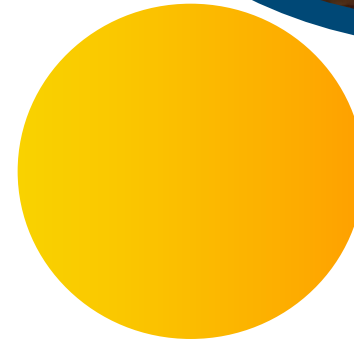




Board Annual Report of Sahara International Petrochemical Company (Sipchem) For fiscal year 2023



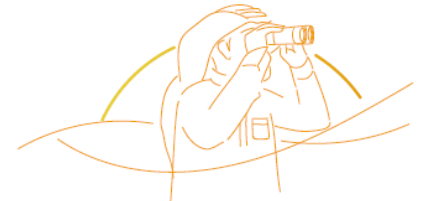
Courage



Collaborations



Agility



Passion



IN THE NAME OF ALLAH
THE MOST COMPASSIONATE, THE MOST MERCIFUL

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Chairman Message

Dear . Shareholders of Sahara International Petrochemical Company "Sipchem"

May the Peace, Mercy and Blessings of Allah be bestowed upon you,

On behalf of myself and my colleagues in the Board of Directors of Sahara International Petrochemical Company "Sipchem", we are pleased to present Sipchem annual report to provide an insight into Sipchem's notable achievements over the past year, as well as the challenges encountered by the Company.

The report encompasses an overview of the Company's performance and endeavors exerted throughout the past year, which witnessed numerous successes achieved by Sipchem. This success After God's grace first, and foremost, is attributed to the full support from the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz, the Crown Prince His Royal Highness Prince Mohammed bin Salman, may Allah protect them, as well as the wise government and dedication and commitment of the Company's employees and their strong determination. Sipchem has provided a conducive environment that fosters production and excellence to accomplish the Company's objectives and steadily strive towards achieving its ambitious strategic objectives. "Sipchem" has successfully achieved its set objectives by enhancing its operational efficiency, in addition to implementing numerous initiatives that, with the help of Allah, contributed to mitigating the impact of global geopolitical and economic fluctuations, aspiring to support the promising and ambitious development goals of our beloved country in line with Saudi Vision 2030. Furthermore, we derive our strength, after God Almighty, from the Company's ambitious strategic pillars, which support the Company's plans to adapt to changing circumstances, expand its operations and investments, achieve growth, and build new business models that contribute to enabling sustainable transformation. Furthermore, "Sipchem" is steadfast in achieving its desired excellence by investing in young talents, who are the emerging leaders, as well as conscientious efforts towards digital transformation and dedication to integrating sustainability concept into its operations. In conclusion, "Sipchem" aspires to establish constructive values that benefit the business and its shareholders and boost the Company's presence in competitive sectors and markets, following a journey spanning almost a quarter of a century, crowned with achievements and successes.

I would also like to express my gratitude and appreciation to my fellow members of the Board of Directors, the executive management, and all employees of the Company. Additionally, I extend my thanks to those who have supported the Company throughout its journey thus far. Peace and blessings of Allah be upon you,



Eng. Khalid Abdullah Al-Zamil
Chairman of the Board of Directors

1) BOD formation and membership qualities

“Sipchem” company is characterized by having a board of directors with a high level of expertise and competence in the field of petrochemicals. Sipchem’s BOD consisted of 11 members who were elected by the Ordinary General Assembly on 30 November 2022 AD for three years till 09/12/2025 AD, the following table below illustrates the BOD members:

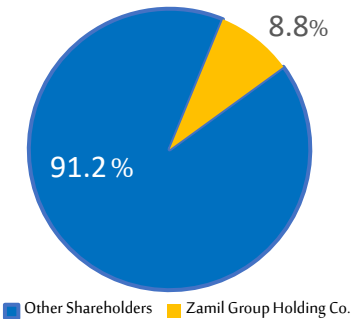
S/N	Name	Membership Status	Commission
1	Eng. Khaled Abdullah Al-Zamil	Chairman of the Board of Directors	Non-Executive
2	Mr. Fahd Suleiman Al-Rajhi	Vice Chairman	Non-Executive
3	Dr. Abdulrahman A. Al-Zamil	Member	Non-Executive
4	Eng. Reyadh S. Ahmed	Member	Non-Executive
5	Eng. Saeed A. Basamah	Member	Non-Executive
6	Eng. Abdullah Khalifa Al-Buainain	Member	Independent
7	Eng. Saeed O. Al-Esayi	Member	Independent
8	Mr. Ziad A. Al-Turki	Member	Independent
9	Eng. Mosaad Suleiman Al-Ohali	Member	Independent
10	Mr. Firas Mazen Al-Abad	Member	Independent
11	Mr. Ahmed Ali Al-Dakhil	Member	Independent

2- Company Activity

“Sipchem” Sahara Petrochemicals Company, is a Saudi joint stock company listed on the Saudi stock market. It actively invests in the petrochemical and chemical industries to produce materials used in the manufacturing of various products that are part of everyday life. Sipchem is committed to the highest quality standards in production, environmental preservation, and safety of its employees, and communities.

Sipchem has chosen the city of Jubail Industrial City in the eastern region of Saudi Arabia to establish its multi-product industrial complex on an area of 1,766,959 sqm. This decision was made due to the city's availability of necessary infrastructure elements, as well as the presence of fuel and raw materials. Additionally, the ease of export operations through King Fahd Industrial Port and the commercial port in Jubail City were also contributing factors.

In 2023, Sipchem’s existing manufacturing facilities produced 4,046 (2022: 4,159) million metric tons. Net income amounted to SAR 1,175.0 million in 2023 compared with SAR 3,595.2 million in 2022 with a decrease of (67.3%). The reason of decreasing profits of the Company during this year compared to the previous year is attributed to the decrease in selling prices for company’s products, as well as decrease in sales volumes due to the periodic turnaround maintenance activities, in spite of the decline in the prices of raw materials and decrease in zakat & income tax expenses. In addition, the share of profits from investment in a joint venture and associates has decreased.



Year of establishment	1999
Company Type	Shareholders
Company Headquarter	City of Khobar - Saudi Arabia
Capital	7.333.333.320 SAR
Core Business	Petrochemical and chemical industries with basic and intermediate types
Number of shares	733.333.332 Share

3) A Description of Sipchem's Plans and Strategies

Sipchem is keen to prosper in the future under dynamic market conditions. The company continued to explore investment opportunities and achieve growth strategies across multiple sectors through investments in new projects and acquisition operations. The company continues to seek new investment opportunities and achieve growth across various sectors, whether through new projects or acquisition operations. Preparations for implementing the growth strategy began to emerge over the past two years, as the company balanced its actions between reducing debt levels, maintaining dividends for shareholders, and allocating a portion of profits to maintain reserves. Moreover, the previous preparations for the growth strategy over the past two years demonstrate the balance maintained by the company between reducing debts, preserving dividend distributions, and allocating reserves. This paves the way for Sipchem to achieve sustainable growth. Additionally, the company endeavors to enhance its position in the sector through various other initiatives.

Blue Ammonia project is one of the key landmarks for growth. Currently, Completing the study and related agreements a global factory is under development with an annual production capacity of 1.2 million tons, contributing to the Kingdom's goal of becoming a significant provider of clean energy worldwide. This initiative aligns with Sipchem's strategic objectives to reduce carbon emissions by 15% by 2030 and achieve carbon neutrality by 2060. The uses of blue ammonia are promising in the context of the global transition towards clean energy. Blue ammonia can be used as an alternative to fossil fuels in electricity generation, as well as in energy storage processes. In addition, marine fuel for ships in the shipping sector is one of the most promising sectors for the use of blue ammonia. In addition to use, it is a carrier of hydrogen before it is cracked and used as fuel. The project development is proceeding as planned towards achieving its milestones in an efficient manner.

Among the notable achievements is the establishment of "Sipchem Innovent," an investment entity that operates as a capital investment arm of Sipchem. Its role revolves around investing in startups and early-stage companies and assisting them in growth and development. Sipchem Innovent aims to foster innovation by supporting startups in the fields of sustainability and manufacturing and guiding them towards a sustainable future. It seeks to accelerate the energy and digital transformation in line with the Kingdom's Vision 2030, with the goal of achieving carbon neutrality and effectively meeting the needs of customers in global markets. This is achieved by providing access to technologies that enhance core operations and support the transition to a circular economy.

Additionally, the company continues its efforts to enhance profitability and open up new international markets. In this regard, the company is expanding some of its current factories. Upon the implementation of these projects, the company will be able to reduce manufacturing costs and increase productivity to meet the growing global demand.

4) Summary in form of a table regarding Sipchem' s assets, liabilities, and results of its operations during the last five fiscal years

The key financial indicators for the year 2023 compared to the previous year are as follows:

- Revenues decreased to SAR 7,618 million during the year 2023 compared to SAR 10,254 million for the previous year with a decrease of 25.7%.
- Gross profit decreased to SAR 2,168 million during the year 2023 compared to SAR 4,839 million for the previous year, with a decrease of 55%.
- Net operational profit decreased to SAR 1,419 million in 2023, compared to SAR 4,047 million in the previous year, with a decrease of 65%.
- Net profit decreased to SAR 1,175 million during the year 2023 compared to SAR 3,595 million for the previous year, with an decrease of 67%.
- Earnings per share reached SAR 1.62 during the year 2023 compared to SAR 4.96 for the previous year.

Assets, liabilities, and operating results for the last five financial years

Consolidated statement of financial position (Million Riyal)					
	2023	2022	2021	2020	2019
Non-current assets	17.701	18.052	18.548	18.792	19.863
Current assets	4.322	5.423	5.917	4.973	4.128
Total assets	22.024	23.475	24.465	23.765	23.991
Total Equity	16.422	16.737	15.722	13.836	14.338
Non-current liabilities	3.048	4.018	5.816	6.464	7.722
Current liabilities	2.554	2.721	2.927	3.465	1.931
Total liabilities and equity	22.024	23.475	24.465	23.765	23.991

A description of the impact of each activity on the size of Sipchem business and its contribution to the results:

Sectorial Analysis: The Company operates in the following sectors:

- **Basic chemicals:** They include Methanol, Butane products and Carbon Monoxide.
- **Intermediate chemicals:** They include Acetic Acid, Vinyl Acetate Monomer, Ethyl Acetate, Butyl Acetate, and utilities.
- **Polymers:** These include Low-density polyethylene, polyvinyl acetate, polyvinyl alcohol, PBT, polypropylene, EVA and electrical connecting wire products.
- **Trade:** It includes trading revenues of Sipchem Marketing Company and its foreign subsidiaries.
- **Companies and others:** This include Sipchem, and Tool manufacturing plant. This segment also includes Sahara's enabling functions and support activities..

