

VERSION NUMBER 33



Board of Directors' Report 2018

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

Ma'aden's Board of Directors is pleased to present this report for the financial year ended 31 December 2018 to the shareholder General Assembly. The report was prepared in accordance with the requirements of the Corporate Governance Regulations issued by the Saudi Capital Market Authority.

To ensure full disclosure of these requirements, the report is based on regulatory disclosure requirements, and the Board of Directors recommended to the General Assembly to approve this report.

Ma'aden is also publishing detailed information on activities and businesses related to its operational and financial performance in its 2018 annual report which contains the consolidated annual financial statements for the year ended 31 December 2018, to enhance Ma'aden's communications with its shareholders and other stakeholders.

SAUDI ARABIAN MINING COMPANY (MA`ADEN)

1. Implemented and non-implemented provisions of these Regulations, and justifications therefor.

The Board of Directors oversees the company's compliance with the governance standards and regulations issued by the Capital Market Authority. The Corporate Governance Department works in coordination with the executive management and its committees to review and update governance policies and practices in order to promote integrity, transparency, and compliance.

The Company is also committed to disclose in its Board of Directors Report the regulatory requirements stipulated in the Corporate Governance Regulations issued by the Board of Directors of the Capital Market Authority.

2. Names, qualifications, and experience of the Board and committee members and executive management.

a. Board of Directors

Name	Current positions	Previous positions	Qualifications	Experience
HE Eng Khalid Bin Abdulaziz Al-Falih	Minister of Energy, Industry and Mineral Resources	President of Aramco Minister of Health	Bachelor of Mechanical Engineering, Texas A and M University in USA MBA from the King Fahd University of Petroleum and Minerals, KSA	Held several leadership positions at Aramco, the last of which was President and CEO Minister of Health (2015 - 16)
HE Sulaiman Bin Abdulrahman Al-Gwaiz	Governor of the General Organization for Social Insurance	Several leadership roles in the Saudi banking industry	Bachelor of Business Administration from the University of Portland, USA Vocational qualification in banking operations management, Citibank Institute, Greece Vocational qualification in corporate financial management, Citibank Institute, USA	Several leadership roles in the Saudi banking industry (1981-2013)
HE Eng Abdullah Bin Ibrahim Al-Saadon	President of the Royal Commission for Jubail and Yanbu	Several leadership roles in Saudi Aramco, most recently senior VP for Finance, Strategy and Development	Bachelor of Chemical Engineering, King Fahd University of Petroleum and Minerals, KSA Masters in Chemical Engineering, University of Louisiana, USA MBA from the Massachusetts Institute of Technology (MIT), USA	Senior Vice President for Finance, Strategy and Development, Saudi Aramco

Name	Current positions	Previous positions	Qualifications	Experience
HE Eng Khalid Bin Saleh Al-Mudaifer	Deputy Minister of Energy, Industry and Mineral Resources for Mining Affairs	President and CEO of the Saudi Arabian Mining Company, Ma'aden	Bachelor in Civil Engineering MBA, King Fahd University of Petroleum and Minerals, KSA	Vice President of Industrial Affairs at the Saudi Arabian Mining Company (Ma'aden) (2006) Vice President of Phosphate and New Business Development SBU at the Saudi Arabian Mining Company (Ma'aden) until 2011 President of the Saudi Arabian Mining Company (Ma'aden) (2011- 2018) General Manager of the Qassim Cement Company (1993-2006) Held many positions in the Eastern Petrochemical Company (SHARQ), the last of which was the Vice President of Finance in 1993
Dr Klaus Kleinfeld	Advisor to HRH the Chairman of the Board of Directors, NEOM	NEOM CEO	MBA, University of Göttingen, Germany PhD in Strategic Management, University of Würzburg, Germany	CEO and Chairman, Arconic (2016 – 17) following split of Alcoa Before, Chairman and CEO of Alcoa (2008-16) after joining as COO in 2007 Held several positions at Siemens from 1986, and served as the CEO of the company during 2005-07
Richard O'Brien	Mining Consultant	CFO and CEO, Newmont Mining	Bachelor of Economics, University of Chicago, USA Professional doctorate in law, Lewis and Clark Law School, USA	Operations Manager Several leadership roles including CFO, Pacific Corporation (1984- 2000)
Eng Abdullah Bin Mohammed Al-Issa	CEO, Asilah Investment Company	CEO, Asilah Investment Company	Bachelor of Industrial Engineering Master of Engineering Management, Southern Methodist University, USA	Chairman, Abdullah Bin Mohammed Al Issa Consulting Engineers since 1981
Lubna Bint Sulaiman Al-Olayan	CEO and Vice Chairperson, Olayan Finance Company	Assistant to Chairperson, Olayan Finance Company	Bachelor of Science, Cornell University, USA MBA, Indiana University, USA Honorary Doctorate in Law, Trinity College, Ireland	Assistant to Chairperson, Olayan Finance Company Financial analyst, JPMorgan Group

Name	Current positions	Previous positions	Qualifications	Experience
Eng Azzam Bin Yasser Shalabi	CEO, industrialisation and Energy Services Company	Chairman, National Industrial Clusters Development Programme	Bachelor in Civil Engineering, Oklahoma State University, USA MBA, Massachusetts Institute of Technology (MIT), USA	Consultant, Ministry of Petroleum and Mineral Resources (2006 - 07) Worked for Saudi Aramco in planning of industrial facilities and utilities, developing new businesses, managing companies involved in oil refining, development of international projects in oil refining and petrochemical production (1981 -2006)

b. Audit Committee members who are not Board members

Name	Current positions	Previous positions	Qualifications	Experience
Eng Khalid Bin Hamad Al-Senani	Consultant	Several administrative and engineering positions, the last of which was consultant and supervisor of gas supply and pricing, Ministry of Energy, Industry, and Mineral Resources	Bachelor of Civil Engineering, St Martin College, UK Master of Civil Engineering, University of Colorado, USA	Held several positions in Engineering Management and Maintenance and Operation departments at Saudi Aramco
Walid Bin Ibrahim Shukri	Consultant	Member of various boards of directors Member of audit, risk and compliance committees at different listed companies	Bachelor of Industrial Management, King Fahd University of Petroleum and Minerals, KSA. Professional certificate of Accounting and Auditing, Certified Public Accounts Association of the USA (CPA) Professional certificate of Accounting and Auditing, Saudi Organisation for Certified Public Accountants (SOCPA)	Member of various boards, audit, risk and compliance committees in numerous companies

c. *Executive management*

Name	Current positions	Previous positions	Qualifications	Experience
Darren Christopher Finbar Davis	President and CEO (Acting)	Senior Vice President of Finance and CFO	Bachelor of Business Administration, University of Aston, UK	Mr. Davis has served in the Middle East since 1999 More than 20 years' experience in banking and finance, primarily in the natural resources and energy sector including mergers and acquisitions, strategic advisory, debt raising, project finance and debt restructuring
Eng Riyadh Bin Sa'ad Al-Nassar	Senior Vice President for Aluminum	Vice President of the Consolidated Support Services Vice President of Project Management and Engineering	Bachelor of Electrical Engineering, King Fahd University of Petroleum and Minerals, KSA	Project engineer, Eastern Petrochemical Company (SHARQ) Project manager, SAFCO Manager of Design and Projects Department at MARAFIQ Director of Planning, Engineering, and Project Management, GCC Interconnection Authority
Eng Abdulaziz Bin Askar Al Harbi	Senior Vice President for Operation, EHSS and Shared Services	Vice President for Industrial Security and Support Services	Bachelor of Science degree in Chemical Engineering, King Saud University Riyadh, KSA Advanced Management and Leadership Program, Oxford University, London, UK	Operation and Technical Director General, SAFCO (SABIC affiliate), (2002-7) Member of the Board of Directors and its executive committee at Ma'aden Bauxite and Alumina company and Ma'aden Aluminum Company Alternate member of the Board of Directors, Ma'aden Rolling Company Chairman of the ERADH Board (Saudi Youth Development and Engagement Programs) and a member of Jubail City Council
Eng Nabil Bin Abdulaziz Al-Fraih	Senior Vice President of the Human Capital	Executive Advisor and Vice President of Industrial Security and Sustainability	Bachelor of Civil Engineering, King Saud University, KSA	Worked at the Saudi Industrial Development Fund in technical and industrial project management Vice Chairman and Managing Director, Al Rajhi Cement Holding Company

Name	Current positions	Previous positions	Qualifications	Experience
Eng Khaled Bin Sulaiman Alohali	Vice President, Corporate Strategic Affairs	Vice President, Aluminum Strategy and Planning	Bachelor of Mechanical Engineering, King Fahd University of Petroleum and Minerals, KSA	<p>Consultant for the Ministry of Petroleum and Mineral Resources at Saudi Arabian Economic Offset Program</p> <p>Vice President, National Industrial Clusters Development Program</p> <p>President, Charles River Associates International (CRAI) and MD in Saudi Arabia</p>
Ali Bin Saeed Al-Qahtani	Senior Vice President of Finance and CFO (Acting)	Vice President Finance, Ma'aden Aluminium	<p>Bachelor of Commerce in Accounting, King Saud University, KSA</p> <p>Certified Public Accountant (CPA)</p>	<p>Financial Analyst, Saudi Industrial Development Fund (SIDF)</p> <p>Clients' Accounts Manager in Al Rajhi Bank- 1999</p> <p>Assistant General Manager for Planning and Finance, Qassim Cement Company</p> <p>VP and CFO, Tawuniya Insurance Company for 5 years</p>
Hasan Al-Ali	Senior Vice President of Phosphate and Industrial Minerals Business (Acting)	<p>Director, Strategy Planning and Business Development.</p> <p>General Manager Industrial Minerals Company (MIMC)</p> <p>VP Operations and later President of Ma'aden Phosphate Company (MPC)</p>	Bachelor of Science in Mechanical Engineering (Production), King Abdulaziz University, Jeddah	<p>Project engineer, Tabuk Cement Company (1993-4)</p> <p>Leadership roles in Arabian Industrial Fibers Company (IBN RUSH-SABIC Yanbu), 1994-2007</p> <p>SBU business manager, SABIC, from 2007</p>
Abdulaziz Bin Nasser Al-Najim	Vice President of Engineering Project Management and Business Improvement	Vice President of Engineering Project Management	Bachelor of System Engineering/Automation, King Fahd University of Petroleum and Minerals, KSA	Leadership roles in major business projects at SABIC
Emad Bin Mahmoud Al-Saadawi	Vice President for Corporate Exploration (Acting)	Director General of Exploration Technical Services	<p>Bachelor of Earth Science, King Abdulaziz University, KSA.</p> <p>Masters in Mineral Resources, University of Wales, UK</p>	<p>Chief Exploration Geologist</p> <p>Director, Exploration Technical Services</p> <p>Board Member of Industrial Minerals Company</p> <p>Chairman, Ma'aden Gold and Base Metals</p>
David Schummer	Senior Vice President Gold and Base Metals	Executive Vice-President and Chief Operating Officer	Bachelor in Finance, Regis University, USA	Newmont Mining Corporation

