Saudi Basic Industries Corporation (SABIC), represented by Chairman/ Mr. Youssef Abdullah Mohammed Al Benyan and VP Eng. Samir Bin Ali Al Abdrabbuh, Dr. Waleed bin Mohammed Al Eissa	179,135,832	0.0	42.99%	179,135,832	0.0	42.99%	0.0	0.0
General Organization for Social Insurance, represented by Mr. Mr. Mohammed A. Al-Bahussain	36,889,468	0.0	8.85%	36,889,468	0.0	8.85%	0.0	0.0

^{**} His Board membership ended on March 28, 2020.

• Actions taken by the Board to inform its members of shareholders' input and comments about the Company and its performance

The Board regulations stipulates that "A Board member must attend meetings of the General Assembly." This action aims to answer shareholders' inquiries and receive their suggestions and comments about the Company and its performance.

On the other hand, the Company's Articles of Association guarantees the right of shareholders to participate in deliberations and discussions at General Assembly meetings. To promote engagement of Company's shareholders, the Board has adopted a disclosure policy and procedures including processes to ensure that shareholders have the right to inquire, request information and answer their inquiries in a manner that does not harm the Company's interests.

• Means used by the Board for evaluating its own performance and the performance of its committees and members, and the external body that performed the evaluation and its relationship with the Company, if any.

The Board approved performance standards to evaluate its activities, members and committees. An independent external body (Governance Compass) was appointed to evaluate performance of the Board and Board members. The evaluation process took place during the fiscal year 2019 AD. The evaluation results showed that the Board is working efficiently in essential aspects.

The Board of Directors has laid down, in both the Board regulations and all Board Committees' regulations, a procedure to conduct periodical evaluation of the performance of the Board and its committees.

The business and contracts to which the Company is a party or in which the Company's Board members or senior executives, or any related person holds a stake.

During their meetings in the fiscal year 2020 AD, the Board members discussed the following topics:

- 1. Increase Company's capital
- 2. Accounting treatment

For the purpose of "Acquiring (SABIC Agri-Nutrients Investment Company) by increasing Company's capital and issuing shares for SABIC Agri-Nutrients Investment Company's owners"

The members informed SABIC's representatives, namely 1. Mr. Youssef Abdullah Mohammed Al Benyan, 2. Eng. Samir Bin Ali Al Abdrabbuh and 3. Dr. Waleed bin Mohammed Al-Eissa, that SABIC is a relevant party and therefore SABIC abstained from voting on these topics.

Report of the Board of Directors 2020 -47

4. Board Committees

1. Audit Committee:

According to its regulations, Audit Committee shall be formed by a resolution of the Company's General Assembly based on a recommendation made by the Board. The Committee's members shall range from 3-5 non-executive Board members, whether shareholders or not. The General Assembly shall set the Committee's duties, controls and remuneration for its members.



Audit Committee's responsibilities and duties include:

- 1. Monitor and supervise the performance and activities of Company's Internal Audit Department in order to ensure that it receives the necessary resources and verify its effectiveness in carrying out the tasks and duties assigned thereto.
- 2. Consider and approve the annual internal audit plan with the Internal Audit Department.
- 3. Consider and review the Company's internal and financial control and risk management systems and controls and prepare the necessary reports about its opinion regarding adequacy of these systems.
- 4. Consider the Internal Audit Department's reports and follow-up implementation of corrective actions for the observations contained therein.
- 5. Consider the accounting policies followed by the Company or any change thereto, and express opinion and recommendation to the Board of Directors regarding such policies with regard to the regulatory aspects.
- 6. Consider the Company's initial quarterly and annual financial statements and its announcements related to its financial performance before being presented and approved by the Board and express opinions and recommendations regarding the same to ensure their integrity, fairness and transparency.
- 7. Express the technical opinion, at the Board's request, on whether the Board report and the Company's financial statements are fair, balanced and understandable and include information that allows shareholders and investors to evaluate the Company's financial position, performance, business model and strategy.
- 8. Make recommendation to the Board regarding nomination and removal of auditors, and to determine their fees, evaluate their performance after ensuring their independence, and review scope of their work and their contract terms and express their opinions on the same.
- 9. Evaluate auditors' performance, review their work plan, answer their inquiries, as well as to consider their reports and comments on the financial statements and follow-up the actions taken with the Executive Management.
- 10. Review results of the regulatory bodies' reports and ensure that the Company has taken the necessary action regarding such reports.
- 11. Ensure Company's compliance with the relevant laws, regulations, policies and instructions.
- 12. Investigate any issues raised by Company's CFO or his/her deputy or Company's Compliance Officer or Auditor.
- 13. Examine and review the material changes and accounting estimates that may occur to the financial statements and any important or unfamiliar issues contained in the financial reports and discuss the same with the Executive Management and auditors and express its opinion regarding the same.
- 14. Raise the issues that require an action as it deems necessary to the Board and make recommendations on the actions to be taken.
- 15. Examine the issues referred thereto by the Board and submit its recommendations to the Board to take the necessary decision.
- 16. Audit Committee shall assume the duties of Risk Management Committee stipulated in the Corporate Governance Regulations issued by the Capital Market Authority.
- 17. Make recommendation to the Board regarding appointment or dismissal of the Head of Internal Audit Department and propose its remuneration and evaluate his performance annually.
- 18. Review the contracts and the proposed transactions that the Company conducts with related parties and submit opinions on the same to the Board.