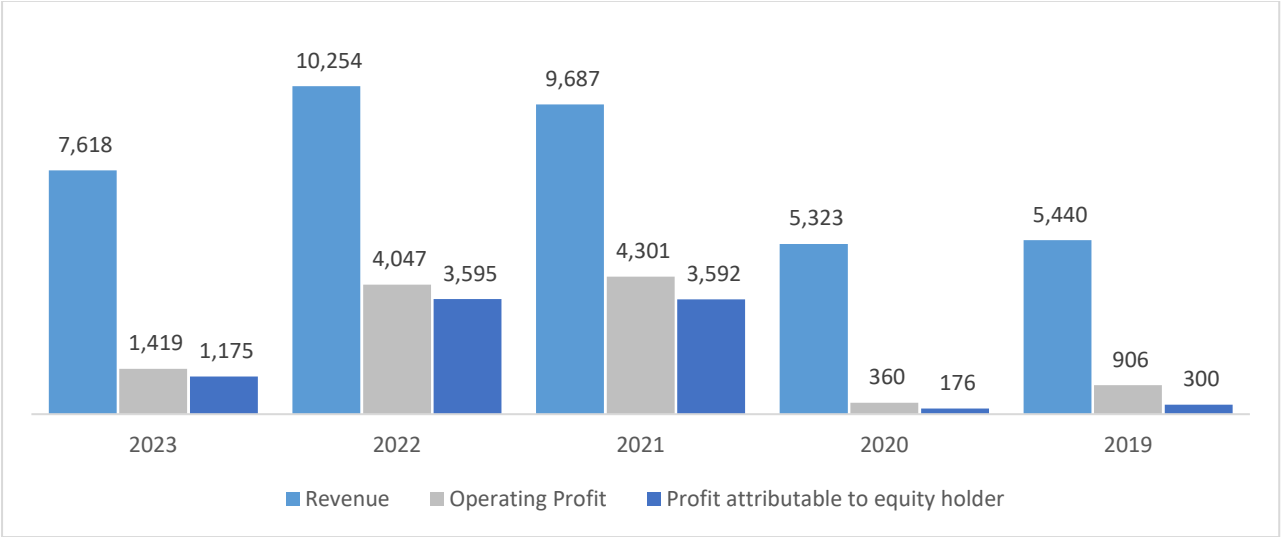
Million Riyals

	Basic chemicals	Intermediate chemicals	Polymers	Marketing	Companies and others	Inter segment transaction elimination	Total
For the year ended 31 Dec. 2023							
Revenues	2,198	2,678	2,741	5,222	38	(5,259)	7,618
Gross profit/(loss)	882	198	642	199	(17)	264	2,168
Operating profit/(loss)	754	84	477	110	(85)	80	1,419
Share of profit from equity accounted investees	-	-	-	-	52	-	52
Profit/loss before zakat and tax	716	69	368	110	122	(21)	1,364
Total assets	3,365	4,878	6,304	1,379	26,126	(19,998)	22,054
Total liabilities	1,116	1,293	2,504	882	3,463	(3,656)	5,601
Capital expenses	266	111	136	4	209	-	730
Depreciation and amortization	201	312	317	8	45	-	883
Finance cost	52	29	126	2	98	(96)	211
Finance income	7	17	19	0	46	-	89
For the year ended 31 Dec. 2022							
Revenues	3,184	4,639	3,361	8,048	28	(9,007)	10,254
Gross profit/(loss)	1,859	1,640	928	331	(25)	107	4,840
Operating profit/(loss)	1,657	1,309	763	260	(97)	155	4,047
Share of profit from equity accounted investees	-	-	-	-	365	-	365
Profit/loss before zakat and tax	1,626	1,253	694	260	251	99	4,184
Total assets	3,356	5,476	6,881	1,688	27,097	(21,022)	23,475
Total liabilities	1,107	1,546	2,677	1,135	3,799	(3,527)	6,738
Capital expenses	80	68	235	2	247	-	632
Depreciation and amortization	204	319	304	8	59	-	894
Finance cost	41	71	66	3	104	(40)	245
Finance income	4	8	8	-	31	-	51

Consolidated statement of profit or loss (Million Riyal)

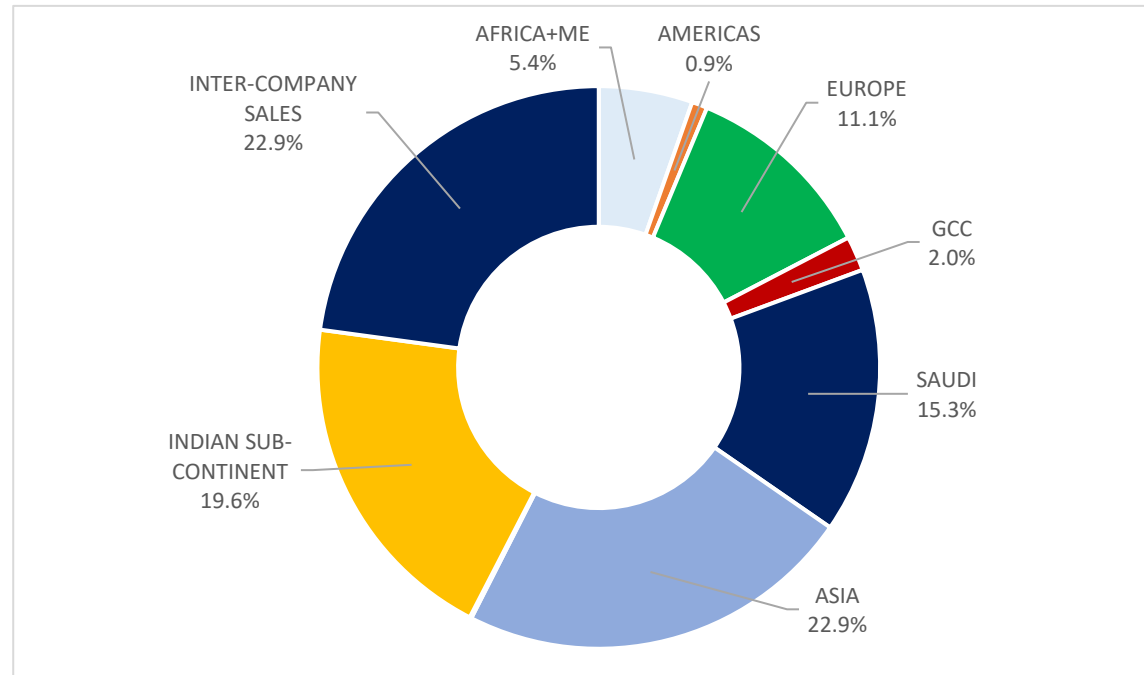
	2023	2022	2021	2020	2019
Revenues	7,618	10,254	9,687	5,323	5,440
Cost of sales	(5,450)	(5,415)	(4,344)	(4,150)	(3,805)
Gross profit	2,168	4,839	5,342	1,173	1,635
Selling and distribution costs	(234)	(296)	(230)	(395)	(315)
General and administrative expenses	(515)	(496)	(651)	(419)	(414)
Impairment of non-financial assets	-	-	(160)	-	-
Operating profit	1,419	4,047	4,301	360	906
Share of profit from equity accounted investees	51	365	480	(34)	(27)
Finance Revenues	89	51	30	26	60
Finance costs	(211)	(245)	(315)	(293)	(370)
Other (Expenses)/ income, net	15	(34)	(38)	126	(179)
Profit before Zakat and income tax	1,364	4,184	4,457	185	390
Zakat and income tax expense	(8)	(231)	(449)	(128)	(145)
Profit for the year	1,356	3,953	4,008	57	245
Profit yields to:					
Equity	1,175	3,595	3,592	176	300
Non- controlling interests	181	358	417	(119)	(55)
Earnings per share from net profit yields to shareholders	1.62	4.96	4.94	0.24	0.52

Evolution of sales, operating profit and net profit for the last five years (Million Riyals)



5) Geographical Analysis of Sales of Sipchem and its subsidiaries

Sipchem's products are marketed and sold in all local markets, Middle East markets and international markets. The following chart shows the geographical distribution of Sipchem's sales during 2023:

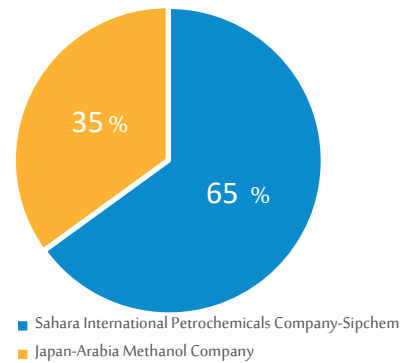


6) A description of the subsidiaries' activities and their impact on the size of Sipchem's business and its contribution to the results for 2023

(Million Riyals)			
	Activity	Revenues	Percentage
	International Methanol Company	1,169	15.3%
	International Diol Company	492	6.5%
	International Acetyl Company Limited	293	3.8%
	International Vinyl Acetate Company	1,095	14.4%
	International Gases Company	56	0.7%
	Sipchem Marketing Company	1,379	18.1%
	International Polymers Company	1,292	17.0%
	Sipchem Chemicals Company	380	5.0%
	Saudi Specialized Products Company	-	0.0%
	Sipchem Advanced Technologies Company	38	0.5%
	Sahara International Petrochemical Company	-	0.0%
	Sahara Marketing Company	-	0.0%
	Al WAHA Petrochemicals Company	1,423	18.7%
	Sipchem InnoVent	-	0%
	Total	7,618	100%

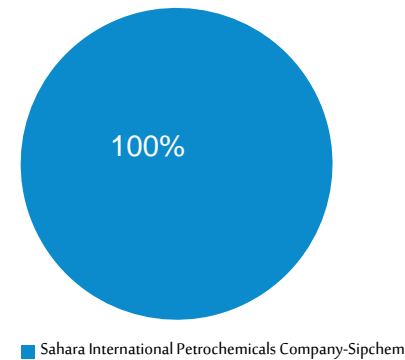
Description of Activities of Sipchem's Subsidiaries

International Methanol Company



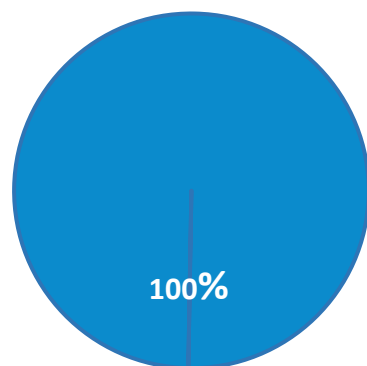
Year of establishment	2002
Company Type	Limited Liability Company
Headquarters	Jubail Industrial City – Saudi Arabia
Capital	360.97 Million Saudi Riyals
Company Activity	Methanol (methyl alcohol) production
Production Capacity	970 thousand mtpa

International Diol Company



Year of establishment	2002
Company Type	Limited Liability Company
Headquarters	Jubail Industrial City – Saudi Arabia
Capital	431.25 Million Saudi Riyals
Company Activity	Production of butanediol and its derivatives from maleic anhydride, tetrahydrofuran, and gamma-butyrolactone
Production Capacity	40 thousand metric tons annually of Maleic anhydride 5 thousand metric tons annually of Gamma-butyrolactone 7.65 thousand metric tons annually of Tetrahydrofuran 50thousand metric tons annually of Butanediol

International Vinyl Acetate Company Ltd.

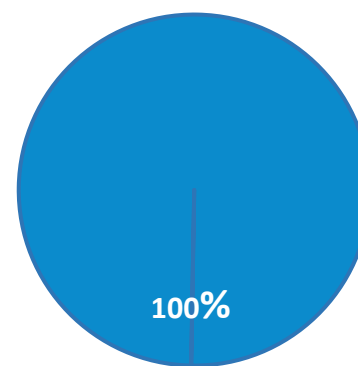


■ Sahara International Petrochemicals Company-Sipchem

Year of establishment	2006
Company Type	Limited Liability Company
Headquarters	Jubail Industrial City – Saudi Arabia
Capital	676 Million Saudi Riyals
Company Activity	Production of vinyl acetate monomer
Production Capacity	330 thousand mtpa

*In 2022, the General Authority of Endowments' 3% share in the International Vinyl Acetate Company was purchased to become 100% owned by Sipchem on July 21, 2022.