Name	Current positions	Previous positions	Qualifications	Experience
Khaled Bin Salem Al-Rowais	Senior Vice President, Phosphate and Industrial Minerals	Ma'aden Treasurer (2002-08), Executive Director Corporate Planning (2008-14), CFO & Senior Vice President Finance (2014-16)	Bachelor's in accountancy, King Saud University, KSA Member of the American Institute of Certified Public Accountants (AICPA)	Banking Control Department, Saudi Arabian Monetary Agency (1984-96) Finance director, SABIC (1996-2002)
Ayed Hamoud Al-Mutairi	Vice President Corporate Strategy & Development	Vice President, Phosphate & IM Strategy, Planning and Development	Bachelor of Marketing Science, King Fahad University of Petroleum and Minerals, KSA	Varied leadership roles in fertilizer business SABIC over 16 years Joined Ma'aden in 2010 and served in several roles including heading the Industrial Minerals Co. Board member of Ma'aden Phosphate Company, chairman of Economic Committee of Arab Fertilizer Association, regional ambassador of International Fertilizer Association, and member of GPCA Fertilizer Committee

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

Member's name	Board of Directors membership inside KSA		Board of Directors membership outside KSA	
	Current	Previous	Current	Previous
HE Eng Khalid Bin Abdulaziz Al-Falih	<p>Saudi Aramco</p> <p>Saudi Arabian Mining Company (Ma'aden)</p> <p>Royal Commission for Jubail and Yanbu</p> <p>Saudi Industrial Development Fund</p> <p>King Abdulaziz City for Science and Technology</p> <p>King Abdullah City for Atomic and Renewable Energy</p> <p>Saudi Export Development Authority</p> <p>Saudi Geological Survey</p> <p>King Abdullah University of Science and Technology</p> <p>Saudi Organization for Industrial Estates and Technology Zones</p>	<p>South Rub Al Khali Company</p> <p>Petromin Company</p>		<p>Asia Business Council</p> <p>JP Morgan International Council</p> <p>World Economic Forum, International Business Council</p>
HE Sulaiman Bin Abdulrahman Al-Gwaiz	<p>Saudi Industrial Investment Group (Saudi Group)</p> <p>Etihad Etisalat (Mobily)</p> <p>Saudi Arabian Mining Company (Ma'aden)</p>	<p>Banque Saudi Fransi</p> <p>National Glass Industries Company (Zoujaj)</p> <p>National Manufacturing Company</p> <p>Royal and Sun Alliance for insurance</p> <p>Ajil Financial Services Company</p> <p>MasterCard International Inc.</p>		
HE Eng Abdullah Bin Ibrahim Al-Saadon	<p>Administrative Committee and Central Committee, Aramco</p> <p>Board of Strategies and Organization and Administrative Development Committee, Aramco</p> <p>Chairman of the Services Audit Committee, Aramco</p> <p>Chairman of Board of Directors at Yanbu Aramco Sinopec Refining Company Ltd. (YASREF)</p> <p>Board member, Ma'aden</p> <p>Member of the Advisory Committee of the College of Industrial Management, King Fahd University of Petroleum and Minerals</p> <p>S- Oil company</p>	<p>Chairman, Aramco Trading</p> <p>Chairman, Saudi Aramco Mobil Refinery Company Ltd. (SAMREF)</p>		<p>Chairman, Johns Hopkins</p>

Member's name	Board of Directors membership inside KSA		Board of Directors membership outside KSA	
	Current	Previous	Current	Previous
HE Eng Khalid Bin Saleh Al-Mudaifer	Gulf International Bank B.S.C. Saudi Arabian Mining Company (Ma'aden) SAPTCO	Saudi Railway Co. - SAR Qassim Cement Co.		
Dr Klaus Kleinfeld	Saudi Arabian Mining Company (Ma'aden)		Fero Labs K2Elevation	Bayer AG Morgan Stanley Hewlett Packard
Richard O'Brien	Saudi Arabian Mining Company (Ma'aden)		Xcel Energy Vulcan Materials Company	Newmont Mining Corporation Boart Longyear. Energy Propane LLC
Eng Abdullah Bin Mohammed Al-Issa	Chairman, Riyad Bank Chairman, Dur Hospitality SABIC Etihad Etisalat (Mobily) Saudi Arabian Mining Company (Ma'aden)	Chairman, Arabian Cement Company Chairman, National Medical Care Chairman, Cement Product Industry Co Ltd JADWA fo Investment Saudi Hotels & Resorts Company King Faisal Schools		
Lubna Bint Sulaiman Al-Olayan	Vice Chairman of the Board of Directors of Alawwal Bank Saudi Arabian Mining Company (Ma'aden) Schlumberger			Allianz SE McKinsey and Co. Bank of America-Merrill Lynch Akbank, Turkey
Eng Azzam Bin Yasser Shalabi	Arabian Drilling Company ARCHER Energy Sanjel Energy Services Saudi Arabian Mining Company (Ma'aden)	National Industrial Clusters Development Program		
Mr. Walid bin Ibrahim Shukri	Abdul Mohsen Al Hokair Group for Tourism and Development (July 2012) Saudi Mechanical Industries (September 2015) Member of the Audit Committee of Ma'aden (November 2014) Takween Advanced Industries(August 2011) Saudi Electricity Company (February 2018) MEPCO (May 2018)	Matbouli Group United (2013- January 2018) MEPCO (March 2014- December 2016)	The Kanoo Group (Based in Bahrain) (November 2017)	Orcon (Based in Australia) (March 2014- October 2016)

Member's name	Board of Directors membership inside KSA		Board of Directors membership outside KSA	
	Current	Previous	Current	Previous
Eng. Khalid bin Mohammed Al - Sanani	Member of the Audit Committee of Ma'aden (September 2008), - Member of the Board of Directors of the Royal Commission for Jubail and Yanbu (May 2016)	Member of the Higher Committee for Gas in the Ministry of Energy, Industry, and Mineral Resources (January 2004-September 2017) Member of the Board of Directors of (Ma'aden) (September 2008 - April 2016) Member of the Board of Directors of The Electricity & Co-Generation Regulatory Authority (May 2009- April 2015)		

4. Composition of the Board and classification of its members, as follows: Executives, Non-Executive Director, or Independent Director.

Member's name	Membership status
HE Eng Khalid Bin Abdulaziz Al-Falih	Non-executive
HE Sulaiman Bin Abdulrahman Al-Gwaiz	Non-executive
HE Eng Abdullah Bin Ibrahim Al-Saadani	Non-executive
HE Eng Khalid Bin Saleh Al-Mudaifer	Non-executive
Dr Klaus Kleinfeld	Non-executive
Richard O'Brien	Non-executive
Eng Abdullah Bin Mohammed Al-Issa	Independent
Lubna Bint Sulaiman Al-Olayan	Independent
Eng Azzam Bin Yasser Shalabi	Independent

* H.E. Eng. Khalid Al-Mudaifer, has resigned as President and Chief Executive Officer, after his appointment as Deputy Minister of Energy, Industry and Mineral Resources for mining affairs on 3/6/2018. Accordingly, his membership has been amended from executive to non-executive.

The Extraordinary General Assembly acknowledged in its meeting held on 1/3/2018 the increase board members from 9 to 10 members and the tenth seat is still vacant to find the appropriate alternative.

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

The Investor Relations Department provides **annual reports** to senior management, including a detailed report on shareholders, stock movement, inquiries, suggestions, and observations about the company and its performance. The executive management presents an annual report to the Board of Directors containing the necessary information about the investors' activity and the company's share and movement.

The company discloses all shareholders' or the regulatory authorities' questions which were received during the general assembly meeting and publish them on its website, and there are no suggestions or observations of the shareholders about the company and its performance contrary to what has been disclosed.

6. A brief description of the competencies and duties of the committees, such as the audit committee, the nomination committee and the remuneration committee indicating their names, names of their chairmen, names of their members, the number of their respective meetings, dates of those meetings and the members' attendance details of each meeting.

In accordance with the general framework of the governance document approved by the General Assembly, the Board of Directors is obliged to form sub-committees with specific powers in its work list. The following committees are established by the Board of Directors: the Audit Committee, the Nomination and Remuneration Committee, the Executive Committee and the Security and Sustainability Committee.

Each committee has its own terms of reference, according to which its tasks, duration, and working methods are determined. Each committee shall report its work to the Board. These committees assist the Board of Directors in effectively fulfilling its functions and responsibilities.