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Audit Committee held (13) meetings within the fiscal year 2020 and the attendance record is as follows:

Member Name	Meeting No. (1) 23/01/2020	Meeting No. (2) 05/02/2020ρ	Meeting No. (3) 20/02/2020ρ	Meeting No. (4) 08/04/2020p	Meeting No. (5) 28/04/2020p	Meeting No. (6) 11/05/2020ρ	Meeting No. (7) 10/06/2020p	Meeting No. (8) 02/07/2020ρ	Meeting No. (9) 21/07/2020p	Meeting No. (10) 11/08/2020p	Meeting No. (11) 14/08/2020ρ	Meeting No. (12) 20/10/2020p	Meeting No. (13) 15/11/2020p
Mr. Abdulaziz Habdan Al- Habdan (Chairman of the Committee)	√	√	√	√	√	√	√	√	√	V	√	√	√
Dr. Waleed Mohamed Al- Eissa (Committee member)	√	√	√	√	√	√	√	√	V	√	√	√	√
Mr. Badr bin Ibrahim Al Badr (Committee member)	His membership started on the date of Committee formation by the General Assembly on March 29, 2020 AD		V	√	√	√	√	V	√	√	√	√	
Mr. Mohamed Ibrahim Al-Sheikh (Committee member)	√	√	√	His membership ended on the Committee expiry date; Mar 28, 2020 AD									

Audit Committee's recommendations that are contradicting with the Board's resolutions or rejected by the Board on appointing and dismissing the Company's auditor, determining fees and assessing performance or appointing the internal auditor and reasons for recommendations.

There are no Audit Committee's recommendations contradicting with the Board's resolutions or rejected by the Board on appointing and dismissing the Company's auditor, determining fees and assessing performance or appointing the internal auditor or any other recommendations.

2. Remuneration and Nomination Committee:

According to its charter, Remuneration and Nomination Committee shall comprise of non-executive Board members, whether shareholders or other. Such Committee's members shall range from 3-5 members; provided that an independent Board member is included.

The Committee's responsibilities and duties include:

- 1. Prepare the Remuneration Policy for Board's Members\Committees' Members and Senior Executives of the Company, makes the required recommendation to the Board as it is approved by the Ordinary General Assembly of the Company.
- 2. Review the Remuneration Policy periodically to ensure its adaptation to any change to the relevant laws and regulations, reviews the Company's strategic objectives, skills and qualifications required to achieve such objectives and makes recommendations to the Board on the changes to be made to such policy.
- 3. Recommend to the Board on remuneration of Board members, its committees and Senior Executives in the Company according to the policy approved by the Ordinary General Assembly of the Company.
- 4. Prepare an annual report on the remuneration granted to the Board members, its committees and Senior Executives.