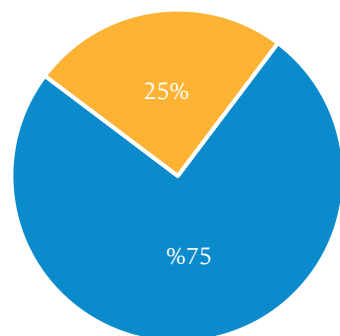
Sahara Petrochemicals Company



■ Sahara International Petrochemicals Company-Sipchem

Year of establishment	2004
Company Type	Closed Joint Stock
Headquarters	City of Khobar - Saudi Arabia
Capital	2,388 million SAR
Company Activity	Works as a holding company its main core focused on the Petrochemicals sector.

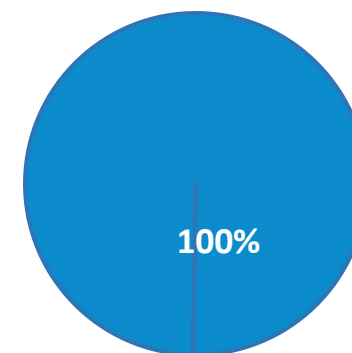
Al WAHA Petrochemical Company- AL WAHA



■ Sahara Petrochemical Company - Sahara
■ Basell Arabie Investissements S.A.S

Year of establishment	2006
Company Type	Limited Liability Company
Headquarters	Jubail Industrial City – Saudi Arabia
Capital	1,660 Million Saudi Riyals
Company Activity	Propylene and Polypropylene production
Production Capacity	450 thousand mtpa of propylene 450thousand mtpa of polypropylene 1,080mtpa of caustic soda (sodium hydroxide) 150mtpa of caustic soda (sodium hydroxide)

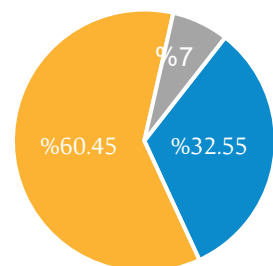
International Acetyl Company Limited (IAC)



■ Sahara International Petrochemicals Company-Sipchem

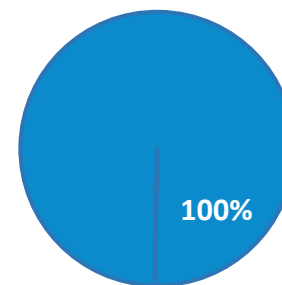
Year of establishment	2006
Company Type	Limited Liability Company
Headquarters	Jubail Industrial City – Saudi Arabia
Capital	1,003 Million Saudi Riyals
Company Activity	Acetic acid - acetic acid anhydride production
Production Capacity	460 thousand mtpa of acetic acid 50thousand mtpa of anhydride acetic acid

Tasnee & Sahara Olefins Company (TSOC)



- Sahara Petrochemical Company - Sahara
- National Industrialization Company
- General Organization for Social Insurance

International Gases Company

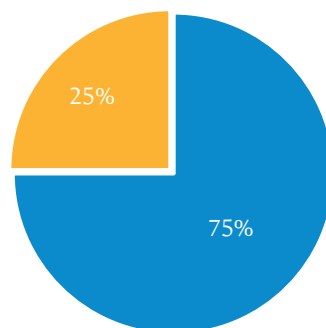


- Sipchem

Year of establishment	2006
Company Type	Closed Joint Stock
Headquarters	Jubail Industrial City – Saudi Arabia
Capital	2,830 Million Saudi Riyals
Company Activity	Establishment, management, operation, ownership and investment in industrial projects, particularly petrochemical and chemical industries in addition to marketing their products and performing all related activities

Year of establishment	2006
Company Type	Limited Liability Company
Headquarters	Jubail Industrial City – Saudi Arabia
Capital	425.4 Million Saudi Riyals
Company Activity	Carbon monoxide and hydrogen production
Production Capacity	345thousand mtpa of Carbon monoxide 65thousand mtpa of hydrogen

Saudi Ethylene & Polyethylene Co.



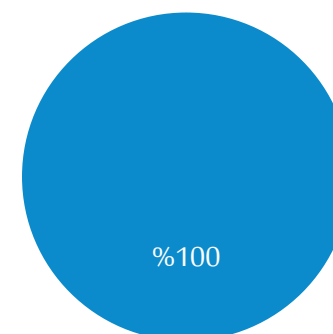
■ Tasnee & Sahara Olefins Company (TSOC) ■ BasellMoyen Orient Investissements SAS

Year of establishment	2006
Company Type	Limited Liability Company
Headquarters	Jubail Industrial City – Saudi Arabia
Capital	SAR 2.737.500.000
Company Activity	Propylene, ethylene, high and low-density polyethylene production
Production Capacity	285 thousand mtpa of propylene 1,000 thousand mtpa of ethylene 800 thousand mtpa of polyethylene

Sahara Petrochemical Company owns 24.41%, which is an indirect share in the Saudi Ethylene and Polyethylene Company (SEPC)

On December 24, 2023, the company announced on the Tadawul website that it had awarded an engineering, supply and expansion contract to (SGC - eTEC) on 12/21/2023 AD, to increase the production of the ethylene crushing plant in the Saudi Ethylene and Polyethylene Company (SEPC)

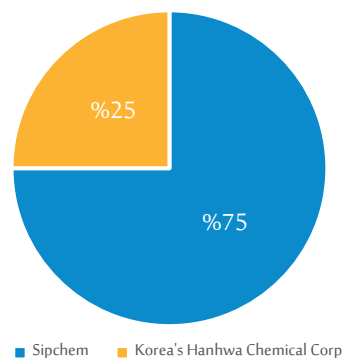
Sipchem Marketing Company



■ Sipchem

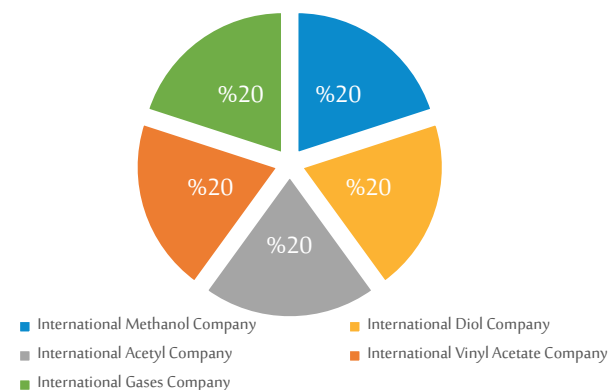
Year of establishment	2007
Company Type	Limited Liability Company
Headquarters	City of Khobar - Saudi Arabia
Capital	SAR 1 million
Company Activity	Marketing and Sales of Petrochemical and Plastic Products

International Polymers Company



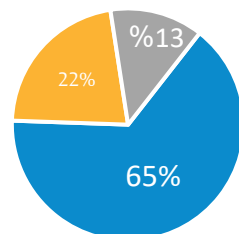
Year of establishment	2009
Company Type	Limited Liability Company
Headquarters	Jubail Industrial City – Saudi Arabia
Capital	703.2 Million Saudi Riyals
Company Activity	Production of Polyvinyl acetate, Polyvinyl alcohol, polyethylene wax, Low-Density Polyethylene and ethylene and vinyl acetate copolymers.
Production Capacity	200,000 mtpa of ethylene and vinyl acetate copolymers.
	125,000 mtpa of Polyvinyl acetate
	4,000 mtpa of Low-Density Polyethylene
	4,000 mtpa of Polyvinyl alcohol
	200 mtpa polyethylene wax

International Utilities Company (IUC)



Year of establishment	2009
Company Type	Limited Liability Company
Headquarters	Jubail Industrial City – Saudi Arabia
Capital	SAR 1 million
Company Activity	Management, operation and maintenance of utilities and facilities for Sipchem's subsidiaries.

Saudi Acrylic Acid Company (SAAC)

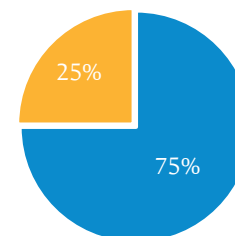


■ Tasnee & Sahara Olefins Company (TSOC) ■ Sahara Petrochemicals Company
■ National Industrialization Company

Year of establishment	2009
Company Type	Limited Liability Company
Headquarters	Jubail Industrial City – Saudi Arabia
Capital	1,777 Million Saudi Riyals
Company Activity	Establishment, management, operation and ownership of acrylic acid and its derivatives production projects, and petrochemical and chemical industrial projects.

Based on Sahara Petrochemical Company's ownership percentage in TSOC which is 32.55 %, Sahara holds indirectly additional ownership percentage of 21.16 in Saudi Acrylic Acid Company (SAAC), thus is reflected in Sahara's total equity to be 43.16%.

Saudi Acrylic Monomer Co. Ltd. (SAMCO)

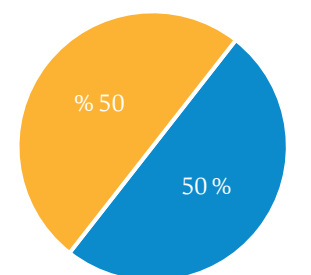


■ Saudi Acrylic Acid Company (SAAC) ■ Rohm and Haas Nederland B.V

Year of establishment	2009
Company Type	Limited Liability Company
Headquarters	Jubail Industrial City – Saudi Arabia
Capital	SAR 1,084.5 Million
Company Activity	Acrylic Acid, Butyl Acrylic, Diethylhexyl Acrylic, Glacial Acrylic Acid
Production Capacity	180 thousand mtpa of Butyl Acrylic 70 thousand mtpa of Glacial Acrylic Acid

Based on Sahara Petrochemical Company's ownership percentage in Saudi Acrylic Acid Company (SAAC), which is 43.16 %, Sahara holds an indirect additional ownership percentage of 32.37%, in Saudi Acrylic Monomer Co. Ltd. (SAMCO).