Audit committee

Member's name	Date	1	2	3	4	Total
		29/01/2018	02/05/2018	25/07/2018	24/10/2018	
Eng Abdullah Bin Ibrahim Al-Saadon (Chariman)		√	√	√	√	4
Eng Azzam Bin Yasser Shalabi		√	√	--	√	3
Walid Bin Ibrahim Shukri		√	√	√	√	4
Eng Khalid Bin Hamad Al-Senani		√	√	√	√	4

The Audit committee's main tasks:

- Review Saudi Arabian Mining Company (Ma'aden)'s adopted financial policies.
- Oversee the company's internal audit department, to ensure the performance efficiency of the activities and tasks assigned by the Board of Directors.
- Review and approve the internal audit plan;
- Recommend to the Board on the appointment or termination of services and fee of external auditors;
- Ensuring external auditors' independence;
- Follow up on external auditors' work, approve any task assigned to them beyond the auditing task and review their comments and recommendations on consolidated financial statements
- The Audit Committee Charter, which identifies the committees' authorities, roles and responsibilities, is accessible on Saudi Arabian Mining Company (Ma'aden)'s website. (<https://www.maaden.com.sa/>)

Nomination and remuneration committee

Member's name	Date	1	2	3	4	5	6	Total
		14/02/2018	03/06/2018	23/06/2018	24/10/2018	16/12/2018	19/12/2018	
Eng Abdullah Bin Mohammad Al-Issa (Chairman)		√	√	√	√	√	√	6
Dr Klaus Kleinfeld		√	√	√	√	√	√	6
Lubna Bint Sulaiman Al-Olayan		√	√	√	√	√	√	6
Eng Azzam Bin Yasser Shalabi		√	√	√	√	√	-	5

HE Eng Khalid Bin Abdulaziz Al Falih participated in the third meeting

The Nomination and remuneration committee's main tasks:

- Annual review of the skills, capacities, and work experience required to strengthen the capacity of the Board of Directors. Assist in the selection and qualification of candidates for Board membership and prepare a long-term succession plan if necessary. The Committee also identifies the strengths and weaknesses of the Board and proposes to address any shortcomings
- Ensuring, on an annual basis, the independence of the independent members and the presence or absence of any conflict of interest if the member is a board member of another company.
- Review and approve full compensation (salaries, allowances, and shares) for all executives (CEO, Vice-Presidents and Executive Directors) on an annual basis.
- Review and approve: human resources policies and procedures, administrative development programs and executive career replacement plans, and evaluation objectives (including key performance indicators) to be achieved within bonuses and incentive programs.
- The Nominations and remuneration committee regulation details the work of the Committee and its powers, which determine the tasks entrusted to it, duration, and work method, and is accessible on Ma'aden's website (<https://www.maaden.com.sa/>)

Executive committee

Member's name	Date	1	2	3	4	Total
		14/02/2018	23/04/2018	02/09/2018	11/11/2018	
HE Sulaiman Bin Abdulrahman Al-Gwaiz (Chairman)		√	√	√	√	4
HE Eng Abdullah Bin Ibrahim Al-Saadon		√	√	√	√	4
HE Eng Khalid Bin Saleh Al-Mudaifer		√	√	√	√	4
Dr Klaus Kleinfeld		√	√	√	√	4
Richard O'Brien		√	√	√	√	4

Eng Abdullah bin Mohammed Al Issa participated in the second meeting

The Executive committee's main tasks:

- Review Saudi Arabian Mining Company (Ma'aden)'s strategies and objectives and make recommendations to the Board in this regard.
- Review the staff budget and operational and capital budgets.
- Review the proposed business plans, operations, and financial plans and submit recommendations to the Board in this regard.
- Supervising and receiving reports on the implementation and completion of projects and expansion work.
- Review the company's policies and procedures except accounting policies and procedures.
- The Executive Committee's regulation details the work of the Committee and its powers, which determine the tasks entrusted to it, duration, and work method, and is accessible on Ma'aden's website. (<https://www.maaden.com.sa/>)

Safety and sustainability committee

In order to raise the level of adherence to best practice, the Board of Directors has decided to establish a Safety and Sustainability Committee composed of three members of the Board of Directors. First meeting of the committee marking the beginning of its functioning was held on 24/09/2018 after the Board of Directors' meeting on the same day. Richard O'Brien heads the committee and the members are: HE Eng Abdullah Bin Ibrahim Al Saadan, HE Eng Khalid Bin Saleh Al-Madaifer.

Member's name	Date	1	Total
		19/12/2018	
Richard O'Brien (Chairman)		√	1
HE Eng Abdullah Bin Ibrahim Al-Saadon		√	1
HE Eng Khalid Bin Saleh Al-Mudaifer		√	1

The Safety and sustainability committee's main tasks:

- Assist the Board of Directors to oversee the strategies, policies, administrative processes, and company performance in the areas of safety, health, environment, and sustainability, and reduce the losses resulting from the employees and contractors' injuries.
- The committee provides guidance and advice to the Executive Management on improvements to the company's initiatives, policies, and practices to ensure compliance, while strengthening the company's values in the areas of safety, health, environment and sustainability.
- Review policies and regulations related to safety, health, environment, and sustainability, and oversee their implementation by the executive management.
- The Safety and Sustainability Committee charter explains the committee's scope of work and powers, and is accessible on Ma'aden's website is accessible on (Ma'aden)'s website. (<https://www.maaden.com.sa/>)

7. Where applicable, the means used by the Board to assess its performance, the performance of its committees and members and the external body which conducted the assessment and its relationship with the Company, if any.

The Secretariat of the Board of Directors presented the views of the Excellencies the members of the Board regarding the Board's performance evaluation and its effectiveness to the Nomination and Remuneration Committee, which reviewed these views within a survey model prepared by a specialized expert house. The committee considered the transition from the self-evaluation model to the use of an expert house to conduct an external evaluation of the Board's performance and its committees appropriate in order to make recommendations for enhancing the performance and effectiveness of the Board and its committees.

8. Disclose the remuneration of the Board members and Executive Management as stated in Article 93 of these Regulations.

1. Board members' compensation policy

Compensation of the Board members may consist of a specified salary, or meeting attendance fee, material benefits, a percentage of the net profits or a combination of two or more of these benefits. In all cases, the total amount of the compensation, in financial or material benefits to a Board member shall not exceed the amount specified in accordance with the Companies law, its implementation and the measures established by the competent authority and the Board's report will indicate the exact amounts of such compensations.

2. Board committees' compensation policy

Remuneration of audit committee members

On 22 October 2017, the General Assembly approved the Charter of the Audit Committee, which also identified the compensation paid to the members of the committee according to the following:

1. A fee of SAR3,000 for attending a meeting.
2. Annual remuneration of SAR100,000 paid for each committee member, excluding board members. Ten percent of the total amount should be deducted for every time the member fails to attend a meeting during the fiscal year. In case the member fails to complete one year for any reason, the amount of the remuneration shall be deducted proportionally to the number of days during the year the member was not a committee member.
3. The remuneration of the committee member who serves as a board member shall be in accordance with the provisions of the Board Directory. Ma'aden Board may amend the remuneration and compensations allocated for the members at any time, provided these changes are in accordance with the relevant laws.

Remuneration of nomination and remuneration committee members

On 22 October 2017, the General Assembly approved the Charter of the Nomination and Remuneration Committee, which also identified the compensation paid to the members of the committee according to the following:

1. A fee of SAR3,000 for attending a meeting.
2. Annual remuneration of SAR100,000 paid for each committee member, excluding board members. Ten percent of the total amount should be deducted for every time the member fails to attend a meeting during the fiscal year. In case the member fails to complete one year for any reason, the amount of the remuneration shall be deducted proportionally to the number of days during the year the member was not a committee member.
3. The remuneration of the committee member who serves as a board member shall be in accordance with the provisions of the Board Directory. Ma'aden Board may amend the remuneration and compensations allocated for the members at any time, provided these changes are in accordance with the relevant laws.

Remuneration of executive committee members

On 24 April 2010, the General Assembly approved the Charter of the Nomination and Remuneration Committee, which also identified the compensation paid to the members of the Executive Committee as per the below:

1. Each member of the committee is entitled of the following compensation:
 - a. annual fees for attending each meeting and
 - b. annual compensation.
2. The Board of Directors' report to the Ordinary General Assembly meeting must include a comprehensive statement of all remunerations and other amounts paid to the committee members.

The General Assembly shall calculate the remunerations due to the Board of Directors in accordance with the agreements and policies in force, and submitting them to the Nomination and Remuneration Committee, which endorses these remunerations.

Remunerations and compensations paid to Board members of Ma'aden during the financial year ended 31 December 2018 (SAR)

Status of directors	Fixed remuneration			
	Chairman remuneration	Board Remuneration	Committee membership allowance	Attendance allowance
Independent directors				
Abdullah Bin Mohammed Al-Issa	-	250,000	200,000	18,000
Lubna Bint Suliman Al-Olayan	-	250,000	200,000	15,000
Azzam Bin Yasser Shalabi	-	250,000	200,000	15,000
Sub-total	-	750,000	600,000	48,000
Non-executive directors				
HE Khalid Bin Abdulaziz Al-Falih	200,000	250,000	-	18,000
HE Sulaiman Bin Abdulrahman Al-Gwaiz	-	250,000	200,000	18,000
HE Abdullah Bin Ibrahim Al-Saadon	-	250,000	200,000	18,000
HE Khalid Bin Saleh Al-Mudaifer	-	250,000	200,000	18,000
Dr Klaus Kleinfeld	-	375,000	-	18,000
Richard O'Brien	-	375,000	-	18,000
Sub-total	200,000	1,750,000	600,000	108,000
Total paid to Board members	200,000	2,500,000	1,200,000	156,000
Paid to outside members of the Audit committee who are not Board members				
Khalid Bin Hamad Al-Senani	-	-	100,000	-
Walid Bin Ibrahim Shukri	-	-	100,000	-
Total paid to outside members of the Audit committee	-	-	200,000	-
Total amount paid	200,000	2,500,000	1,400,000	156,000

The Company has paid no variable remunerations comprising of: percentage share of profit, periodic remuneration, short term incentive plans, long term incentive plans, allotment of shares, or any expense allowances to any independent or non-executive member of the Board

Remuneration and compensation are calculated based on the policies adopted, and there are no significant variances from those policies.

3. Executive compensation policy

The total executive compensation is associated with the Company's performance, which includes a performance bonus plan that is comprised of a Short-Term Incentive Plan (STIP) and Deferred Long-Term Incentive Plan (DLTIP), consisting of a maximum cap as per the nomination and remuneration committee approval. The DLTIP, which is primarily funded by executives, is based on a percentage of the STIP and paid over a period of three years, with the emphasis on the retention of executives.