- 5. Determine types of remuneration granted to employees in the Company and make recommendations in this regard.
- 6. Set a policy and standards for the Board membership, makes recommendations to the Board thereon in order to be approved by the Company's Ordinary General Assembly.
- 7. Make recommendations to the board of directors to nominate for Board membership in accordance with the approved Membership Policy.
- 8. Annually review the skills required for the Board membership and prepares a description of the required capabilities and qualifications.
- 9. Review the Board membership policy and standards of periodically in order to ensure its suitability to the changes that may occur to the relevant laws and regulations, Company's strategic objectives, skills and qualifications required to achieve such objectives and makes recommendations to the Board on the changes proposed to be made to such policy.
- 10. Study the conflict-of-interest cases for those wishing to join the Board membership and makes the required recommendations.
- 11. Study structure of the Board and makes recommendations on changes that can be made.
- 12. Determine Board's strengths and weaknesses and propose solutions that are consistent with Company's interest.
- 13. Set procedures in the event of vacancy of position related to a Board member or Board committees' members, makes the required recommendations.
- 14. Make a recommendation to the Board on performance standards to evaluate activities of the Board, Board members and Board committees.
- 15. Determine the time that the member should allocate for Board's activities.
- 16. Annually verify independence of the independent members and absence of any conflict of interest, if a member joins membership of another company's Board.
- 18. Recommend to the Board to re-nominate or dismiss a member of the Board or its Committees' members.
- 19. Makes recommendations to the Board to set for the new Board members an induction program covering the Company's activity, business nature and financial and legal aspects.
- 20. Make recommendations for the Board on the appropriate policies and standards for appointing Senior Executives, determining the capabilities and skills required, and periodically review the same to ensure their adaptation to changes to the Company's strategic goals, skills and qualifications required to achieve such objectives.
- 21. Set job descriptions for Senior Executives, review the Company's organizational structure, offers recommendations on changes that can be made.
- 22. Set procedures for succession in the event of a vacancy of a Senior Executive's position and make recommendations in this regard.



Remuneration and Nomination Committee held (5) meetings during the fiscal year 2020, and the attendance record was as follows:

Member Name	Meeting No. (1) 23/01/2020	Meeting No. (2) 12/05/2020	Meeting No. (3) 1/07/2020 p	Meeting No. (4) 10/08/2020	Meeting No. (5) 22/11/2020
Mr. Sulaiman bin Abdulaziz Al-Hussain (Chairman of the Committee) (1)	X	√	V	V	√
Mr. Mohamed bin Abdullah Al-Bahussain (Committee Member) (1)	×	√	√	V	√
Mr. Yousef bin Mohamed Al-Suhaibani (Committee Member)	√	√	V	V	√
Mr. Khalid Bin Abdulaziz Al-Muhaisen (Committee Member) (1)	×	√	V	V	√
Mr. Mohammed bin Hamoud Al-Ohali (formerly (Chairman of the Committee) (2)	V	X	X	X	X
Mr. / Anas bin Yousef Kantab (Committee Member - Previously) (2)	V	X	X	X	X

⁽¹⁾ His membership began on March 29, 2020.

3. Strategic Transformation Committee

This Committee was formed as a temporary committee by a Board decision dated May 14, 2020 AD. The Committee comprises four of Board members.

The Committee's responsibilities and duties include:

- 1. Follow-up the overall plans and designs and optimal implementation regarding the launch of Company's new identity at the domestic, regional and international levels.
- 2. Monitor Company's general readiness in all administrative, financial, and structural aspects, capabilities and competencies, as dictated by its new position after the recent acquisition by SABIC, as well as to consider growth and strategic transformation plans, after coordination with Board's permanent committees.
- 3. Follow-up transfer of strategic developmental and technical projects, regardless of their current stages of development, from SABIC to SABIC Agri-Nutrients Company and any new opportunities and projects in order to ensure continuity and development through SABIC Agri-Nutrients Company.
- 4. Any other duties assigned thereto by the Board.

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The Strategic Transformation Committee held (6) meetings during the fiscal year 2020 AD, and the attendance record was as follows:

Member Name	Meeting no. (1) June 1, 2020 AD	Meeting no. 2 June 9, 2020 AD	Meeting no. 3 Sep 10, 2020 AD	Meeting no. 4 Nov 5, 2020 AD	Meeting no. 5 Nov 8, 2020 AD	Meeting no. 6 Nov 16, 2020 AD
Eng./ Samir bin Ali Al-Abdrabbuh (Chairman of the Committee)	√	√	√	√	√	√
Dr. Waleed Mohamed Al-Eissa (Committee member)	√	√	√	√	√	√
Mr. Abdulaziz bin Habdan Al-Habdan (Committee Member)	√	√	√	√	√	√
Mr. Sulaiman bin Abdulaziz Al-Hussain (Committee Member)	V	√	√	V	V	√

Kindly note that the Committee to consider acquisition by SABIC Agri-Nutrients Company of shares held by SABIC Agri-Nutrients Investments Company in the subsidiaries that produce agri-nutrients, was formed by the Board on December 16, 2018 as a temporary committee under the name of "Committee to consider acquisition by SABIC Agri-Nutrients Company of shares held by SABIC Agri-Nutrients Investments Company in the subsidiaries that produce agri-nutrients. That committee's mandate was completed on 23/02/2020 AD and CMA was so notified.