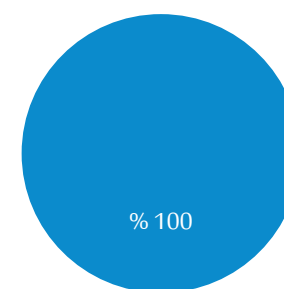
Sahara and Ma'aden petrochemicals company



■ Sahara International Petrochemicals
■ Saudi Arabian Mining Company – Maaden

Year of establishment	2011
Company Type	Limited Liability Company
Headquarters	Jubail Industrial City – Saudi Arabia
Capital	900 Million Saudi Riyals
Company Activity	Production of Caustic Soda, Chlorine, and Ethylene Dichloride
Production Capacity	Annual 300,000 metric tons of ethylene dichloride Annual 250,000 metric tons of caustic soda Annual 220,000 metric tons of liquid chlorine Annual 25,000 metric tons of hydrochloric acid

Sipchem Chemicals Company

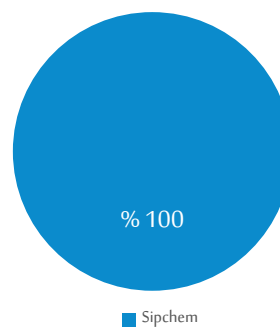


■ Sipchem

Year of establishment	2011
Company Type	Limited Liability Company
Headquarters	Jubail Industrial City – Saudi Arabia
Capital	266 Million Saudi Riyals
Company Activity	Production of Ethyl Acetate, Butyl Acetate, Polybutylene Terephthalate, and Tetrahydrofuran
Production Capacity	Annual 100,000 metric tons of ethyl acetate Annual 50,000 metric tons of butyl acetate Annual 68,000 metric tons of butyl acetate Annual 3,568 metric tons of tetrahydrofuran

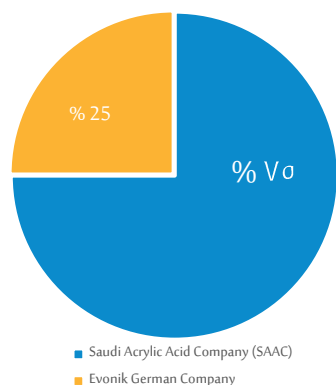
- The production process in Sipchem petrochemicals company's polybutylene terephthalate plant (one of Sipchem companies) was halted on January 1st, 2021

Sipchem Europe Cooperative U.A and its subsidiaries



Year of establishment	2011
Company Type	Limited Liability Company
Headquarters	Loterie - Switzerland
Capital	Million CHF
Company Activity	Provide administrative support to the logistic and marketing aspects

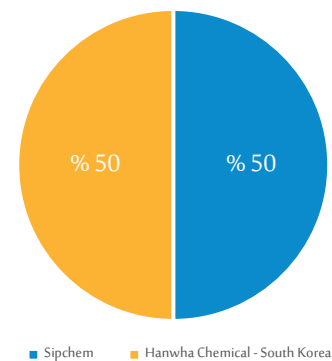
Saudi Acrylic Polymer Company (SAPCO)



Year of establishment	2012
Company Type	Limited Liability Company
Headquarters	Jubail Industrial City – Saudi Arabia
Capital	416.400.000 SAR
Company Activity	Own, manage, and operate the Super Absorbent Polymer Plant within the integrated Acrylics Complex
Production Capacity	Annual 80,000 metric tons of super absorbent polymer

Based on the Sahara Petrochemicals Company's 43.16% share of Saudi Acrylic Acid Company, Sahara has an indirect shareholding of 32.37% in Saudi Acrylic Polymers Company.

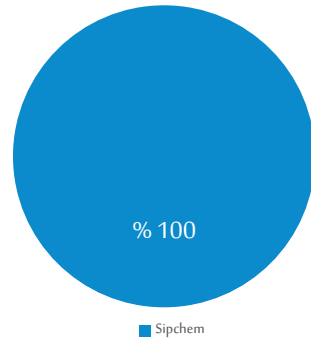
Gulf Advanced Cable Insulation Company (GACI)



Year of establishment	2012
Company Type	Limited Liability Company
Headquarters	Jubail Industrial City – Saudi Arabia
Capital	57.240.000 SAR
Company Activity	Cable Insulation Polymers products
Production Capacity	Annual 25,000 metric tons

- The production process in Gulf Advanced Cable Insulation Plant (one of Sipchem companies) was halted on July 1st, 2021.

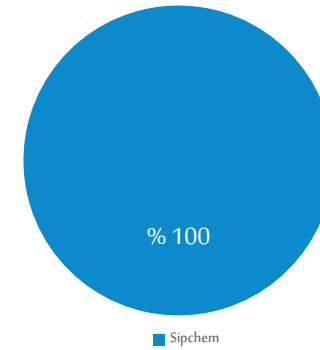
Saudi Specialized Products Company



Year of establishment	2013
Company Type	Limited Liability Company
Headquarters	City of Hail - KSA
Capital	56.320.000 SAR
Company Activity	Production of Ethylene Vinyl Acetate Films
Production Capacity	Annual 4,000 metric tons

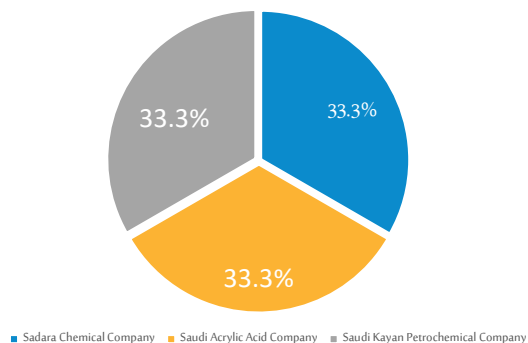
- The production process in Saudi Specialized Products company's ethylene vinyl acetate films plant (one of Sipchem companies) was halted on January 1st, 2021, in alignment with Sipchem's strategy after integration to improve profitability and performance efficiency.
- The Company announced on August 29th, 2022 a fire broke out at the company's plant in Hail City without any human casualties or losses.

Sipchem Asia Pte



Year of establishment	2013
Company Type	Limited Liability Company
Headquarters	Singapore
Capital	752.970 SAR
Company Activity	Market the company's products in Asia

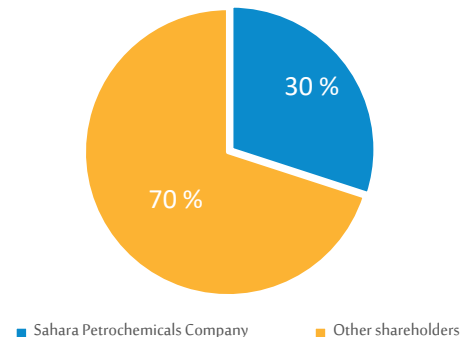
Saudi Butanol Company (SABUCO)



Year of establishment	2013
Company Type	Limited Liability Company
Headquarters	Jubail Industrial City – Saudi Arabia
Capital	486,000,000 SAR
Company Activity	Production of N-butanol and Isobutanol
Production Capacity	Annual 330,000 metric tons of n-butanol Annual 10,400 metric tons of isobutanol

Based on the Sahara Petrochemicals Company's 43.16% share of Saudi Acrylic Acid Company, Sahara has an indirect shareholding of 14.38% in Saudi Butanol Company.

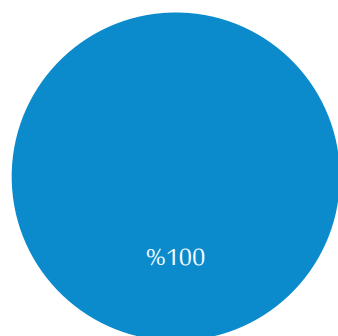
Khair Inorganic Chemical Industries (INOCHEM)



Year of establishment	2016
Company Type	Closed Joint Stock
Headquarters	Ras Al Khair - Saudi Arabia
Capital	800,000,000 SAR
Company Activity	Production of Soda and Calcium chloride
Production Capacity	Annual 300,000 metric tons of soda ash Annual 384,000 metric tons of sodium chloride

The Company announced on November 12th, 2023 the beginning of the trial run of Khair Inorganic Chemical Industries (INOCHEM).

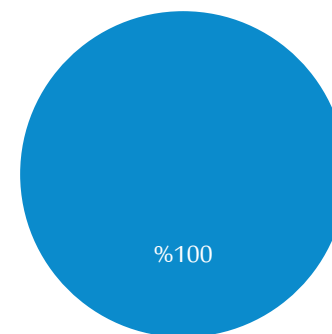
Sahara Marketing Company



■ Sahara Petrochemical Company - Sahara

Year of establishment	2016
Company Type	Limited Liability Company
Headquarters	Jubail Industrial City – Saudi Arabia
Capital	500.000 SAR
Company Activity	Marketing and Sales of Petrochemical and Plastic Products

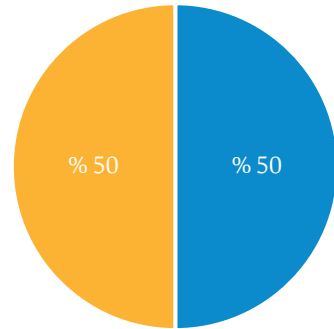
Saudi Advanced Technology Company (WAHAJ)



■ Sipchem

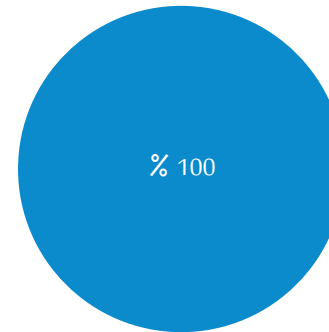
Year of establishment	2018
Company Type	Limited Liability Company
Headquarters	Riyadh - KSA
Capital	5.000.000 SAR
Company Activity	Metal Forming by forging, pressing, casting, and extrusion, manufacturing structures of vehicles with engines, manufacturing parts, components, and engines of motor vehicles.

Linde Sipchem Industrial Gas Company



■ Sahara International Petrochemicals Company-
Sipchem

Sipchem Innovent S.A



■ Sipchem

Year of establishment	2022
Company Type	Limited Liability Company
Headquarters	Jubail Industrial City – Saudi Arabia
Capital	SAR 5000,000
Company Activity	Production of Raw Gases and Industrial Gases

Year of establishment	2023
Company Type	Limited Liability Company
Headquarters	Loterie - Switzerland
Capital	300,000 USD
Company Activity	Engage in innovation, research and development, venture capital, and investment in general

7) Applied and Not-Applied Provisions of Corporate Governance Regulations

In implementation of the Corporate Governance Regulations issued by the Saudi Capital Market Authority, Sahara International Petrochemical Company "Sipchem" has adopted all regulations, policies and procedures that fall within the powers of the Board of Directors and the General Assembly, as follows:

S	Regulations/Policy
1	Audit Committee Regulations (General Assembly)
2	Company's Main Plans, Policies, Strategies and Goals (Board of Directors)
3	Nomination and Remuneration Committee Regulations (General Assembly)
4	Executive Committee Regulations (Board of Directors)
5	Governance Committee Regulations (Board of Directors)
6	Policies and Standards for Membership Procedures in the Board of Directors (General Assembly)
7	Remuneration policy for Members of the Board of Directors, Board Committees and Executive Management (General Assembly)
8	Corporate Governance Rules (Board of Directors)
9	Dividend Distribution Policy (General Assembly)
10	Risk Management Policies and Procedures (Board of Directors)
11	Conflict of Interest Management Policy for Members of the Board of Directors, Executive Management and Shareholders (Board of Directors)
12	Policy of Organizing the Relationship with Stakeholders (Board of Directors)
13	Sipchem's Administrative and Financial Policies and Powers Delegated to the Executive Management (Board of Directors)
14	Investment and Financing Policies and Mechanisms (Board of Directors)
15	Employee Remuneration Policy (Board of Directors)
16	Work Procedures Policies in the Board of Directors (Board of Directors)
17	Professional Conduct and Ethical Values Policy (Board of Directors)
18	Policies and Procedures to ensure Sipchem's compliance with the rules, regulations and disclosure to shareholders and stakeholders (Board of Directors)
19	Policies of Competitive Business Standards (General Assembly)
20	Whistleblowing Policy and Procedure Manual

Sipchem applies all the provisions stated in the Corporate Governance Regulations issued by the Capital Market Authority (CMA) except for the provisions listed below:

Article No.	Article Text	Clarifications
39	Evaluation	Guiding Article
67	Risk Management Committee Formation (Guiding Article)	The Board of Directors has assigned the responsibilities for the Risk Management processes and regulations to the Board's Audit Committee, which shall be responsible for developing and implementing risk management processes and regulations, to serve as the framework for the Company. The CEO shall chair the Risk Management's Internal Executive Committee. The key roles of the Senior Management shall be assigned to the members of the Committee and the Company's Risk Management Department shall submit its reports to the Audit Committee.
68	Terms of Reference of the Risk Management Committee (Guiding Article)	
69	Meetings of the Risk Management Committee (Guiding Article)	
84	Social Responsibility (Guiding Article)	Sipchem implements programs aimed at highlighting and sustaining the role of social responsibility, which covers areas that focus on the society. Sipchem is working within a specific strategy in social responsibility.
85	Social Activity Initiatives	Guiding Article and the Company shall work on developing KPIs for social responsibility.
90	Disclosure of Remunerations	The Company is committed to the disclosure of the remunerations of Board and Committee Members in details. The company has also committed to disclosing the remuneration of senior executives in total in accordance with the statutory requirements contained in subparagraph (b) of Paragraph No. (4) of Article (90) of the Corporate Governance Regulations, in order to protect the interests of the company, its shareholders and its employees, and to avoid causing any harm that may result from disclosure. Detailed, the details were not presented as contained in Annex No. (1) concerning the remuneration of senior executives from the Corporate Governance Regulations.