The Human Capital Management calculates the bonus based on company's set policy and sends it to the Remuneration and Nomination committee which approves these bonuses as per budget and it is stated in the Board's report.

Remuneration and compensation paid to the top five senior executives, based on the policies adopted, including the CEO and CFO.

Fixed remuneration					
Salaries	Allowances	In-kind benefits	Total	Periodic remunerations	Share of profits
9,238,059	3,427,309	0	12,665,368	1,860,820	0

* Grand total includes end-of-service and other benefits for the former CEO.

Allowances for attending sub-committee meetings

Audit committee	Nomination and remuneration committee	Executive committee	Safety and sustainability committee	Total remuneration paid
-	18,000	3,000	-	489,000
-	18,000	-	-	483,000
9,000	15,000	-	-	489,000
9,000	51,000	3,000	-	1,461,000
-	3,000	-	-	471,000
-	-	12,000	-	480,000
12,000	-	12,000	3,000	495,000
-	-	12,000	3,000	483,000
-	18,000	12,000	-	423,000
-	-	12,000	3,000	408,000
12,000	21,000	60,000	9,000	2,760,000
21,000	72,000	63,000	9,000	4,221,000
12,000	-	-	-	112,000
12,000	-	-	-	112,000
24,000	-	-	-	224,000
45,000	72,000	63,000	9,000	4,445,000

Variable remunerations

Short term incentive plan	Long term incentive plan	Granted shares	Total	End of service benefits	Aggregated amount 2018
3,220,649	1,076,879	0	6,158,348	18,503,456	37,327,171

9. Any punishment, penalty, precautionary procedure or preventive measure imposed on the Company by the Authority or any other supervisory, regulatory or judiciary authority, describing the reasons for non-compliance, the imposing authority and the measures undertaken to remedy and avoid such non-compliance in the future.

No penalty, punishment, precautionary measure or preventive restriction is imposed on the Company by the Capital Market Authority or any supervisory, regulatory, or judicial body. (Check with the legal and report management).

	The signatory of the violation	The subsidiary against which the violation was signed	Reasons of the violation	Date of violation	Ways to Resolve it and to avoid it in the future
1	Presidency of Meteorology and Environment (PME)	Maaden Gold and Base Metals	Mine complex area modification without obtaining the necessary approval	2018	The Company has examined the violation, reviewed the reasons for its occurrence, and established procedures required before the decision execution, to be in compliance with the statutory requirements and report to the professional body

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

Under the guidance of the audit committee, the Internal Audit continued to provide independent, objective audit services and consultancy related to its scope of work adding value and improving Ma'aden's operations to facilitate accomplishment of strategic objectives by utilizing a systematic and disciplined approach to evaluating the effectiveness of internal controls, risk management, and governance processes.

During the fiscal year 2018, the internal audit implemented approximately 94 audits, in accordance with the approved annual audit plan approved by the audit committee, equivalent to 95% of the planned target.

The main objectives of internal audit activities are as follows:

- Assess the overall governance environment and comply with the applicable governance framework, in accordance with the best practices in this area and identify possible improvements.
- General and overall assessment of the risk management processes of the company and its subsidiaries.
- Provide reasonable assurance over the adequacy of EHSS management systems.
- Evaluate reasonably established internal control systems to ensure compliance with the company's laws, regulations, policies and procedures.
- Provide reasonable assurance as to the appropriateness and integrity of the financial information disclosure.
- Assess the adequacy of the internal control systems for safeguarding the company's assets in a reasonable manner and to ensure that they exist in a tangible manner on an annual basis.
- Comprehensive assessment of the company's operational activities and verification of its performance in line with the company's strategic aspirations.
- Provide and facilitate audit requirements required from external auditors and government and supervisory bodies.
- Follow-up with concerned companies and managements on the implementation of corrective actions resulting from various audits to improve the internal control effectiveness.

In addition to the above, the internal audit has provided senior management consulting services to enable the company to effectively implement its strategic priorities by providing information on potential risks in a timely manner, providing consultation and advice on important issues related to the company's business and sustainability.

In accordance with the best practices in governance, the internal audit is technically following the audit committee, where the results of audit work are reported, including reports on the effectiveness of internal control systems.

Based on the performance provided during 2018, and consistent with the scope of work of the audit plan approved by the audit committee, and through the results and reports submitted to the audit committee, it is possible to give positive assurance of the systems and effectiveness of the internal control systems in the company and its applications, as it is not possible to give absolute assurance of any system of internal control and scrutiny.

11. The Audit committee's recommendation on the need for appointing an internal auditor for the Company, if there is no internal auditor.

Not applicable, the company has an internal audit management that performs the internal auditor functions.

12. The Audit committee's recommendation with conflict with Board resolution or those which the Board disregards relating to the appointment, dismissal, assessment or determining the remuneration of an external auditor as well as justifications for those recommendations and reasons for disregarding them.

There are no disagreements between the audit committee recommendations and the Board resolutions.

13. Details of the Company's social contributions, if any.

Ma'aden has invested more than SAR30 million in community development and support programs in 2018.

These investments were largely concentrated in remote areas of the Kingdom where mining and manufacturing operations are located to support several areas, notably capacity development, local development programs, environmental and community health and the construction and operation of distinguished model schools; sponsoring several specialized conferences on sustainability and environmental conservation, preparing several specialized courses for a number of entities as part of the social responsibility, and sponsoring and supporting talented students in cooperation with the relevant authorities.

Through these investments, we have continued to focus on educational and developmental structure needs in areas where communities need greater support.

14. A list of the dates of the General Assembly meetings held during the last fiscal year and the names of the Board members who attended them.

Member's name	Date	Attendance
HE Eng Khalid Bin Abdulaziz Al-Falih	1 March 2018	-
HE Sulaiman Bin Abdulrahman Al-Gwaiz	1 March 2018	√
HE Eng Abdullah Bin Ibrahim Al-Saadon	1 March 2018	-
HE Eng Khalid Bin Saleh Al-Mudaifer	1 March 2018	√
Dr Klaus Kleinfeld	1 March 2018	√
Richard O'Brien	1 March 2018	√
Eng Abdullah Bin Mohammed Al-Issa	1 March 2018	√
Lubna Bint Sulaiman Al-Olayan	1 March 2018	-
Eng Azzam Bin Yasser Shalabi	1 March 2018	√

15. A description of the main scope of business of the company and its affiliates. If there are two or more, a statement showing each activity and how it affects the company businesses and results shall be attached.

Segment	2018		2017		Variance	
	Sales (SAR)	% Contribution	Sales (SAR)	% Contribution	Sales (SAR)	%
Phosphate and Industrial minerals SBU	6,526,171,154	46%	5,461,224,495	45%	1,064,946,659	9%
Aluminum SBU	5,668,251,288	40%	5,031,550,231	42%	636,701,057	5%
Gold and Base metals SBU	1,976,337,478	14%	1,593,159,444	13%	383,178,034	3%
Total sales	14,170,759,920	100%	12,085,934,170	100%	2,084,825,750	17%

16. A description of the company's significant plans and decisions (including changes to the structure, expanding the company's operations or halting them) and the future expectations.

Strategy and business plan

In June 2018, Ma'aden reviewed and revalidated its 2025 strategy, which is designed to enhance the company's ability to take advantage of opportunities and manage challenges. We also adopted detailed five-year plan for the period 2019-23.

Ma'aden's 2025 strategy is based on three main pillars that will help achieve its long-term goals:

- operational, commercial and capital excellence,
- role as national mining champion providing leadership for the Kingdom's mining sector and
- the expansion of operations outside the Kingdom.

A number of strategic initiatives were implemented in 2018 taking Ma'aden closer to its vision of becoming a "sustainable mining champion with global presence".

Focus on excellence

Continuing its achievements of recent years across the three pillars of the strategy, we focused on enhancing excellence across the Board, particularly operational cost competitiveness and profitability, to ensure that investment returns are consistent with international industry standards. In addition, we achieved an increase in our sales by 17% this year.

We continued to implement our strategic local content programme to strengthen the impact of Ma'aden's operations on local community development and the employment of local people.

We have well defined plans to develop our portfolio of phosphate, aluminum, gold and base metals and industrial minerals over the coming years. In 2018, the Custodian of the Two Holy Mosques inaugurated Wa'ad Al-Shamal industrial city, which has Ma'aden's phosphate operations as its centrepiece.

We will continue to evaluate investment opportunities in gold and base metals including new mines at Mansourah-Massarrah and Ar Rjum. We are also increasing our investment in mineral exploration.

During 2018 we also studied strategic investments in sales and global distribution chains to match our increasing our production. In the aluminum sector, we will continue to focus on operational, commercial and capital excellence while examining the possibility of expanding the smelter capacity by adding a third production line.

Global aspirations

Global presence is the third pillar of our strategy. We aspire to be internationally recognised as a leading mining company and major producer of commodities, particularly fertilizers and base metals. We explored a number of strategic expansion options in 2018. We continue to consider opportunities to acquire business stakes and forge new investment partnerships that will help strengthen Ma'aden's competitive position in the global mining industry.

17. Information on any risks facing the company (operational, financial or market related) and the policy of managing and monitoring these risks.

Risk management

Main risks facing Ma'aden

Ma'aden reviews and assesses risk in line with the ISO31000 framework. It uses both top- down and bottom-up approaches to identifying risk. In this section we describe the principal risks that we have identified and our efforts to mitigate them. There can be no assurance that these efforts will be successful in mitigating these risks, wholly or partly. The risks we list here are the principal risks and there are numerous other risks which could have a material adverse effect on Ma'aden's financial condition and operating results.

Commodity price fluctuations

Ma'aden cannot control the market prices for its products and significant shifts in commodity prices will directly affect revenues. This effect can be positive during times of rising commodity prices or negative when commodity prices fall, leading to a significant impact on profitability and cash flows.

Ma'aden generally does not hedge its market price exposure and instead seeks to mitigate this risk by leveraging its capability as a low cost producer. In times of surplus supply and declining prices higher cost marginal players will tend to be driven out of the market whilst the lower cost producers are better positioned to continue producing with a positive cash margin.