The Committee to consider acquisition by SABIC Agri-Nutrients Company of shares held by SABIC Agri-Nutrients Investments Company in the subsidiaries that produce agri-nutrients held a meeting during the fiscal year 2020 AD, and the attendance record was as follows:

Member name	Meeting No. (1) 23/02/2020 AD						
Dr. Waleed Mohamed Al-Eissa (Chairman of the Committee)	√						
Mr. Mohammed bin Hamoud Al-Ohali (Committee Member)	√						
Mr. Abdulaziz bin Habdan Al-Habdan (Committee Member)	√						
Mr. Yousef bin Mohamed Al-Suhaibani (Committee Member)	√						

⁽²⁾ His membership ended on March 28, 2020.

5. Executive Management



Eng. Ahmed Bin Mohammed Al Jabr President

Former positions and experiences: More than 30 years of practical experience in the Saudi Basic Industries Corporation (SABIC) in several areas of management, manufacturing, in addition to technical affairs. During his career, he held many executive positions, including the position of CEO of Al-Jubail Fertilizer Company (Al- Bayroni), Eastern Petrochemical Company (Sharq) and currently the Saudi Arabian Fertilizer Company (SABIC Agri-Nutrients Company).

Qualifications: Eng. Ahmed holds a Bachelor's degree in (Applied Chemical Engineering) from King Fahd University of Petroleum and Minerals, and completed several programs specialized in qualifying leaders and senior executives.



Eng. Abduljalil Bin Hassan Al Alwan

Executive Director, Operations Management - Ibn Al-Baytar - Al-Bayroni

Former positions and experiences: Executive Director, Maintenance at SABIC Agri- Nutrients - He has also held several leadership positions in SABIC Agri- Nutrients, as part of his experience that is more than 26 years.

Qualifications: Eng. Abduljalil holds a Bachelor's degree in (Electrical Engineering) from King Fahd University of Petroleum and Minerals.



Eng. Abdullah bin Saleh Al-Harbi Executive Director, Operations Management- SABIC Agri-Nutrients Company

Former positions and experiences: Team leader at SABIC-Aramco joint venture to convert crude oil into petrochemicals in Yanbu - General Manager of Operations at Ibn Zahr Company (a joint venture between SABIC, Italian EcoFuel and ABI Corp) - General Manager of Technical and Maintenance Department at Ibn Zahr Company. He has also held many positions in Saudi Yanbu Petrochemical Company (Yanpet) (a joint venture between SABIC and Exxon Mobil), and was appointed as an Executive Manager for several major projects in SABIC.

Qualifications: Eng. Abdullah obtained a Bachelor's degree in electrical engineering from King Fahd University of Petroleum and Minerals, and completed many leadership courses to prepare leaders, and he also participated in many development committees in SABIC and its partners locally and internationally.



Eng. Faisal bin Fahad Al Shahrani Executive Director, Technical Management

Former Positions and Experience: Executive Director of SAFCO Operations Management - Senior Operation Manager of SAFCO 5 Project - Senior Operation Manager of SAFCO 4 Project - Member of the Technical Committee of the Arab Fertilizer Association – He participated in managing and operating SAFCO 4 and 5 projects – He has also held many positions in SAFCO Company - Executive Director For many projects in SAFCO, Ibn Al-Baytar and Al-Bayroni.

Qualifications: Eng. Faisal holds a Bachelor's degree in (Applied Chemical Engineering) from King Fahd University of Petroleum and Minerals, in addition to many leadership courses at SABIC to prepare leaders



Eng. Abdulrahman bin Dakhil Al-Dakhil Executive Director, Maintenance

Former positions & experiences: He worked as a Senior Maintenance Manager of SAFCO 4 and SAFCO 5 plants, Senior Manager of Project Management at SAFCO and Ibn Al-Baytar and Senior Manager of Plant Engineering. Eng. Abdulrahman participated in administrating and operating the projects to increase reliability of SAFCO 4 and 3 plant and he also held many positions in SAFCO.