8) Names, Current Positions, Former Positions, Qualifications and Experience of Board Members, Committees Members and Executive Management.

A) BoD Members:

S	Name	Current positions	Former Positions	Qualification	Expertise
1	Eng. Khalid A. Al-Zamil	Chairman – International Petrochemical Company (Sipchem) Chairman – Zamil Group Holding Co. Chairman – Middle East Battery Co.	CEO– Zamil Group Holding Co. Board Member – Zamil Industrial Investment Co. Chairman – Zamil Steel Company	Bachelor's degree in Civil Engineering	Board Member – Zamil Industrial Investment Co. Chairman – Zamil Steel Company
2	Mr. Fahad S. Al-Rajhi	Vice Chairman – Sahara International Petrochemical Company (Sipchem) Board Chairman of Yanbu Cement Company Board Member of Alrajhi Ekhwan Co. Chairman – Advanced Flexible Packaging Company Board Chairman of Al Watania for Industries Board Member – Musharaka Capital Co. Chairman - Saudi German Company for Non-woven Products (SGN) Board Member of International Methanol Co	Board Member of Saudi Cement Company	Bachelor of Industrial Management	Chairman of Alrajhi Ekhwan Co Board Member of Saudi Cement Company
3	Eng. Reyadh S. Ahmed	Board Member of Sahara Petrochemicals Company (Sipchem) Chairman of Meezan Bank Board Member of Privatization Holding Company Board Member of Noor Financial Investment Co. (NOOR) Chairman and CEO of Icarus Petroleum Industries Chairman of the MIDDLE EAST COMPLEX FOR ENG. ELECTRONICS & HEAVY INDUSTRIES Board Member of Combined National Industries Holding Company for Energy Chairman and CEO of Gas & Oil Fields Services Company Board Member – Al Dorra Real Estate Company Chairman – PROCLAD COMPANIES LIMITED GROUP	Vice Chairman – Airport International Group Co. Board Member of Karachi Electric Supply Corp. Board Member of SAJA ENERGY CO Board Member – United ENERGY Supply Company Board Member – Kuwait Rocks Company Vice Chairman – Eastern United Petroleum Services Company	Bachelor of Chemical Engineering Master of Chemical Engineering	Businessman
4	Mr. Saeed A. Basamah	Board Member of Sahara Petrochemicals Company (Sipchem) Chairman – Khair Inorganic Chemical Industries Co (INOCHEM) Board Member – International Medical Center Co. Board Member – Saudia Dairy & Foodstuff Co. (SADAFCO) Board Member of Madr Investment Co Board Member – Basamh Industrial Companies Group Board Member of Al Samh Trading Company Limited Chairman of Samha Investment Company Board Member of Hala Support Services Company Chairman of Sajoom Holding Company Board Member – Future Resources Company Chairman of Sunwan Al-Gharbia Company for Investment and Real Estate Development Board Member of Enwan Real Estate Investment Company Board Member of Central South Investment Company	-	Bachelor of Business Administration Marketing and Logistics	Businessman

5	Dr/ Abdul Rahman A. Al-Zamil	Board Member of Sahara Petrochemicals Company (Sipchem) Board Member of Zamil Group Holding Company	Chairman of Zamil Group Holding Company Chairman of Zamil Industrial Investment Company Board Member of Sahara Petrochemicals Company Chairman of National Power Company Chairman of Saudi Advanced Technology Company (WAHAJ)	Bachelor's degree in Law PhD in International Relations	Worked as a Deputy Governor of the Public Electricity Corporation, then as an Undersecretary of the Ministry of Commerce, and later served as a member of the Consultative Assembly for three terms.
6	Eng/ Saeed Omar Alesayi	Board Member of Sahara Petrochemicals Company (Sipchem) Chairman of Omar Kassem Alesayi & Partners Company (OKAM) Chairman of Omar Kassem Alesayi Marketing Company (OKAM) Chairman of Alesayi Motors Company Board Member of Omar Kassem Alesayi Group Board Member of United Co. For Carton Packages	Board Member of Yanbu Cement Company Board Member of Al-Rajhi Bank Board Member of Sahara Petrochemicals Company	Bachelor's degree in Industrial Engineering	General Director, then Chairman of Alesayi Motors Company and Omar Kassem Alesayi & Partners.
7	Mr/ Ziad Abdul Rahman Al-Turki	Chairman of Abdul Rahman Ali Abdul Rahman Al-Turki for Trading & Contracting Company. Chairman of Abdul Rahman Ali Abdul Rahman Al-Turki Sons for Trading & Contracting Company Chairman of ATCO Marine Services Limited Company Chairman of Tamam Integrated Trading Company Vice Chairman of MORJAN Integrated Investment Company Vice Chairman of Honeywell Turki Arabia Limited Company Vice Chairman of Saudi Rockwell Limited Company Board Member of Sahara Petrochemicals Company (Sipchem) Board Member of Dhahran International Exhibitions Company Board Member of Ramky Enviro Services Limited Company Member of InvestCorp Holding Group Senior Partners	Vice Chairman of Abdul Rahman Al-Turki for Trading & Contracting Company Board Member of "Samena Capital Limited Company", Dubai Vice Chairman of Redland Industrial Services Company Chairman of Keller Turki Co Ltd	A Diploma in Social Sciences	Vice Chairman of Abdul Rahman Al-Turki Companies "ATCO Group", KSA Board Member of Dhahran International Exhibitions Company "Dhahran Expo", KSA Member of Strategic Partners Group, InvestCorp, Bahrain Board Member of "Samena Capital Limited Company", Dubai Chairman Deputy of Redland Industrial Services Company Chairman of Keller Turki Co Ltd
8	Eng. Abdullah Khalifa Al-Buainain	Board Member of Sahara Petrochemicals Company (Sipchem)	CEO of Marafiq Company Chairman of Marafiq's Subsidiaries Some positions in SABIC and ALRAZI Companies	Bachelor's degree in Mechanical Engineering	SABIC Company - field of petrochemicals - operation, maintenance, and projects - Subsidiaries' boards - chairman of ALRAZI Company - Chairman Deputy of manufacturing affairs CEO of Marafiq Company and Chairman of its Subsidiaries.
9	Eng. Mosaed Suleiman Al-Ohail	Board Member of Sahara Petrochemicals Company (Sipchem) Board Member of Saudi Arabian Military Industries Company Board Member of Al Watania for Industries Board Member of Qudurati DayCare Co.	CEO of MA'ADEN Company Senior Executive Consultant of SABIC Company	Master of Chemical Engineering	Progression through several positions in Sadaf - SABIC - MA'ADEN Companies
10	Mr. Firas Mazen Al-Abad	Board Member of Sahara Petrochemicals Company (Sipchem) Portfolio Manager of Hassana Investment Company (HIC)	Finance Analyst - Hassana Investment Company (HIC) Portfolio Manager of Public Investment Fund	Master of Finance Bachelor of Finance	Portfolio Manager - Hassana Investment - Company (HIC) Portfolio Manager of Public Investment Fund Analyst - Hassana Investment Company (HIC)
11	Mr. Ahmed Ali Al-Dakhil	Board Member of Sahara Petrochemicals Company (Sipchem) CEO - Al Rajhi International for Investment (RAII) Board Member of Al Watania for Industries Board Member of Al Rajhi International for Investment (RAII) Board Member of Second Mills Company (CM2) Board Member of Al Rajhi International for Agricultural Investment (Egypt)	Leading positions in several listed and unlisted joint-stock companies in the Kingdom	- Bachelor of Industrial Management	Leading positions in several listed and unlisted joint-stock companies in the Kingdom

B. Committee members:**Executives Committee**

S	Name	Current positions	Former Positions	Qualification	Experience
1	Mr. Fahad S. Al-Rajhi	Vice Chairman – Sahara International Petrochemical Company (Sipchem) Board Chairman of Yanbu Cement Company Board Member of Alrajhi Ekhwan Co. Vice Chairman – Advanced Flexible Packaging Company Board Chairman of Al Watania for Industries Board Member – Musharaka Capital Co. Chairman - Saudi German Company for Non-woven Products (SGN) Board Member of International Methanol Co	Board Member of Saudi Cement Company	Bachelor of Industrial Management	Chairman of Alrajhi Ekhwan Co Board Member of Saudi Cement Company
2	Eng. Reyadh S. Ahmed	Board Member of Sahara Petrochemicals Company (Sipchem) Chairman of Meezan Bank Board Member of Privatization Holding Company Board Member of Noor Financial Investment Co. (NOOR) Chairman and CEO of Icarus Petroleum Industries Chairman of Middle East Complex for Engineering, Electronics & Heavy Industries Co. Board Member of Combined National Industries Holding Company for Energy Chairman and CEO of Gas & Oil Fields Services Company Board Member of Dorra Real Estate Company Board Chairman of Brookladd Limited Group	Vice Chairman of Airport International Group (AIG) Board Member of Karachi Electric Supply Corp. Board Member of SAJA ENERGY CO Board Member of United Gas Transmissions Company (UGTC) Board Member of Gulf Rocks Company Vice Chairman of Eastern United Petroleum Services	Bachelor of Chemical Engineering Master of Chemical Engineering	Businessman
3	Eng/ Saeed Omar Alesayi	Board Member of Sahara Petrochemicals Company (Sipchem) Chairman of Omar Kassem Alesayi & Partners Company (OKAM) Chairman of Omar Kassem Alesayi Marketing Company (OKAM) Chairman of Alesayi Motors Company Board Member of Omar Kassem Alesayi Group Board Member of United Co. For Carton Packages	Board Member of Yanbu Cement Company Board Member of Al-Rajhi Bank Board Member of Sahara Petrochemicals Company	Bachelor of Industrial Engineering	General Director, then Chairman of Alesayi Motors Company and Omar Kassem Alesayi & Partners.
4	Eng. Abdullah Khalifa Al-Buainain	Board Member of Sahara Petrochemicals Company (Sipchem)	CEO of Marafiq Company Chairman of Marafiq's Subsidiaries Some positions in SABIC and ALRAZI Companies	Bachelor's degree in Mechanical Engineering	SABIC Company - field of petrochemicals - operation, maintenance, and projects - Subsidiaries' boards - chairman of ALRAZI Company - Chairman Deputy of manufacturing affairs CEO of Marafiq Company and Chairman of its Subsidiaries.