Cyber security

Ma'aden may be vulnerable to ongoing cyber attacks just as any other business anywhere in the world. These can vary from simple attacks and phishing exercises to more complex attacks. These attacks could threaten the integrity of our intellectual property and other sensitive information and disrupt our business operations. This could result in physical damage, reputational harm, seeking of ransom payments and other negative consequences which could have a material adverse effect on our financial condition and results of operations.

This is a constantly evolving area of risk. Ma'aden has extensive safeguards, firewalls and other defenses built into its systems. We also use third party cyber security companies to assist with protecting and securing our information technology environment. Ma'aden constantly reviews cyber threats, looking for opportunities to enhance its cyber security.

Projects

Identification of new projects, their development and execution on time, on budget and on specification is another area of risk. Ineffective development and execution of key projects can compromise the capital expenditure budgets and schedule. This would consequently affect the Company's profitability, growth prospects, reputation and overall financial health.

Development and investment decisions in respect of new projects are made using a "stage gate" system to ensure that new projects properly account for the costs, risks and expected returns on investment. During execution, project managers, including third party expert companies, are used to manage progress to ensure project completion on budget and schedule. This includes providing monthly completion reports and capital expenditure reports to the management to monitor progress, identify slippage and propose remedial action.

Railway services

Ma'aden is reliant on the services provided by Saudi Arabian Railways (SAR) for efficient and cost-effective transportation of raw materials, ore and intermediate products between its principal operating sites. An inability to move materials could result in the need to reduce or cease operations at certain facilities until supplies could be restarted. This would lead to a negative impact on the Group's profitability and cash flows.

Should SAR fail to meet our volume demand, Ma'aden will rely on transportation by trucks. This would entail a higher cost, may not be able to meet full volume requirements and may not be suitable for certain materials.

Power interruption

Any significant power outage at our aluminium smelter due to equipment failure, issues with the connections to the Saline Water Conversion Corporation (SWCC) power plant or SEC grid or any other cause would have a material adverse effect on our operations and business results.

To mitigate this risk SWCC maintains a generating capacity significantly in excess of Ma'aden's needs. Ma'aden also maintains access to the Saudi Arabian power grid that can be activated in case of interruptions or shortfall in the SWCC plant supply.

Feedstock availability and prices

Limits on the availability or the higher cost of key feedstock, including natural gas, sulphur, diesel and other fuel would have a negative impact on operations, profitability and cash flows.

Ma'aden depends on Saudi Aramco for the supply of natural gas, sulphur, diesel and other fuel. The natural gas is supplied from a reliable grid but in the event of an outage at Saudi Aramco there could be a shortage of supply.

Sulphur is readily available in Saudi Arabia from a number of Saudi Aramco facilities. Sulphur supplies to MWSPC are reliant on access to the rail network ('railway services' risk above). To mitigate this MWSPC maintains an option to supply by road. The supply of gas, sulphur and diesel are agreed with Saudi Aramco but pricing may change as a result of market fluctuations or changes in the government's energy policy.

Environment, Health, Safety and Security (EHSS)

Mining, metal and fertiliser production have inherent EHSS risks that could result in serious personal injuries, casualties, operational disruptions and other operational and financial losses.

Ma'aden seeks to mitigate these risks through an integrated EHSS system at all locations using internationally recognised standards, policies and procedures. We have a system of Group-wide monthly EHSS reporting and all incidents are reviewed with the goal of drawing lessons and preventing recurrence.

Liquidity

Ma'aden's ability to meet its operating costs and make scheduled payments of the principal and commission on its debts depends on the future performance of the Company. This is subject to economic, financial, competitive and other factors not fully under its control. We may not continue to generate sufficient cash flow from operations in the future to service the debt and make necessary capital expenditures.

In order to enhance liquidity, Ma'aden has centralised treasury functions to optimise the use of cash generated by the businesses. In addition, Ma'aden has access to a significant revolving line of credit in order to meet short term cash needs if required.

Cost of funding

Cost of funding has been at historic lows in recent years. There can be no assurance that this situation will continue. Any increase in funding costs would have a negative impact on our profitability and cash flows.

Ma'aden seeks to ensure that its debt facilities are of an appropriate size and structure for the business and regularly monitors changes in the costs of funding. We may also seek to increase the portion of our debt that is at a fixed cost including potentially entering into derivative transactions to hedge floating rate exposures if we conclude that it is appropriate.

Environmental incidents

Exploration, mining and operational activities are subject to various environmental regulations administered by the Royal Commission for Jubail and Yanbu and the Presidency of Meteorology and Environment (PME). These concern the maintenance of air and water quality standards and land reclamation rules. They also set out limitations on the generation, transportation, storage and disposal of solid and hazardous waste.

Environmental legislation may change resulting in stricter standards and enforcement. This could result in increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for Ma'aden, its management and employees.

Ma'aden's EHSS department monitors both our operations' compliance with EHSS standards and environmental regulations.

Capabilities and skills shortage

The availability of skilled manpower remains one of the key long-term challenges of Ma'aden, considering that the country does not have a work force specially trained in mining-related vocations. Our ability to attract, develop and retain top talent is key to addressing future succession challenges.

Ma'aden has been working closely with the country's education and training institutions to attract and develop young Saudi nationals for future roles in the industry. Through Ma'aden's Academy, we have been focusing on in-house talent development and training to develop staff and prepare them for leadership roles.

Changes in laws and regulations

Our operational results or financial position could be adversely affected by new or more stringent laws, regulatory requirements, interpretations or outcomes of any significant legal proceedings that may occur in the future.

Ma'aden actively monitors actual and potential changes in the laws and regulations so that we can address and manage the impact of those changes.

Exploration licences

Ma'aden is reliant on acquiring and maintaining exploration licences in order to replenish its or reserves and mineral resources and meet future growth plans. Failure to meet commitments on existing licences could result in suspension or revocation of those. Additional competition in the mining sector within Saudi Arabia could result in challenges to acquire fresh acreage at an economic price.

Ma'aden periodically reviews its commitment requirements and has applied for new licences in order to sustain exploration activities to support business growth. Alternative strategies such as acquisitions can also be employed to mitigate any potential shortfall.

Water supplies

Water is a scarce resource in Saudi Arabia with many competing uses. Mining requires access to reliable sources of water in order to process the minerals that are extracted. Any limitation in the supply of water or increased cost to Ma'aden for water supplied will have an adverse impact on production and costs.

Ma'aden has invested in a water pipeline to reuse waste water for some of its gold mining operations and has extraction licenses for wellfields near its northern operations. Ras Al- Khair plants are located next to a world scale desalination plant.

Grade erosion and depletion

During the life of a mine the quality (grade) of the ore can vary substantially while the extraction cost can increase if there is a higher amount of overburden to remove. Until the ore is actually mined the exact grade of the ore is not known and it may vary from the original mining plan. This can result in lower amounts of recovery at a higher cost, affecting the overall profitability of the mine and the downstream processing operations.

Ma'aden conducts extensive pre-mining testing and sampling of the ore body to determine the likely nature and disposition of the ore throughout the projected life of the mine and generally estimates its reserves in line with the standards of Joint Ore Reserve Code (JORC).

Social licence to operate

Saudi Arabia is a sparsely populated country and our mines are mostly located away from large centres of population. However, there are communities around our mines and plants and it is important for Ma'aden to secure the consent and support of local communities. Though there are no risks of displacement with current projects and those under consideration, local communities may be affected by the presence of our industrial operations, triggering complaints from them.

Ma'aden maintains strong and positive relationships with local communities. Our subsidiaries have adopted a number of social responsibility programmes that focus mainly on education and employment, community development and empowering local people in different ways.

Currency fluctuations

Ma'aden's domestic costs are primarily denominated in Saudi riyal (SAR) with the majority of its capital machinery denominated in US dollar (USD). As the exchange rate of SAR and USD is fixed, there is limited exposure as the majority of our sales are also conducted in USD. The currency is pegged at SAR3.75: USD1.

18. A summary in a form of table or graph showing the company's assets, liabilities and results of the last five fiscal years or since the incorporation date, whichever is shorter.

Consolidated statement of financial position for the 5 years ended 31 December 2018

(In SAR millions)	IFRS			SOCPA	
	2018	2017	2016	2015	2014
Assets					
Non-current assets	82,208	82,933	82,580	79,008	68,125
Current assets	15,821	12,184	11,563	10,370	16,416
Total assets	98,029	95,117	94,143	89,378	84,541
Equity					
Equity attributable to shareholders` of the parent company	27,903	26,098	25,342	27,298	26,693
Non-controlling Interest	8,792	8,432	7,794	8,097	6,824
Total equity	36,695	34,530	33,136	35,395	33,517
Liabilities					
Non-current liabilities	53,546	52,864	53,296	45,441	44,758
Current liabilities	7,788	7,723	7,711	8,542	6,267
Total liabilities	61,334	60,587	61,007	53,983	51,025
Total liabilities and equity	98,029	95,117	94,143	89,378	84,541

Consolidated statement of profit or loss and other comprehensive income for 5 years ended 31 December 2018

(In SAR millions)	IFRS			SOCPA	
	2018	2017	2016	2015	2014
Sales	14,171	12,086	9,464	10,956	10,792
Cost of sales	(9,069)	(8,152)	(7,443)	(8,517)	(7,677)
Gross profit	5,102	3,934	2,021	2,439	3,115
Selling, marketing and logistic expenses	(566)	(531)	(410)	(532)	(483)
General and administrative expenses	(463)	(382)	(325)	(448)	(445)
Exploration and technical services expenses	(95)	(62)	(49)	(144)	(190)
Reversal/ (impairment) of non-current assets,net	46	(522)	(604)	(10)	-
Operating income	4,024	2,437	613	1,305	1,997
Income from time deposits	124	77	151	36	11
Finance cost	(1,754)	(1,616)	(890)	(451)	(304)
Other (expenses) / income, net	(3)	(66)	33	56	101
Share in net income of joint venture that have been equity accounted	143	101	4	(92)	(25)
Profit / (loss) before zakat and income tax	2,534	933	(89)	854	1,781
Income tax	(72)	(57)	19	-	-
Zakat expense	(216)	(92)	(78)	(46)	(44)
Profit / (loss) for the year	2,246	784	(148)	808	1,736
Other comprehensive (loss)/ income	(51)	46	2	-	-
Total comprehensive income/ (loss) for the year	2,195	830	(146)	-	-
Net income attributable to shareholders of the parent company	1,848	715	(11)	605	1,357
Non-controlling interest's share of current year's net income in subsidiaries	398	69	(137)	203	379
Profit/ (loss) for the year	2,246	784	(148)	808	1,736
Basic and diluted earnings per share (SAR)	1.58	0.61	(0.01)	0.52	1.38
Weighted average number of ordinary shares in issue during the year (in millions)	1,168	1,168	1,168	1,168	987
Gross profit percentage	36%	33%	21%	22%	29%
EBITDA	7,170	5,808	3,697	3,644	3,595

Source: Audited consolidated financial statements for the years ended 31 December 2014, 2015, 2016, 2017 and 2018.