Qualifications: Eng. Abdulrahman holds a Bachelor's degree in Mechanical Engineering from King Fahd University of Petroleum and Minerals, and completed many leadership courses at SABIC to prepare leaders.



Mr. Ali bin Saeed Al-Dossary
Executive Director, Finance and Planning

Former positions and experiences: He had a broad experience of more than 26 years, during which he held many leadership and administrative positions in companies such as Saudi Aramco, Saudi Chevron Phillips Company, Maaden Phosphate Company, and Saudi Electricity Company.

Qualifications: Mr. Ali holds a Master's degree in business administration from Hull University in Bahrain, and a Bachelor's degree in accounting from King Faisal University in Al-Ahsa.

 Statement of any interest, contractual securities and subscription rights of Company's senior executives and their relatives with regard to the shares or debt instruments of the Company or any of its subsidiaries, and any change in that interest or those rights during the last fiscal year

Current Senior Executives:

Statement of any interest, contractual securities and subscription rights of senior executives and their relatives in the Company's shares or debt instruments.

Name		Beginning of the	gear		End of the ye	Net of	Change	
Name	No. of shares	Debt instruments	Ownership %	No. of shares	Debt instruments	Ownership %	change	%
Eng. Ahmed Bin Mohammed Al Jabr	342	0.0	0.0	342	0.0	0.0	0.0	%0.0
Eng. Abduljalil Bin Hassan Al Alwan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	%0.0
Eng. Abdullah bin Saleh Al- Harbi	0.0	0.0	0.0 0.0 0.0		0.0	0.0	0.0	%0.0
Eng. Faisal bin Fahad Al Shahrani	0.0	0.0 0.0		0.0	0.0	0.0	0.0	%0.0
Eng. Abdulrahman bin Dakhil Al- Dakhil	0.0	0.0	.0 0.0 0.0		0.0 0.0		0.0	%0.0
Mr. Ali bin Saeed Al-Dossary	0.0	0.0	0.0	0.0	0.0	0.0 0.0		%0.0

6. Remunerations of Board Members and Executive Management

In light of the provisions regulating the remunerations of the Board's members\committees' members set forth in the Companies Law, the Corporate Governance Regulations, the Regulatory Rules and Procedures issued pursuant to the Companies Law relating to Listed Joint Stock Companies and the Company's Articles of Association.

First: Disclosure of the Remuneration Policy and How Remuneration of the Company's Board Members and Executive Management Is Determined.

The Remunerations Policy approved by the General Assembly sets forth the following principles and rules:



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Board and committees' members

- The Board shall, based on the recommendation of Remuneration and Nomination Committee, determine the remunerations of Board's Members\Committees' members based on the following principles:
 - o Remunerations shall be consistent with the company's strategic objectives and incentive for the members to achieve those objectives and enhance the company's ability to develop and sustain its business.
 - o Remunerations shall be commensurate with the nature of the company's business, activities and size as well as the skills and experience required.
 - o Remunerations shall be a means to attract Board members with the required expertise and qualifications to enhance the company's ability to achieve its objectives.
- Board member shall be paid an annual remuneration of SAR 200,000 for membership of the Board.
- Board member who participates in Board's committees (including Audit Committee) shall be paid an annual remuneration of SAR 150,000, whether the member participate in one or several committees.
- · The company is entitled to claim compensation for damage to its reputation and should take any compensation, or other costs incurred by the company, in the event:
 - o A member is convicted of committing an act of disgrace, dishonesty or forgery, or violating the laws and regulations of the Kingdom of Saudi Arabia or any other country.
 - o A member fails to carry out responsibilities and duties resulting in damage to the interest of the company,
 - o Membership is terminated, by a decision of the General Assembly, because a member's absence for three consecutive meetings within one year without a legitimate excuse acceptable to the Board.