5	Eng. Mosaed Suleiman Al-Ohail	Board Member of Sahara Petrochemicals Company (Sipchem) Board Member of Saudi Arabian Military Industries Company Board Member of Al Watania for Industries Board Member of Qudurati DayCare Co.	CEO of MA'ADEN Company Senior Executive Consultant of SABIC Company	Master of Chemical Engineering	Progression through several positions in Sadaf - SABIC - MA'ADEN Companies
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Audit Committee:

S	Name	Current positions	Former Positions	Qualification	Experience
1	Mr. Mohammad Farhan Al-Nader	CEO of RSM International Allied Accountants Member of RSM International Group. Audit Committee Member of Sahara Petrochemicals Company (Sipchem) Board Member of Awqaf Co. of Princess Nourah Bint Abdul Rahman University Audit Committee member of Sulaiman Al-Rajhi Holding Co. Board Member of Tuwaiq Academy Company Audit Committee member of eXtra Co. Audit Committee Head of National Co for Learning Audit Committee Head of Alrajhi Ekhwan Co. Audit Committee member of Bank Albilad	CFO - Sulaiman Al-Rajhi Holding Co.	- Bachelor of Accounting - MBA and Master of Finance - American Certified Public Accountants (CPA) Fellowship - Saudi Certified Public Accountants (SOCPA) Fellowship	16 years of experience in accounting and finance
2	Dr. Mohammed Faraj Al Kanani	- Founder and CEO of Holfaa El Tanmya Company. - General Investment Supervisor of the Fund for Supporting Research and Educational Programs at the King Fahd University of Petroleum and Minerals. - Audit Committee Member - Sahara Petrochemicals Company (Sipchem)	- Dean of the College of Industrial Management, King Fahd University of Petroleum and Minerals. - Head of Finance and Economics Department at the King Fahd University of Petroleum and Minerals.	Bachelor's Degree in Financial Management from King Fahd University of Petroleum and Minerals. Master's Degree in Financial Management from the University of Colorado Denver in the United States. Ph.D. in Finance Management, University of Oklahoma, United States. Accredited Financial analyst since 2010.	Chairman of Dhahran Valley Business Services Company. Board Member: (Arab National Bank, Dhahran Techno Valley Holding Company, Saudi Real Estate Refinance Co., National Bonds Corporation, ALAHLI Takaful Company, Leejam Sports Company, Environmental Fund, Oasis Business Company, Governance Center Co. owned by Public Investment Fund)
3	Eng. Abdullah Khalifa Al-Buainain	Board Member of Sahara Petrochemicals Company (Sipchem)	CEO of Marafiq Company Chairman of Marafiq's Subsidiaries - Some positions in SABIC and ALRAZI Companies	Bachelor's degree in Mechanical Engineering	SABIC Company - field of petrochemicals - operation, maintenance, and projects - Subsidiaries' boards - chairman of ALRAZI Company - vice president of manufacturing affairs CEO of Marafiq Company and Chairman of its Subsidiaries.
4	Eng. Mahmoud Saleh Fahad Al-Theeb*	CEO of Royal Commission for Jubail	- Director of planning, supply, and economics department of SABIC. - Vice President of Sipchem's technical services.	Bachelor of Chemical Engineering	- Director of planning, supply, and economics department of SABIC. - Vice President of Sipchem's technical services.

-
- The Chief Operations Officer of the Saudi ACWAPower.
 - Vice President of Marafiq 's operations and maintenance department.
 - Audit Committee Member of Sahara International Petrochemical Company (Sipchem) Resignation date: December 11, 2023
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- The Chief Operations Officer of the Saudi ACWAPower.
 - Vice President of Marafiq 's operations and maintenance department.
 - Audit Committee Member of Sahara International Petrochemicals Company (Sipchem)
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The Board of Directors approved on December 11, 2023, the resignation of Eng. Mahmoud Saleh Fahad Al-Theeb as a member of the Audit Committee.

Nomination and Remuneration Committee

S	Name	Current positions	Former Positions	Qualification	Expertise
1	Mr. Ziad A. Al-Turki	Chairman of Abdul Rahman Ali Abdul Rahman Al-Turki for Trading & Contracting Company. Chairman of Abdul Rahman Ali Abdul Rahman Al-Turki Sons for Trading & Contracting Company Chairman of ATCO Marine Services Limited Company Chairman of Tamam Integrated Trading Company Vice Chairman of MORJAN Integrated Investment Company Vice Chairman of Honeywell Turki Arabia Limited Company Vice Chairman of Saudi Rockwell Limited Company Board Member of Sahara Petrochemicals Company (Sipchem) Board Member of Dhahran International Exhibitions Company Board Member of Ramky Enviro Services Limited Company Member of Investcorp Holding Group Senior Partners	Vice Chairman of Abdul Rahman Al-Turki for Trading & Contracting Company Board Member of "Samena Capital Limited Company", Dubai Vice Chairman of Redland Industrial Services Company Chairman of Keller Turki Co Ltd	A Diploma in Social Sciences	Vice Chairman of Abdul Rahman Al-Turki Companies "ATCO Group", KSA Board Member of Dhahran International Exhibitions Company "Dhahran Expo", KSA Member of Strategic Partners Group, InvestCorp, Bahrain Board Member of "Samena Capital Limited Company", Dubai Vice Chairman of Redland Industrial Services Company Chairman of Keller Turki Co Ltd
2	Mr. Saeed A. Basamah	Board Member of Sahara Petrochemicals Company (Sipchem) Chairman – Khair Inorganic Chemical Industries Co (INOCHEM) Board Member – International Medical Center Co. Board Member – Saudia Dairy & Foodstuff Co. (SADAFCO) Board Member of Madr Investment Co Board Member – Basamh Industrial Companies Group Board Member of Al Samh Trading Company Limited Chairman of Samha Investment Company Board Member of Hala Support Services Company Chairman of Sajoom Holding Company Board Member – Future Resources Company Chairman of Sunwan Al-Gharbia Company for Investment and Real Estate Development Board Member of Enwan Real Estate Investment Company Board Member of Central South Investment Company	-	Bachelor of Business Administration Marketing and Logistics	Businessman
3	Mr. Ahmed Ali Al-Dakhil	Board Member of Sahara Petrochemicals Company (Sipchem) CEO - Al Rajhi International for Investment (RAII) Board Member of Al Watania for Industries Board Member of Al Rajhi International for Investment (RAII) Board Member of Second Mills Company (CM2) Board Member of Al Rajhi International for Agricultural Investment (Egypt) Chairman of Middle East for Electrical industries	Leading positions in several listed and unlisted joint-stock companies in the Kingdom	Bachelor of Industrial Management	Leading positions in several listed and unlisted joint-stock companies in the Kingdom

4	Mr. Firas Mazen Al-Abad	Board Member of Sahara Petrochemicals Company (Sipchem) Portfolio Manager of Hassana Investment Company (HIC)	Finance Analyst - Hassana Investment Company (HIC) Portfolio Manager of Public Investment Fund	Master of Finance Bachelor of Finance	Portfolio Manager - Hassana Investment - Company (HIC) Portfolio Manager of Public Investment Fund Analyst - Hassana Investment Company (HIC)
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E. Governance Committee

S	Name	Current positions	Former Positions	Qualification	Expertise
1	Mr. Abdulaziz A. bin Dayel	Adviser - General Organization for Social Insurance - Board Member of Tabuk Agriculture Development Company (TADCO) - Head of Nominations Committee of Tabuk Agriculture Development Company - Audit Committee Member - Tabuk Agriculture Development Company -Member of the Board of Directors of Al-Gharbia Poultry Company - Chairman of the Nominations and Remuneration Committee	- Executive Director of Munajem Group - Executive Director of Sales & Marketing in Mawaridh Holding Group Managing Director of Tihama Advertising, Public Relations and Marketing Co. - Board Secretary- General Organization for Social Insurance	Bachelor of Business Administration	He worked in Samba Financial Group and held several positions, then moved to Riyadh Bank as Director of the Central Region, then Managing Director of Tihama Company, then the Resources Group of Companies, then the Mine Group of Companies, as Executive Director, and then a Social Insurance Consultant.
2	Mr. Turki M. AlMarzouq	- Management of Local Investment Support of Hassana Investment Company (HIC) - Governance Committee Member of Sahara International Petrochemicals Company (Sipchem).	Financial Management of Arriyadh Development Company Corporate Governance Manager of Public Pension Agency	Bachelor's degree in accounting	He has more than 20 years of practical experience in management, finance, investment and accounting, as well as in boards of directors and their committees in industrial, real estate and agricultural sectors.
3	Mr. Faisal M. Al-Modlij	- Governance Committee Member of Sahara International Petrochemicals Company (Sipchem).	General Manager of Corporate Affairs and Governance - Sahara International Petrochemical Company (Sipchem). Board Secretary Manager of Corporate Affairs and Compliance - Sahara International Petrochemical Company (Sipchem).	Bachelor of Management Systems	22 years in legal affairs- investor relations- corporate affairs and governance and board of directors' affairs.

The Executive Committee

S	Name	Current positions	Former Positions	Qualification	Expertise
1	Eng. Abdullah S. Al-Saadoon	CEO	CEO	Bachelor of Chemical Engineering	He held several positions in SABIC in the petrochemical industry. He moved to Sipchem and progressed to become Sipchem's COO and then CEO in 2021.
2	Mr. Rushdi K. Al-Dulijan	Vice President of Finance	Executive Vice-President of Finance and Information Technology of Sahara Petrochemicals Company	Bachelor's degree in Accounting	After joining Sahara Petrochemicals Company in 2011 as financial manager and was responsible for finance and information technology departments, then Executive Vice-President of Sipchem's Finance. Before joining Sahara Petrochemicals Company, he worked at the Saudi Electricity Company and progressed through several positions in auditing and financial control.
3	Eng. Ibrahim Abdulaziz Al Rashoud	Vice President of Manufacturing Affairs	Vice President of Operations	Bachelor of Electrical Engineering	After joining Sipchem in 2004, he progressed through several senior leading positions. He is currently responsible for managing and leading 14 subsidiaries of Sipchem. Additionally, he was appointed as Vice President of Operations after the merger in 2019. Before joining Sipchem, he worked at Saudi Aramco for more than 10 years in consulting services and project management.
4	Eng. Mater Athshan Al Dhafeeri	Vice President of Commercial Sector	Vice President of Marketing and Sales	-Bachelor of Chemical Engineering -Master of Natural Gas Engineering and Management	After joining Sipchem, he progressed through several senior leading positions including sales, marketing, strategy, business development, and supply chain. Before joining Sipchem, he worked at Saudi Aramco for over 10 years, where he held various technical positions including Senior Operations Engineer, Lead Operations and Production Engineer, and Construction Engineer.
5	Eng. Omar S. Bahobail	Vice President of Shared Services	Vice President of Integration Management Office	Bachelor of Mechanical Engineering	After joining Sahara Petrochemicals Company in 2004 as the General Manager of Al Al WAHA Company, he was promoted to manager and CEO of Al Al WAHA Company. He later served as the Vice President of Shared Services. Before joining Sipchem, he worked at SABIC for over 10 years, during which he held several positions.
6	Mr. Fahad Mansour Al-Ohali	General Manager of Corporate Communications and Corporate Affairs	Manager of Corporate Communications	B.S in Business Administration	After joining Sipchem in 2008, he progressed through several positions including roles in financial management, sales and marketing, and corporate communications management. He

Board Secretary Manager and of affiliate
Committees

currently serves as the General Manager of Corporate
Communications and Corporate Affairs, as well as the Board
Secretary Manager and of affiliate Committees