19. Geographical analysis of the company's and its affiliates' revenues.

Geographical analysis of the company's and its affiliates' revenues.

Product	2018		2017		Variance		Countries
	SAR (millions)	Quantity (thousands)	SAR (millions)	Quantity (thousands)	SAR (millions)	Quantity (thousands)	
International sales							
Aluminum (tonnes)	4,188	501	4,379	576	(191)	(75)	Bahrain, Bangladesh, Belgium, Brazil, China, Croatia, Egypt, France, Greece, Hong Kong, Indonesia, Italy, Japan, Jordan, Kuwait, Lebanon, Malaysia, Netherlands, Oman, Saudi Arabia, Singapore, South Korea, Spain, Taiwan, Thailand, Turkey, United Arab Emirates, United States, and Vietnam
Can and auto sheets (tonnes)	178	20	-	-	178	20	United Arab Emirates, Bahrain
Alumina (tonnes)	537	311	39	30	498	281	Indian Subcontinent, Brazil, Asia Pacific, Latin America
DAP/MAP (tonnes)	4,776	3,126	3,631	2,808	1,145	318	Asia, Pacific, Indian Subcontinent, Korea
Ammonia (tonnes)	1,603	1,350	1,720	1,660	(117)	(310)	Switzerland/Europe and Singapore/Asia
Gold (ounces)	1,976	417	1,593	333	383	84	Turkey, Japan, South Africa, Germany, Malaysia, France, Switzerland, India
Industrial minerals (tonnes)	112	72	64	54	49	18	
Sub-total	13,370		11,426		1,945		
Domestic sales							
Aluminum (tonnes)	765	92	612	77	153	15	KSA
Alumina (tonnes)	-	-	1	0.5	(1)	(0.5)	KSA
Gold (ounces)	-	-	-	-	-	-	KSA
Industrial minerals (tonnes)	34	296	46	381	(12)	(85)	KSA
Infrastructure services	1	-	1	-	-	-	KSA
Sub-total	800		660		141		
Total	14,171		12,086		2,085		

20. Any material differences in the operational results compared to the preceding year's results, along with any expectations announced by the company.

Clarification of differences of operating results (sales and production) of strategic business units and their products of 2018 and 2017

Product	Unit of measure	2018	2017	Change	% of change
Phosphate and industrial minerals SBU					
Ammonium phosphate fertilizer					
Sales	Tonne	3,125,768	2,807,635	318,133	11
Production	Tonne	3,169,521	2,858,591	310,930	11
Ammonia					
Sales	Tonne	1,350,247	1,660,850	(310,603)	(19)
Production - MPC	Tonne	1,119,130	1,170,289	(51,159)	(4)
Production - MWSPC	Tonne	1,127,042	1,172,697	(45,655)	(4)
Low grade bauxite					
Sales	Tonne	296,552	376,826	(80,274)	(21)
Production	Tonne	282,926	352,699	(69,773)	(20)
Caustic calcined /dead burned magnesia and monolithics					
Sales	Tonne	72,229	58,277	13,952	24
Production	Tonne	69,569	37,595	31,974	85
Total sales	Tonne	4,844,796	4,903,588	(58,792)	(1)
Total production	Tonne	5,768,188	5,591,871	176,317	3%
Aluminum SBU					
Primary aluminium					
Sales					
Through Ma'aden Aluminum Company	Tonne	146,579	165,024	(18,445)	(11)
Through Ma'aden Corporate	Tonne	446,140	487,920	(41,780)	(8)
Production	Tonne	932,209	915,585	16,624	2
Alumina					
Sales - 3 rd party	Tonne	310,910	30,542	280,368	918
Production	Tonne	1,774,173	1,483,565	290,608	20
Flat rolled products - can and autosheet					
Sales	Tonne	20,315*	-	20,315	
Production	Tonne	24,540*	-	24,540	
Total sales	Tonne	923,944	683,486	(240,458)	(35)
Total production	Tonne	2,708,922	2,399,150*	331,772	5
Gold and base metals SBU					
Sales - gold	Ounce	417,335	333,381	83,954	25
Production - gold	Ounce	414,966	332,231	82,735	25

* Production for December 2018 only

*The declaration of commercial production happened on 2 December 2018

21. Any inconsistency with the standards approved by the Saudi Organizations for Certified Public Accountant.

The consolidated annual financial statements of the Group and the stand alone annual financial statements of the Group's subsidiaries have been prepared in accordance with the International Financial Reporting Standards (IFRS) and standards and pronouncement issued by the Saudi Organization for Certified Public Accountants as endorsed in the Kingdom of Saudi Arabia.

All annual financial statements have been audited in accordance with International Standards of Auditing. The external auditor has issued an unreserved opinion on each of them, with reference to full compliance with IFRS.

The Company has adopted the following new IFRS, Standards 9 and 15 as of 1 January, 2018. There are no significant differences as a result of the adoption and implementation of the International Financial Reporting Standards as adopted in the Kingdom.

22. Name of each affiliate company, its capital, the company's ownership percentage, the main scope of business, country of operation and country of incorporation.

Name of the holding company, subsidiaries or jointly controlled entities	Type of company	Total Issued share capital SAR	Ownership percentage	Primary products	Location
Holding company					
Saudi Arabian Mining Company (Ma'aden)	Joint stock company	11,684,782,610	Public Investment Fund 65.43% Free float 34.57%	Monolithics	Riyadh
			Total 100%		
Wholly owned subsidiaries					
Ma'aden Gold and Base Metals Company	Limited liability company	867,000,000	Ma'aden 100%	Gold	Riyadh
Industrial Minerals Company	Limited liability company	344,855,200	Ma'aden 100%	Low grade bauxite, Kaolin, caustic magnesia, caustic calcined mgnesia and monolithics	Riyadh
Ma'aden Infrastructure Company	Limited liability company	500,000	Ma'aden 100%	Infrastructure services	Riyadh
Other subsidiaries					
Ma'aden Aluminum Company	Limited liability company	6,573,750,000	Ma'aden Alcoa 74.9% 25.1%	Primary aluminium products ie aluminium ingots, T-bars, slabs and billets	Ras Al Khair
Ma'aden Rolling Company	Limited liability company	2,477,371,807	Ma'aden Alcoa 74.9% 25.1%	Flat rolled aluminium sheets	Ras Al Khair
Ma'aden Bauxite and Alumina Company	Limited liability company	4,828,464,412	Ma'aden Alcoa 74.9% 25.1%	Bauxite and alumina	Ras Al Khair
Ma'aden Phosphate Company	Limited liability company	6,208,480,000	Ma'aden SABIC 70% 30%	Ammonia phosphate fertilizer and ammonia	Ras Al Khair
Ma'aden Wa'ad Al Shamal Phosphate Company	Limited liability company	7,942,501,875	Ma'aden Mosaic 60% SABIC 25% 15%	Ammonia phosphate fertilizer and ammonia	Waad al Shamal
Jointly controlled entities					
Sahara and Ma'aden Petrochemicals Company (SAMAPCO)	Limited liability company	900,000,000	Ma'aden Sahara 50% 50%	Ethylene dichloride, chlorine and caustic soda	Al Jubail
Ma'aden Barrick Copper Company (MBCC)	Limited liability company	404,965,291	Ma'aden Barrick 50% 50%	Copper concentrate	Al Madina

*Country of incorporation and of operators for all the above companies are KSA.

23. Details of shares and debt instruments issued for each affiliate company.

There are no tradable shares or debt instruments issued by subsidiaries.

24. A description of the dividends distribution policy.

In accordance with the provisions of the Company's Articles of Association (Article 44), the company's annual net profit distribution policy shall be as follows:

1. Sparing (10 percent) of the net profit to form the statutory reserve of the company. The Ordinary General Assembly may decide to discontinue such reserve when the said reserve reaches (30 percent) of the paid-up share capital.
2. The Ordinary General Assembly may, upon the proposal of the Board of Directors, spare a percentage of the annual profits to form a statutory reserve for a purpose or purposes determined by the General Assembly.
3. The Ordinary General Assembly may decide to form additional reserves, to serve the interest of the Company, or to ensure the distribution of fixed profits as much as possible to the shareholders. The Assembly may also to deduct from the net profits amounts to establish social institutions for the company's employees or to help the existing ones.
4. Subject to the provisions stipulated in Article (20) of the Company's Articles of Association and Article (76) of the Corporate System; if the remuneration is a certain percentage of the company's profits, this percentage should not exceed (10 percent) of the reserves determined by the General Assembly in application of the provisions of the Company's Articles of Association and the corporate system, and after the distribution of profits to shareholders (not less than 5 percent) of the paid up share capital, provided that the remuneration is commensurate with the number of meetings attended by the member and any appreciation that contradicts this is void.
5. The Ordinary General Assembly may, upon the proposal of the Board of Directors, decide to distribute the remaining amount (if any) to the shareholders as an additional share of the profits

The Company may distribute interim dividends semi-annually or quarterly to its shareholders in accordance with the regulations issued by the Capital Market Authority.

The Board of Directors has recommended to the General Assembly not to distribute dividends for the current year 2018; in order to continue the completion of building and financing the system of promising projects in accordance with its strategy.