Senior Executives:

- The Board shall, based on the recommendation of Remuneration and Nomination Committee, determines the remunerations of the Senior Executives, provided that these remunerations:
 - o Are commensurate with the company's strategic objectives and incentive for the Senior Executives to achieve these objectives and enhance the company's ability, business development and sustainability.
 - o Are commensurate with the nature of YANSAB's business and size as well as with the skills and experience required.
 - o Enable the company to attract senior executives with capabilities, skills and qualifications required to enable the company to achieve its objectives.
 - o Don't cause conflict of interest which might adversely impact the company's interest and ability to achieve its objectives.

Second: Clarification of the relationship between the granted remunerations and the applicable Remuneration Policy, and statement of any significant deviation from this policy.

The Board shall, based on the recommendation of Remuneration and Nomination Committee, determine the remunerations for Board's members\committees' members and committees' members who are not Board members, and Senior Executives. The remunerations shall be determined in accordance with the regulatory controls approved by the Board of Directors, the Remuneration Policy for Board's Members\Committees' Members and Senior Executives approved by the General Assembly of the company. Accordingly, the member shall be entitled to the remuneration granted thereto.

Accordingly, there is no fundamental deviation from the applicable policy.

Third: The following table shows the remunerations and compensations paid to Board Members and Senior Executives, including CEO and CFO, during the fiscal year ended December 31, 2019:

a. Board Members' Remunerations

		Specific amount *	Attendance allowance for Board meetings	Total attendance allowance for Board meetings	In-kind benefit	Remuneration of technical, administrative and consultancy works	Remuneration of the Chairman of Board, Managing Director or Secretary of Board	Total	Profit Rate	Periodic Bonus	Short-term incentive plans	Long-term Incentive Plans	Shares awarded (a value is entered)	Total	End of Service Benefit	Grand Total	Expenditure Allowance	
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First: Independent Members

1	Mohammed Hamoud Al-Ohali (1)	200,000	3,000	6,000	0	0	0	209,000	0	0	0	0	0	0	0	209,000	0
2	Abdulaziz Habdan Al-Habdan	200,000	18,000	60,000	0	0	0	278,000	0	0	0	0	0	0	0	278,000	0
3	Yousef M. Alsuhaibani	200,000	18,000	18,000	0	0	0	236,000	0	0	0	0	0	0	0	236,000	0
4	Sulaiman A. Al-hussain (2)	0	15,000	30,000	0	0	0	45,000	0	0	0	0	0	0	0	45,000	0
	Total	600,000	54,000	114,000	0	0	0	768,000	0	0	0	0	0	0	0	768,000	0

Second: Non-Executive Members

1	Yousef A. Al-Benyan	200,000	18,000	0	0	0	0	218,000	0	0	0	0	0	0	0	218,000	
	Samir A. Al-Abdrabbuh (2)	0	15,000	18,000	0	0	0	33,000	0	0	0	0	0	0	0	33,000	
2	Waleed Mohammed Al-Eissa	200,000	18,000	60,000	0	0	0	278,000	0	0	0	0	0	0	0	278,000	
	Mohammed A. Albahussain (2)	0	15,000	12,000	0	0	0	27,000	0	0	0	0	0	0	0	27,000	
3	Anas Yousef Kentab (1)	200,000	3,000	3,000	0	0	0	206,000	0	0	0	0	0	0	0	206,000	
4	Yousef Abdul Rahman Al Zamel (1)	200,000	3,000	0	0	0	0	203,000	0	0	0	0	0	0	0	203,000	
	Total	800,000	72,000	93,000	0	0	0	965,000	0	0	0	0	0	0	0	965,000	

^{*} The Specific amount in the above table is the annual remuneration for membership of the Committee for the fiscal year ended on December 31, 2019. It was disbursed after the approval of the General Assembly held in March 2020. (1) Member ended membership on 28/03/2020

• Remunerations Due to Board Members for the Fiscal Year 2020 Recommended by Board According to the Recommendation of Remuneration and Nominations Committee to the General Assembly at its next meeting for Approval

No.	Member name	Due Remuneration	Notes
1	Yousef A. Al-Benyan	200,000	To be paid to SABIC, upon member's request
2	Samir A. Al-Abdrabbuh *	151,913	
3	Waleed Mohammed Al-Eissa	200,000	To be paid to member's account
4	Abdulaziz Habdan Al-Habdan	200,000	To be paid to member's account
5	Sulaiman A. Al-hussain *	151,913	To be paid to member's account
6	Yousef M. Alsuhaibani	200,000	To be paid to member's account
7	Mohammed A. Albahussain *	151,913	To be paid to member's account
8	Anas Yousef Kentab **	48,087	To be paid to SABIC, upon member's request
9	Yousef Abdul Rahman Al Zamel **	48,087	To be paid to SABIC, upon member's request
10	Mohammed Hamoud Al-Ohali **	48,087	To be paid to member's account

^{*} Membership started on (29/03/2020), the outstanding amount is the remuneration due from the beginning of membership until the end of the fiscal year; 31/12/2020.