9) Names of companies inside or outside KSA whose current and former Board Members or directors are Board Members of Sipchem

Member Name	Names of companies whose current Board Members or directors are Board Members of Sipchem	Inside or outside KSA	Legal entity (joint stock company/ listed joint stock company/ unlisted joint stock company/ limited liability company)	Names of companies whose former Board Members or directors are Board Members of Sipchem	Inside or outside KSA	Legal entity (joint stock company/ listed joint stock company/ unlisted joint stock company/ limited liability company)
Eng. Khalid A. Al-Zamil	Sahara International Petrochemical Company (Sipchem)	Inside KSA	listed joint stock company	-	-	-
	Zamil Group Holding Co.		Closed Joint Stock Company			
	Middle East Battery Company (MEBCO)		Limited Liability Company			
Mr. Fahad S. Al-Rajhi	Sahara International Petrochemical Company (Sipchem)	Inside KSA	listed joint stock company	Saudi Cement Company	Inside KSA	Listed joint stock company
	Yanbu Cement Co.		listed joint stock company			
	Alrajhi Ekhwan Co.		Closed Joint Stock Company			
	Advanced Flexible Packaging Co.		Limited Liability Company			
	Al Watania for Industries		Closed Joint Stock Company			
	Musharaka Capital Co.		Closed Joint Stock Company			
	Saudi German Company for Non-woven Products (SGN)		Limited Liability Company			
	International Methanol Co.		Public Joint-stock Company			
Mr. Saeed A. Basamah	Al-Rajhi Company for Human Resources Development	Inside KSA	Closed Joint Stock Company	-	-	-
	Sahara International Petrochemical Company (Sipchem)		listed joint stock company			
	Khair Inorganic Chemical Industries Co.		Closed Joint Stock Company			
	International Medical Center Co.		Closed Joint Stock Company			
	Saudia Dairy & Foodstuff Co. (SADAFCO)		Limited Liability Company			
	Madr Investment Co.		Limited Liability Company			
	Basamah Trading & Industries Group		Limited Liability Company			
	Al Samh Trading Company Ltd.		Limited Liability Company			
	Samha Investment Company		Limited Liability Company			
	Hala Support Services Company		Limited Liability Company			

	sajoom holding company Future Resources Company Sunwan Al-Gharbia Company for Investment and Real Estate Development Enwan Real Estate Investment Company Central South Investment Company					
Eng. Reyadh S. Ahmed	Sahara International Petrochemical Company (Sipchem)	Inside KSA	listed joint stock company			
	Meezan Bank	Outside KSA	listed joint stock company	Karachi Electric Supply Corp.		listed joint stock company
	Privatization Holding Company	Outside KSA	listed joint stock company	Gas & Oil Fields Services Company		Closed Joint Stock Company
	Noor Financial Investment Co. (NOOR)	Outside KSA	listed joint stock company	Saja'a Gas Private Ltd, (SajGas)	Outside KSA	Closed Joint Stock Company
	Ikarus Petroleum Industries	Outside KSA	Closed Joint Stock Company	United Gas Supply Company		Closed Joint Stock Company
	Middle East Complex for Engineering, Electronics & Heavy Industries Co.	Outside KSA	Closed Joint Stock Company	Kuwait Rocks Company		Closed Joint Stock Company
	Ikarus for Heavy Industries	Outside KSA	Closed Joint Stock Company	Eastern United Petroleum Services (EUPS)		Closed Joint Stock Company
Member Name	Names of companies whose current Board Members or directors are Board Members of Sipchem	Inside or outside KSA	Legal entity (joint stock company/ listed joint stock company/ unlisted joint stock company/ limited liability company)	Names of companies whose former Board Members or directors are Board Members of Sipchem	Inside or outside KSA	Legal entity (joint stock company/ listed joint stock company/ unlisted joint stock company/ limited liability company)
Dr/ Abdul Rahman A. Al-Zamil	Sahara International Petrochemical Company (Sipchem)	Inside KSA	listed joint stock company	Zamil Group Holding Co.		Closed Joint Stock Company
				Zamil Industrial Investment Co.		listed joint stock company
				Sahara Petrochemicals Co.	Inside KSA	Closed Joint Stock Company
				National Power Co.		Closed Joint Stock Company
				National Chemical Carriers Co.		Closed Joint Stock Company
Eng/ Saeed O. Al-Esayi	Sahara International Petrochemical Company (Sipchem)	Inside KSA	listed joint stock company	Sahara Petrochemicals Co.	Inside KSA	Closed Joint Stock Company
	Omar Kassem Al Esayi & Partners Marketing Company Ltd		Closed Joint Stock Company	Yanbu Cement Co.		listed joint stock company
	Alesayi Motors Company		Closed Joint Stock Company	Al-Rajhi Bank		listed joint stock company
	Omar Kassem Al-Esayi & Partners Co. Ltd		Closed Joint Stock Company			
Mr. Ziad A. Al-Turki	A. A. Turki Co. for Trading & Contracting	Inside KSA	Limited Liability Company			
	Sons of A. A. Turki Co. for Trading & Contracting	Inside KSA	Limited Liability Company	Samena Capital Limited Company	Outside KSA	Limited Liability Company
	ATCO Marine Services	Outside KSA	Limited Liability Company	Saudi United Construction Company	Inside KSA	Limited Liability Company
	Tamam Intergraded Trading Ltd.	Inside KSA	Limited Liability Company			
	MORJAN Integrated Investment Company	Inside KSA	Limited Liability Company	Redland Industrial Services (Arabia) Ltd.	Inside KSA	Limited Liability Company

	Honeywell Turki Arabia Limited Company	Inside KSA	Limited Liability Company	Keller Turki Ltd	Inside KSA	Limited Liability Company
	Rockwell Limited Company	Inside KSA	Limited Liability Company			
	Sahara International Petrochemical Company "Sipchem"	Inside KSA	listed joint stock company			
	Dhahran International Exhibitions Company	Inside KSA	Closed Joint Stock Company			
	Ramky-Al-Turki Environmental Services Ltd	Inside KSA	Limited Liability Company			
	Member of Investcorp Holding Group Senior Partners	Outside KSA	Holding Co.			
Eng. Abdullah Khalif Al-Buainain	Sahara International Petrochemical Company (Sipchem)	Inside KSA	listed joint stock company	-	-	-
Eng. Mosaed Suleiman Al-Ohail	Sahara International Petrochemical Company (Sipchem)	Inside KSA	listed joint stock company			
	Saudi Arabian Military Industries (SAMI)	Inside KSA	Limited Liability Company	-	-	-
	Al Watania for Industries	Inside KSA	Closed Joint Stock			
Member Name	Names of companies whose current Board Members or directors are Board Members of Sipchem	Inside or outside KSA	Legal entity (joint stock company/ listed joint stock company/ unlisted joint stock company/ limited liability company)	Names of companies whose former Board Members or directors are Board Members of Sipchem	Inside or outside KSA	Legal entity (joint stock company/ listed joint stock company/ unlisted joint stock company/ limited liability company)
Mr. Firas Mazen Al-Abad	Sahara International Petrochemical Company (Sipchem)	Inside KSA	listed joint stock company	-		-
Mr. Ahmed Ali Al-Dakhil	Sahara International Petrochemical Company (Sipchem)		listed joint stock company			
	Al Watania for Industries		Closed Joint Stock Company			
	Al Rajhi International for Investment	Inside KSA	Limited Liability Company	-		-
	Milling Company 2		Closed Joint Stock Company			
	Al Rajhi International for Investment (Egypt branch)		Closed Joint Stock Company			
	Middle East Company for Electrical Industries		Closed Joint Stock Company			

10) Actions taken by the Board of Directors to inform its members, especially non-executives, of the shareholders' proposals and remarks about Sipchem and its performance:

Except for the queries in the ordinary General Assembly, dated May 10, 2023, no further inquiries or observations regarding the Company and its performance have been received by the Company. The Investor Relations Department meets with shareholders and investors throughout the year to review the latest developments of Sipchem. The CEO and Chairman of the Board of Directors shall inform the Board of Directors of the proposals, observations and opinions of shareholders and investors through:

the Board's periodic meetings without the presence of any Executive Member if necessary. Article 37 of the Articles of Association of the Company provides procedures to ensure that all shareholders have the right to discuss matters, request information and ask questions to the members of the Board of Directors and Auditors. The Chairman and members of the Board of Directors shall respond to all inquiries concerning the Company's business.

11) Brief Description of Committees' Terms of Reference.

A. Audit Committee:

The main purpose of the Audit Committee is to assist the Board in overseeing financial reporting operations, monitoring the adequacy and effectiveness of the internal control system, supervising internal audits and verifying its effectiveness in carrying out tasks and functions entrusted thereto.

The members have the experience and competence that qualify them to participate effectively in the work of the Audit Committee. The committee's tasks include in particular, the following:

First: Financial Reports and Statements:

- Analyze Sipchem's quarterly and annual financial statements before being presented to the Board and provide opinions and recommendations on their integrity, clarity and transparency.
- Provide the technical opinion, at the request of the Board of Directors, whether the Board's report and financial statements of the Company are fair, balanced and understandable and include information that allows shareholders and investors to evaluate the financial position of Sipchem and its performance, business model and strategy.
- Examine any important or unusual issues contained in the financial reports and statements.
- Closely investigate any matters raised by Sipchem's CFO, who performs his duties or Sipchem's Auditor.
- Examine accounting estimates in relation to important matters stated in financial reports and statements.
- Study the accounting policies adopted by Sipchem and provide an opinion and recommendation to the Board of Directors in this regard.

Second: Internal Audit:

- Study and review the internal control, financial and risk management systems of the Company.
- Analyze and study the internal audit reports and follow up implementation of the corrective actions of the observations contained therein.

- Supervise and monitor the performance and activities of the Internal Audit Department of Sipchem, to verify the availability of human and material resources necessary for its effectiveness.
- Make a recommendation to the Board on the need for appointment of the head of internal audit, and propose his remunerations.

Third: Auditor:

- The recommendation to the Board of Directors is to nominate external auditors, determine their compensation, and evaluate their performance after verifying their independence, reviewing their work scope, and the terms of their contract.
- Verify the independence, understanding and integrity of the external auditor, and the effectiveness of the external audit work and activities, taking into account the relevant rules and standards.
- Review the external auditor's plan for the company and its activities, ensuring that the external auditor does not provide any technical or managerial services beyond the scope of external audit works.
- Respond to inquiries from the Company's External Auditor.
- Study and review the reports of the external auditor and his comments on the financial statements, as well as follow up on the actions taken regarding them

Fourth: Verify compliance:

- Review the results of reports from regulatory authorities or supervisory bodies (if such reports exist) and ensure that the company has taken the necessary actions in response.
- Ensure the company's compliance with relevant laws, regulations, policies, and instructions.
- Review the contracts and proposed transactions that the company intends to enter into with related parties and provide recommendations to the Board of Directors regarding them.
- Inform the Board of Directors of any significant matters that require action and provide recommendations regarding the steps/actions that need to be taken.