25. A description of any interest in a class of voting shares held by persons (other than the company's directors, senior executives and their relatives) who have notified the company of their holdings pursuant to Article 45 of Listing Rules, together with any change to such interests during the last fiscal year.

The company announced on 7/6/2018 the developments in the company's capital ownership, as the shares of a major shareholder (Public Investment Fund) have become 764,641,453 shares which is equivalent to 65.43% of the total capital of the company.

The company has not received any notice of any interests of, or a change in, the interests of persons other than the members of the Board of Directors and senior executives in the categories of any class of voting shares during 2018.

26. A description of any interest, contractual securities or rights issue of the Board Members and senior executives and their relatives on shares or debt instruments of the company or its affiliates, and any change on these interest or rights during the last fiscal year.

Board of directors

Name	Beginning of the year	Ownership percentage	End of the year	Ownership percentage	Net change during the year	Percentage change
HE Eng Khalid bin Abdulaziz Al-Faleh	13,198	0.00%	13,198	0.00%	-	-
HE Suliman bin Abdulrahman Al-Gwaiz	-	-	-	-	-	-
HE Eng Abdallah bin Ibrahim Al-saadani	-	-	-	-	-	-
HE Eng Khalid Bin Saleh Al-Mudaifer	7,579	0.00%	5,579	0.00%	(2,000)	
Dr Klaus Kleinfeld	-	-	-	-	-	-
Richard O'Brien	-	-	-	-	-	-
Eng Abdullah bin Mohammed Al-Issa	100	0.00%	100	0.00%	-	-
Lubna bint Suliman Al-Olayan	-	-	-	-	-	-
Eng Azzam bin Yaser Shalabi	6,686	0.00%	6,686	0.00%	-	-

Executive Management

Name	Beginning of the year	Ownership percentage	End of the year	Ownership percentage	Net change during the year	Percentage change
Darren Davis	-	-	-	-	-	-
Khalid Al-Rowais	-	-	-	-	-	-
Abdulaziz Al Harbi	-	-	-	-	-	-
Nabil Al-Fraih	-	-	-	-	-	-
Riyadh Al-Nassar	-	-	-	-	-	-
David Schummer	-	-	-	-	-	-
Emad Saadawi	-	-	-	-	-	-
Hassan Al-Ali	-	-	-	-	-	-
Ali Saeed Al-Qahtani	-	-	-	-	-	-
*Yahia AlShangiti	-	-	-	-	-	-

*left the company on 30 June 2018

27. Information on any loans (payable upon request or not), a statement of the total indebtedness of the Company and its affiliates, any amounts paid by the company in repayments of loans during the year, the amount of the principal debts, the creditor name, the loan term and remaining amount. In case there is no debts, a declaration thereof shall be presented.

Statement of the aggregated indebtedness of the issuer and its subsidiaries as at 31 December 2018 (SAR million)

Borrowing company	Financing entity	Term of the loan	Date of the agreement
Saudi Arabian Mining Company (Ma'aden)	Facilitation agreement of joint and renewable credit	5 years	18 December 2017
Ma'aden Gold and Base Metals Company	Saudi Industrial Development Fund (As Suq)	8 years	24 March 2015
	Saudi Industrial Development Fund (Ad-Duwayhi)	9 years	26 April 2015
Sub-total			
Ma'aden Infrastructure Company	Riyal Murabaha facility	10 years	30 December 2015
	Riyal Murabaha facility	7 years	25 February 2016
Ma'aden Phosphate Company	Sukuk facility	7 years	20 February 2018
Sub-total			
Restructured facility			
Ma'aden Aluminium Company	Public Investment Fund	14 years	14 December 2017
	Riyal Murabaha facility	10 years	14 December 2017
	Commercial facilities	7 years	14 December 2017
Sub-total			
Ma'aden Rolling Company	Public Investment Fund	16 years	30 November 2010
	Saudi Industrial Development Fund	9 years	16 October 2012
	Procurement	16 years	30 October 2010
	Riyal Murabaha (working capital)	9 months	31 August 2017
Sub-total			
Ma'aden Bauxite and Alumina Company	Saudi Industrial Development Fund	10 years	26 June 2014
	Commercial facilities	16 years	16 October 2011
	Procurement	16 years	16 October 2011
	Wakala	16 years	16 October 2011
	Sub-total		
Restructured facility			
Ma'aden Bauxite and Alumina Company	Public Investment Fund	13 years	16 July 2018
	Riyal Murabaha Tranche A	13 years	16 July 2018
	Riyal Murabaha Tranche B	13 years	16 July 2018
	Wakala	13 years	16 July 2018
	Riyal Murabaha facility (working capital)	2 years	24 January 2017
Sub-total			
Wa'ad Al Shamal Phosphate Company	Public Investment Fund	16 years	30 June 2014
	Commercial facilities	16 years	30 June 2014
	Procurement	16 years	30 June 2014
	Wakala	16 years	30 June 2014
	Export-Import Bank of Korea	16 years	30 June 2014
	Saudi Industrial Development Fund	10 years	31 July 2017
Sub-total			
Total			

Principal amount of the loan obligation	Balance as at 1 January 2018	Withdrawals during the year	Repaid during the year	Balance as at 31 December 2018	Duration of payment (in years)	Payment Method
7,500	-	-	-	-		Revolving loan
179	143	-	(22)	121		Bi-annual
1,200	1,070	-	(150)	920		Bi-annual
1,379	1,213	-	(172)	1,041		
1,000	883	-	(78)	805		Bi-annual
11,494	10,345	-	(4,443)	5,902		Bi-annual
3,500	-	3,500	-	3,500		Bi-annual
14,994	10,345	3,500	(4,443)	9,402		
4,275	4,275	-	-	4,275		Bi-annual
5,179	5,179	-	-	5,179		Bi-annual
1,504	1,504	-	-	1,504		Bi-annual
10,958	10,958	-	-	10,958		
3,079	2,986	-	-	2,986		Bi-annual
600	475	-	(50)	425		Bi-annual
1,041	1,010	-	-	1,010		Bi-annual
375	375	-	-	375		One repayment
5,095	4,846	-	(50)	4,796		
-	860	-	(860)	-		
-	249	-	(249)	-		
-	2,583	-	(2,583)	-		
-	738	-	(738)	-		
-	4,430	-	(4,430)	-		
3,506	3,600	-	(94)	3,506		Bi-annual
2,370	-	2,370	-	2,370		Bi-annual
1,655	-	1,655	-	1,655		Bi-annual
220	-	220	-	220		Bi-annual
340	340	-	-	340		One repayment
8,091	8,370	4,245	(4,524)	8,091		
7,500	6,839	-	-	6,839		Bi-annual
1,044	749	27	-	776		Bi-annual
4,300	2,925	-	-	2,925		Bi-annual
1,650	1,488	-	-	1,488		Bi-annual
4,406	4,391	15	-	4,406		Bi-annual
4,000	1,680	2,225	(60)	3,845		Bi-annual
22,900	18,072	2,267	(60)	20,279		
71,917	54,687	10,012	(9,327)	55,372		

Maturity date of long-term loans (SAR million)

Years	31 December 2018	31 December 2017
2018	-	3,195,086,817
2019	3,162,757,425	3,291,077,736
2020	2,438,872,312	3,661,668,070
2021	4,098,343,546	4,749,984,266
2022	4,862,984,944	6,204,421,881
2023	5,938,367,969	7,701,422,952
2024	4,155,259,835	4,562,477,300
2025 through 2030	30,715,271,482	21,320,243,425
Total	55,371,857,513	54,686,382,447

28. A description of the class and number of any convertible debt instruments, contractual securities, preemptive right or similar rights issued or granted by the company during the fiscal year, as well as stating any compensation obtained by the company in this regard.

The Company has not issued or granted any convertible debt instruments, contractual securities, subscription rights notes or similar rights during the financial year.

29. A description of any conversion or subscription rights under any convertible debt instruments, contractually based securities, warrants or similar rights issued or granted by the company.

The Company has not issued or granted any transfer or subscription rights under convertible debt instruments, contractual securities, subscription rights notes, or any similar rights.

30. Description of any redemption, purchase or cancellation by the company of any redeemable debt instruments and the value of such securities outstanding, distinguishing between those listed securities purchased by the company and those purchased by its affiliates.

The Company and its subsidiaries have not made any recovery, purchase or cancellation of any redeemable debt instruments.

31. The number of Board meetings held during the last financial year, their dates and the attendance record of each meeting listing the names of the attendees.

Member's name	1	2	3	4	5	6	Total
	31/01/2018	01/03/2018	23/06/2018	24/06/2018	24/09/2018	19/12/2018	
HE Eng Khalid Bin Abdulaziz Al-Falih	√	√	√	√	√	√	6
HE Sulaiman Bin Abdulrahman Al-Gwaiz	√	√	√	√	√	√	6
HE Eng Abdullah Bin Ibrahim Al-Saadon	√	√	√	√	√	√	6
HE Eng Khalid Bin Saleh Al-Mudaifer	√	√	√	√	√	√	6
Dr Klaus Kleinfeld	√	√	√	√	√	√	6
Richard O'Brien	√	√	√	√	√	√	6
Eng Abdullah Bin Mohammed Al-Issa	√	√	√	√	√	√	6
Lubna Bint Sulaiman Al-Olayan	√	-	√	√	√	√	5
Eng Azzam Bin Yasser Shalabi	√	√	√	√	√	-	5

32. Numbers of company's requests of shareholders records, dates and reasons thereof.

Date	Request reason.
31/01/2018	Company's procedures.
29/03/2018	Company's procedures.
07/06/2018	Company's procedures.
31/12/2018	Company's procedures.

33. A description of any transaction between the company and any related party.

According to the information available to the Company, there are no significant transactions concluded by the Company with parties related to the violation of the provisions of the Company's Articles of Association, the company law, the Capital Market law and its regulations.