^{**} Membership ended on (28/03/2020), the outstanding amount is the remuneration due from the beginning of the year until the end of membership.



⁽²⁾ Member joined Board on 29/03/2020

b. Senior Executives Remunerations

• Five of senior executives who received the highest remunerations from the company, including CEO and CFO.

including CE		CFO.											
			Fixed	Variable Remunerations									
	Salaries	Allowances	In-kind benefits	TOTAL	Periodic bonuses	Profits	Short-term incentive plans	Long-term incentive plans	shares	Total	End-of-service benefits	Total Remunerations for Board	Total Aggregate Amount
Five Senior Executives	4,261,563	1,337,052.77	0	5,598,615.77	0	0	705,103	1,098,964	0	1,804,067	0	-	7,402,682.77
Total	4,261,563	1,337,052.77	0	5,598,615.77	0	0	705,103	1,098,964	0	1,804,067	0	-	7,402,682.77

The company disclosed the remuneration of executives in accordance with Paragraph (b) of Article (60) of the Rules for Offering Securities and Continuing Obligations.

c. Committee Members' Remunerations

	Audit Committee Members	Fixed remunerations for 2019 and paid in 2020 (excluding session attendance allowance)	Session attendance allowance for 2020	Total
1	Mr. Abdulaziz Habdan Al-Habdan (Chairman of Committee)	150,000	39,000	189,000
2	Dr. Waleed Mohammed Al-Eissa (Committee member)	150,000	39,000	189,000
3	Mr. Badr Ibrahim Al-Badr (Committee member) (2)	0	30,000	30,000
4	Mr. Mohamed Ibrahim Al-Sheik (Former Committee member) (1)	150,000	9,000	159,000
	Total	450,000	117,000	567,000

Fixed remunerations in the above table is the annual remuneration for membership of the Committee for the fiscal year ended on December 31, 2019. It was disbursed after the approval of Board during 2020.

- (1) Membership ended on 28 march 2020.
- (2) Membership started on 29 march 2020.



	Remuneration and Nomination Committee Members	Fixed remunerations for 2019 and paid in 2020 (excluding session attendance allowance)	Session attendance allowance for 2020	Total
1	Mr. Sulaiman A. Al-hussain (Chairman of Committee) (1)	0	12,000	12,000
2	Mr. Yousef M. Alsuhaibani (Committee member)	150,000	15,000	165,000
3	Mr. Mohammed A. Albahussain (Committee member) (1)	0	12,000	12,000
4	Mr. Khalid Abdulaziz Al-Muhaisin (Committee member) (1)	0	12,000	12,000
5	Mr. Mohammed Hamoud Al-Ohali (Former Committee member) (2)	150,000	3,000	153,000
6	Eng. Anas Yousef Kentab (Former Committee member) (2)	150,000	3,000	153,000
	Total	450,000	57,000	507,000

Fixed remunerations in the above table is the annual remuneration for membership of the Committee for the fiscal year ended on December 31, 2019. It was disbursed after the approval of Board during 2020.

- (1) Membership started on 29 march 2020.
- (2) Membership ended on 28 march 2020.

	Strategic Transformation Committee Members *	Fixed remunerations for 2019 and paid in 2020 (excluding session attendance allowance)	Session attendance allowance for 2020	Total
1	Eng. Samir A. Al-Abdrabbuh (Chairman of Committee)	0	18,000	18,000
2	Dr. Waleed Mohammed Al-Eissa (Committee member)	0	18,000	18,000
3	Mr. Abdulaziz Habdan Al-Habdan (Committee member)	0	18,000	18,000
4	Mr. Sulaiman A. Al-hussain (Committee member)	0	18,000	18,000
	Total	0	72,000	72,000

^{*} The Committee was formed "on a temporarily basis" according to Board decision issued on May 14, 2020.