Types of transactions (SAR million)	Year ended 31 December 2018	Year ended 31 December 2017
Sales of MPC through SABIC during the year	1,647,716,745	1,273,330,116
Sales of MAC to Alcoa Inespal, S.A. during the year	1,165,530,810	1,192,670,053
Sales of MWSPC through SABIC and The Mosaic Company during the year:		
• Since commencement of commercial production of ammonia on 2 December 2018	258,066,238	85,053,278
• Before date of commencement of commercial production of DAP, the pre-commercial production revenue, net of cost of production during the year ended 31 December 2017 amounting to SAR39,054,573 has been credited against capital work-in-progress	569,153,142	81,983,712
Cost of seconded employees, technology fee and other cost paid to Alcoa Corporation during the year	83,440,308	133,263,732
Raw material feedstock purchased from Alcoa Australia during the year	-	36,280,913
Increase in non-controlling interest of MWSPC contributed by The Mosaic Company and SABIC	-	375,000,000
Payments to increase share capital of MRC received from Alcoa Corporation	-	188,250,000

34. Information relating to any business or contract to which the company is a party and in which a director of the company, a senior executive or any person related to any of them is or was interested, including the names of persons in relation, the nature, conditions, durations and the amount of the business or contract. If there are no such businesses or contracts, the company must submit a statement thereof.

Based on information disclosure of the company there is no significant business or contracts in which the Company is a party, or where there is an interest of a member of the Board of Directors of the Company, the CEO, the Finance Manager or any person related to any of them.

The company has announced the membership of HE Sulaiman Bin Abdulrahman Al-Quwaiz, Chairman of Banque Saudi Fransi, HE Eng Abdullah Bin Mohammed Al Essa, Chairman of Riyadh Bank, and Mrs Lubna Bint Sulaiman Al Olayan, member of the Board of Directors of Alawwal Bank.

35. A description of any arrangement or agreement under which a director or a senior executive of the company has waived any remuneration.

No member of the Board of Directors or senior executives of the Company has made any waiver of any remuneration.

36. A description of any arrangement or agreement under which a shareholder of the company has waived any rights to dividends.

No shareholder of the company has waived any rights to dividends.

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

Statement of any outstanding statutory payments on account as at 31 December 2018

SAR million	2018	2017	Change	% of change
Severance fees payable	124,800,448	73,079,354	51,721,094	50
Zakat and income tax payable	190,701,571	141,656,670	49,044,901	47
Withholding tax payable on contracts	2,085,932	1,927,662	158,271	0
Social Insurance	11,808,232	9,441,429	2,366,803	2
Total	329,396,184	226,105,115	103,291,069	100

38. A statement as to the value of any investments made or any reserves set up for the benefit of the employees of the company.

Home Ownership Program

Ma'aden has continued its home ownership and financing program for Saudi employees in agreement with a number of financial corporations to secure housing loans in order to maintain outstanding employees. Ma'aden bears the cost of financing the eligible employees while the employee bears the principal of the loan. The balance as at 31 December 2018 amounted to SAR63,591,049.

The company has also built residential units to be granted to the Saudi employees working in the city of Ras Al Khair for Mining Industries to be paid with monthly payments. The balance as at 31 December 2018 amounted to SAR1,052,470,456 and the amount paid during the year was SAR55,785,260 million.

Home Furnishing Loan According to Home Ownership Program

Some companies within the group offer a furniture loan to the eligible employee; the loan will be written off equally over a period of five years. If the employee resigns or ends his service for any reason before the expiry of the specified period, the employee will be required to pay the remaining balance of the furniture loan. The balance as at 31 December 2018 amounted to SR 2,056,814 million.

Savings Program

Ma'aden has continued a savings programme for Saudi employees of the company so that they contribute a fixed share their monthly salary and the company contributes a relative share in favor of the employee and the total amount invested will be in favor of the employee according to certain conditions. The total amount invested has reached SAR79,837,846.

39. Declarations that:

a. proper books of account have been maintained;

b. the system of internal control is sound in design and has been effectively implemented; and

c. there are no significant doubts concerning the company's ability to continue its activity.

Internal Audit Department

40. If the external auditor's report contains reservations on the annual financial statements, the Board report shall highlight this mentioning the reasons and any relevant information.

The external auditor's report on the consolidated annual financial statements of Saudi Arabian Mining Company (Ma'aden) contains no reservation or modification and is a clean audit report.

41. If the Board recommended replacing the external auditor before the end of its term, the report shall indicate this mentioning the reasons for the replacement recommendation.

Not applicable

SAUDI ARABIAN MINING COMPANY MA'ADEN

Contents of 2018 Board of Directors' Report in accordance with the Capital Market Authority's Corporate Governance Regulations.

Subject	Statement	Article in Governance Regulation	Page
1	Implemented and non-implemented provisions of these Regulations, and justifications therefor.	1	4
2	Names, qualifications, and experience of the Board and committee members and executive management.	2	4
3	Names of the companies inside and outside the Kingdom in which a Board member is a member of their current or previous Board member or manager.	3	10
4	Composition of the Board and classification of its members, as follows: Executives, Non-Executive Director, or Independent Director.	4	12
5	Procedure taken by the Board to inform its members, Non-Executive Directors in particular, of the shareholders' suggestions and remarks on the Company and its performance.	5	12
6	A brief description of the competencies and duties of the committees, such as the audit committee, the nomination committee and the remuneration committee indicating their names, names of their chairmen, names of their members, the number of their respective meetings, dates of those meetings and the members' attendance details of each meeting.	6	12
7	Where applicable, the means used by the Board to assess its performance, the performance of its committees and members and the external body which conducted the assessment and its relationship with the Company, if any.	7	15
8	Disclose the remuneration of the Board members and Executive Management as stated in Article 93 of these Regulations.	8	15
9	Any punishment, penalty, precautionary procedure or preventive measure imposed on the Company by the Authority or any other supervisory, regulatory or judiciary authority, describing the reasons for non-compliance, the imposing authority and the measures undertaken to remedy and avoid such non-compliance in the future.	9	18
10	Results of the annual review of the effectiveness of the internal control procedures of the Company and the opinion of the audit committee with respect to the adequacy of the Company's internal control system.	10	18
11	The Audit committee's recommendation on the need for appointing an internal auditor for the Company, if there is no internal auditor.	11	19
12	The Audit committee's recommendation with conflict with Board resolution or those which the Board disregards relating to the appointment, dismissal, assessment or determining the remuneration of an external auditor as well as justifications for those recommendations and reasons for disregarding them.	12	19
13	Details of the Company's social contributions, if any.	13	19
14	A list of the dates of the General Assembly meetings held during the last fiscal year and the names of the Board members who attended them.	14	19
15	A description of the main scope of business of the company and its affiliates. If there are two or more, a statement showing each activity and how it affects the company businesses and results shall be attached.	15	19
16	A description of the company's significant plans and decisions (including changes to the structure, expanding the company's operations or halting them) and the future expectations.	16	20
17	Information on any risks facing the company (operational, financial or market related) and the policy of managing and monitoring these risks.	17	21
18	A summary in a form of table or graph showing the company's assets, liabilities and results of the last five fiscal years or since the incorporation date, whichever is shorter.	18	24
19	Geographical analysis of the company's and its affiliates' revenues.	19	25
20	Any material differences in the operational results compared to the preceding year's results, along with any expectations announced by the company.	20	26
21	Any inconsistency with the standards approved by the Saudi Organizations for Certified Public Accountant.	21	27

SAUDI ARABIAN MINING COMPANY MA'ADEN

Contents of 2018 Board of Directors' Report in accordance with the Capital Market Authority's Corporate Governance Regulations.

Subject	Statement	Article in Governance Regulation	Page
22	Name of each affiliate company, its capital, the company's ownership percentage, the main scope of business, country of operation and country of incorporation.	22	27
23	Details of shares and debt instruments issued for each affiliate company.	23	28
24	A description of the dividends distribution policy.	24	28
25	A description of any interest in a class of voting shares held by persons (other than the company's directors, senior executives and their relatives) who have notified the company of their holdings pursuant to Article 45 of Listing Rules, together with any change to such interests during the last fiscal year.	25	28
26	A description of any interest, contractual securities or rights issue of the Board Members and senior executives and their relatives on shares or debt instruments of the company or its affiliates, and any change on these interest or rights during the last fiscal year.	26	29
27	Information on any loans (payable upon request or not), a statement of the total indebtedness of the Company and its affiliates, any amounts paid by the company in repayments of loans during the year, the amount of the principal debts, the creditor name, the loan term and remaining amount. In case there is no debts, a declaration thereof shall be presented.	27	30
28	A description of the class and number of any convertible debt instruments, contractual securities, preemptive right or similar rights issued or granted by the company during the fiscal year, as well as stating any compensation obtained by the company in this regard.	28	32
29	A description of any conversion or subscription rights under any convertible debt instruments, contractually based securities, warrants or similar rights issued or granted by the company.	29	32
30	Description of any redemption, purchase or cancellation by the company of any redeemable debt instruments and the value of such securities outstanding, distinguishing between those listed securities purchased by the company and those purchased by its affiliates.	30	32
31	The number of Board meetings held during the last financial year, their dates and the attendance record of each meeting listing the names of the attendees.	31	32
32	Numbers of company's requests of shareholders records, dates and reasons thereof.	32	33
33	A description of any transaction between the company and any related party.	33	33
34	Information relating to any business or contract to which the company is a party and in which a director of the company, a senior executive or any person related to any of them is or was interested, including the names of persons in relation, the nature, conditions, durations and the amount of the business or contract. If there are no such businesses or contracts, the company must submit a statement thereof.	34	33
35	A description of any arrangement or agreement under which a director or a senior executive of the company has waived any remuneration.	35	33
36	A description of any arrangement or agreement under which a shareholder of the company has waived any rights to dividends.	36	33
37	A statement of the value of any paid and outstanding statutory payment on account of any zakat, taxes, fees or any other charges that have not been paid until the end of the annual financial period with a brief description and the reasons therefor.	37	34
38	A statement as to the value of any investments made or any reserves set up for the benefit of the employees of the company.	38	34
39	Declarations that:	39	34
40	If the external auditor's report contains reservations on the annual financial statements, the Board report shall highlight this mentioning the reasons and any relevant information.	40	34
41	If the Board recommended replacing the external auditor before the end of its term, the report shall indicate this mentioning the reasons for the replacement recommendation.	41	34