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	The Committee to consider acquisition by SABIC Agri-Nutrients Company of shares held by SABIC Agri-Nutrients Investments Company in the subsidiaries that produce agri-nutrients *	Fixed remunerations for 2019 and paid in 2020 (excluding session attendance allowance)	Session attendance allowance for 2020	Total
1	Dr. Waleed Mohammed Al-Eissa (Chairman of member)	0	3,000	3,000
2	Mr. Mohammed Hamoud Al-Ohali (Committee member)		3,000	3,000
3	Mr. Abdulaziz Habdan Al-Habdan (Committee member)	0	3,000	3,000
4	Mr. Yousef M. Alsuhaibani (Committee member)	0	3,000	3,000
	Total	0	12,000	12,000

^{*} The mandate of Committee has been ended upon the completion of tasks entrusted thereto on 23/02/2020.

7. Declarations by the Board of Directors pursuant to Corporate Governance Regulations

The Board of SABIC Agri-Nutrients Company acknowledges that:

- 1. The accounting records were properly prepared.
- 2. The Internal Control System was developed and implemented effectively.
- 3. There are almost no doubts on Company's capability to continue its activity.

Penalties, Sanctions or Restrictions Imposed on the company by CMA or by any other supervisory, regulatory or judicial authority

There is no penalty, retribution, precautionary measure or precautionary restriction imposed on the Company by the CMA, or any supervisory or other regulatory authority or judicial body during the fiscal year ended on December 31, 2020.

• Board's recommendation to change the auditor before the end of the period for which he/she is appointed.

No recommendation was made by the Board to change the auditor approved by the Company's General Assembly.

Auditor of Financial Statements

The Auditor's report for the fiscal year ended on December, 2020 shows that the financial statements are free of material reservations against the Company.

Waiver of Remunerations

There are no arrangements or agreement under which a board member or senior executive has waived any remunerations for the fiscal year ended on December 31, 2020.

Waiver of Dividends

There are no arrangements or agreement under which a Company's shareholder has waived any rights to dividends for the fiscal year ended on December 31, 2020.

• Clarification of Differences from The Accounting Standards Approved by The Saudi Organization for Certified Public Accountants (SOCPA)

The Company's financial statements were prepared during the fiscal year ended on December 31, 2020, in accordance with the accounting standards requirements approved by SOCPA.

• Description of Debt Instrument Activities

There are no convertible debt instruments, contractually based securities, subscription rights or conversion rights under convertible debt instruments, nor any contractually based securities or convertible warrants, warrants or similar rights issued or granted by the issuer. In addition, there is no refund, purchase or cancellation by the issuer of any redeemable debt instruments, during the fiscal year ended on December 31, 2020.

• Description of Any Interest in the Category of Entitled-to-Vote Shares Belonging to Persons (Other than the Board's members, Senior Executives and their Relatives) Who Informed the company of these Rights.

No shareholder (Other than the Board's members, senior executives and their relatives) notified the Company of any change in the ownership of shares during the fiscal year ended on December 31, 2020.

8. Description of Transactions Between the Company and a Related Party

SABIC and some of its companies market and sell the Company's products, supply raw materials and obtain its technical licenses, shared services and administrative, technological, technical and legal expertise, provide services relating to handling materials and raw materials as well as other services and contracts that are considered to be intra-group activities.



Results of The Annual Review of Effectiveness and Procedures of Internal Control System

In the light of the activities undertaken by Internal Audit Department during 2020, which include its specific functions to implement the audit, in accordance with the plan approved by Audit Committee for the fiscal year 2020, under which it provides objective and independent assessments for the purpose of adding value and achieving its objectives. Accordingly, the Committee shall audit the periodic reports prepared by Company's Internal Audit Department, as well as notes of Company's External Auditor on the evaluation of the company's internal control procedures in terms of design and implementation.

The Committee shall follow up on recommendations of Internal Audit Department and External Audit to process and follow up on correction of notes, and to generally consider the effectiveness of internal control procedures through internal audit reports, and with regard to equity of the financial statements, taking into account that any internal control system, regardless of its proper design and effectiveness of application, cannot provide any assurance of the effectiveness of the applicable internal control systems. Based on what was provided by the Company's Management, Internal Audit Department and External Auditor, and after reviewing General Auditing Bureau's report, Committee's Supervision on Risk Management and Compliance Report, there was no fundamental weakness of Company's internal control systems.