❖ Members of the Audit Committee and Attendance Record of Committee Meetings:

S	Name	Membership Status	Number of meetings during 2023: eight meetings								Total Attendance
			Q1	Q2	Q3	Q4	5th	6th	7th	8th	
			27 /02/2023 AD	17 /04/2023 AD	2023/05/09	24/07/2023 AD	2023/09/18	2023/10/17	23 /10/2023 AD	14 /11/2023 AD	
1	Eng. Abdullah Khalifa Al-Buainain	Committee Chairman	Present	Present	Present	Present	Present	Present	Present	Present	8
2	Dr. Mohammed Faraj Al Kanani	Member	Present	Present	Present	Present	Present	Present	Present	Present	8
3	Eng. Mahmoud Saleh Al-Theeb	Member	Present	Present	Present	Present	Present	Present	Present	Present	8
4	Mr. Mohammad Farhan Al-Nader	Member	Present	Present	Present	Present	Present	Present	Present	Present	8

B. Nomination and Remuneration Committee:

❖ Terms of Reference of the Committee

First: With regard to remunerations:

- Prepare a clear policy for remuneration of members of the Board of Directors and the Board Committees and the Executive Management to enhance the motivation of the administrative staff and maintain distinguished key staff and present it to the Board of Directors for consideration in preparation for adoption by the General Assembly, taking into account that such policy shall follow and disclose criteria related to performance, and ensure implementation thereof.
- Clarify the relationship between the remunerations awarded and the applicable remuneration policy and indicate any material deviation from this policy.
- Periodically review the remuneration policy and assess its effectiveness in achieving objectives thereof.
- Provide recommendations to the Board in respect of remunerations of Board members, committees members and Senior Executives, in accordance with the approved policy.
- Supervise the evaluation of senior executives' performance in light of the company's annual objectives and goals related to business units and sectors, within the framework of the company's approved evaluation and rewards system, and recommending to the board the remuneration and bonuses due.
- Evaluating human resources programs, including talent acquisition and retention programs, performance management programs, succession planning, comprehensive remuneration and bonuses programs, and diversification of recruitment sources to enrich the cumulative experience, enabling the company to enhance overall institutional performance culture.

Second: With regard to Nominations:

- suggesting clear policies and standards for membership of the Board and the Executive Management.
- Recommend to the Board of Directors the nomination and re-nomination of members in accordance with the approved policies and standards, taking into account the non-nomination of any person who has already been convicted of breach of trust.
- Prepare a description of capabilities and qualifications required for membership of the Board of Directors and functions of the Executive Management.
- Determine the time a member should allocate to the work of the Board of Directors.
- Annual review of the required skills or experience requirements for Board Membership and Executive Management functions.
- Review the structure of the Board of Directors, Board Committees and Executive Management and make recommendations on possible changes.
- Annually verify the independence of independent members and check that there is no conflict of interest if the member is on the board of another company.
- Develop a job description for executive members, non-executive members, independent members and senior executives.
- Establish special procedures in the event of a vacancy in the membership of the Board of Directors or senior executives.
- Identify weaknesses and strengths in the board of directors, and propose solutions to address them in line with Sipchem interests.
- The Committee shall study the topics that are assigned to it or referred to it by the Board of Directors and submit its recommendations to the Board for decision-making.

- Ensure the company's compliance with the nomination procedures for board membership as stipulated in the company's governance regulations and the requirements set by the Capital Market Authority, while considering the possibility that the number of candidates for the board of directors presented to the general assembly may exceed the available seats, allowing the general assembly the opportunity to choose from among the candidates.
- Provide adequate training and orientation for new board members about the company's tasks and accomplishments to enable them to perform their duties effectively.
- Study cases of conflicts of interest for individuals seeking nomination for membership on the board of directors and make recommendations regarding them.

❖ **Members of the Nomination and Remuneration Committee and Attendance Record of Committee Meetings:**

S	Name	Membership Status	Number of meetings during 2023: four meetings				Total Attendance
			Q1	Q2	Q3	Q4	
			03/08/2023	06/07/2023	09/19/2023	11/29/2023	
1	Mr. Ahmed Ali Al-Dakhil	Committee Chairman	Present	Present	Present	Present	4
2	Mr. Saeed A. Basamah	Member	Present	Present	Present	Present	4
3	Mr. Firas Mazen Al-Abad	Member	Present	Present	Present	Present	4
4	Mr. Ziad A. Al-Turki	Member	Present	Present	Present	Present	4

C. Executive Committee:

❖ Terms of reference, functions and responsibilities of the Committee:

- Study the issues referred to the Committee by the Board of Directors and take appropriate decisions regarding them as delegated by the board.
- Supervise the development of Sipchem's short, medium and long-term strategic plans and submit the same to the Board for approval.
- Follow-up on and ensure implementation of Sipchem's overall strategy and its effectiveness in achieving the desired objectives, as well as review and update the same from time to time.
- Supervise the annual budgeting of Sipchem, review the proposals submitted by the Executive Management and submit recommendations to the Board for approval.
- Follow up on actual performance and submit the necessary recommendations to the Board.
- Study investment opportunities, whether in the area of buying shares or stakes in existing companies, or the acquisition of companies operating in the same field as Sipchem, and provide the necessary recommendations thereon to the Board.
- Provide the Board with periodic reports on the Committee's work results.
- The Committee periodically reviews and reassesses the suitability of these regulations, makes the proposed amendments and submits them to the Board.

❖ Members of the Executive Committee and Attendance Record of Committee Meetings:

S	Name	Membership Status	Number of meetings during 2023: Four meetings				Total Attendance
			Q1 03/20/2023	Q2 06/14/2023	Q3 09/13/2023	Q4 11/26/2023	
1	Mr. Fahad S. Al-Rajhi	Committee Chairman	Present	Present	Present	Present	4
2	Eng. Reyadh S. Ahmed	Member	Present	Present	Present	Present	4
3	Eng. Saeed O. Al-Esayi	Member	Present	Present	Present	Present	4
4	Eng. Abdullah Khalifa Al-Buainain	Member	Present	Present	Present	Present	4
5	Eng. Mosaed Suleiman Al-Ohail	Member	Present	Present	Present	Present	4

D. Governance Committee:

❖ Terms of reference, functions and responsibilities of the Committee:

- Review and update Sipchem's Governance Regulations and its annexes in accordance with the regulatory requirements and best practices.
- Review and develop a Professional Code of Conduct that reflects the values of Sipchem and other internal policies and procedures in a manner that meets the needs of the Company and is in line with best practices and submit the same to the Board for approval.
- Keep the Board Members always informed of developments in corporate governance and best practices.
- Annually review the Board report to ensure that Sipchem's obligations are in accordance with the relevant laws and regulations and submit a recommendation to the Board for approval to be presented to the Ordinary General Assembly for approval.
- Recommend to the Board everything that would enhance Sipchem's corporate governance practices.

❖ Members of the Governance Committee and Attendance Record of Committee Meetings:

Number of meetings during 2023: Three meetings						
S	Name	Membership Status	Q1 03/02/2023	Q2 06/08/2023	Q3 10/26/2023	Total Attendance
1	Mr. Abdulaziz A. bin Dayel	Committee Chairman	Present	Present	Present	3
2	Mr. Turki M. AlMarzouq	Member	Present	Present	Present	3
3	Mr. Faisal M. Al-Modlij	Member	Present	Present	Present	3

12) Methods Adopted by The Board of Directors to Assess the Board Performance:

Based on the assessments that were conducted in 2020 and 2021 for the board members, to ensure that the board of directors is fully aware of their roles and responsibilities towards the company during the board's term that ended on December 9, 2022, and since the board's term has ended, the previous assessments have sufficed. The board will take appropriate action regarding the assessments of its members during the current board term

13) Disclosure of Remunerations of Members of Board, Board Committees and Executive Management

Controls of Membership Remunerations in the Board and the Committees

The Nomination and Remuneration Committee shall recommend to the Board of Directors the remunerations of the members of the Board and the members of the committees, as follows:

- ❖ Taking into consideration the harmony of remunerations with Sipchem's strategy and objectives.
- ❖ Taking into account the practices of other companies and prevailing practices of the labor market in determining the remunerations, while avoiding the resulting unjustified increase of remunerations and compensations and within the limits stipulated by the Companies Law and its Implementing Regulations.
- ❖ The remuneration shall be reasonably sufficient to attract the members of the Board of Directors with the appropriate competence and experience.
- ❖ The remuneration should be fair and commensurate with the terms of reference of the member and the duties and responsibilities of the members of the Board of Directors or committees, in addition to the objectives set by the Board of Directors to be achieved during the fiscal year.
- ❖ Remuneration of the Board members may vary based on different responsibilities assigned to each member in addition to other considerations.
- ❖ Board members may not vote on Board members' remuneration items at the General Assembly Meeting of shareholders.

The Company shall disclose the remunerations of the Board, committee members and senior executives in the Board's Annual Report in accordance with the relevant regulations. The Board Report submitted to the Ordinary General Assembly must include a comprehensive statement of all remuneration, allowances and other benefits granted to Board members during a fiscal year. The Report must include a statement of all amounts received by the Board members in their capacity as employees or managers, or in return for technical or administrative duties or consultations. The Report must also include a statement of the number of Board meetings and number of meetings attended by each member as from the last General Assembly Meeting. The report shall include as well a statement of the number of Board meetings and the number of meetings attended by each member from the date of the last meeting of the General Assembly.

Mechanism of Remuneration of Board and Committee Members

- ❖ The Company's Articles of Association and the policy of remuneration and compensation of the Board and Executive Management shall determine the annual remuneration of the Board members while the committees' regulations shall specify remuneration and allowances of their members to be consistent with the Company's business, provided that amounts given to each member do not exceed the limits stipulated in Companies Law and Regulations thereof.
- ❖ Remuneration must be based on recommendations of the Company's Nomination and Remuneration Committee.
- ❖ Remuneration of Board and committee members shall be granted against their participation in meetings and the number of meetings they attend.
- ❖ Attendance allowance and other benefits related to Board and related committee meetings shall be paid immediately after each meeting. The board's annual remuneration shall be paid in full after being approved by the General Assembly.

Details of Remuneration of Board and Committee Members

❖ Board member remuneration

- The Board shall determine, based on recommendations of the Nomination and Remuneration Committee, the annual remuneration of the Board and Committee members.
- Remuneration of the Board members shall be a certain amount, meeting attendance allowance, in-kind benefits, or a certain percentage of net profits, noting that two or more of such benefits may be combined. In all cases, remuneration, allowances and other financial or in-kind benefits granted to a Board member may not exceed an amount of SAR 500,000 pursuant to the provisions of Companies Law and Regulations thereof, and in line with controls of the competent authorities. In case the remuneration of the Board members is a percentage of profits, such percentage should not exceed 10%.
- Board members who reside outside the Company headquarters, whether inside or outside the Kingdom, are entitled to compensation for travel costs to attend Board meetings. These costs include a round-trip ticket from the place of residence to the venue of the meeting as well as the costs associated with accommodation, transportation and attendance allowance.
- Upon recommendation of the Nomination and Remuneration Committee and after approval of the Board, the Board member shall be entitled to an annual remuneration of not more than SAR 300,000 in return for his membership in the Board in accordance with the eligibility mechanism set forth in Article (4) of this Policy.
- Upon recommendation of the Nomination and Remuneration Committee and after approval of the Board, the Board member participating in the Board committees shall be entitled to an annual remuneration not exceeding SAR 100,000 in return for his membership in the Board committees whether the member is a participant in one or more committees, including remuneration granted against membership in the Audit Committee” in accordance with the eligibility mechanism described in Article (4) of this Policy.
- Upon recommendation of the Nomination and Remuneration Committee, the Chairman of the Board shall determine the remuneration of membership in the committees in which the member is appointed from outside the Board so that such remuneration does not exceed SAR 100,000.
- The Board may, upon recommendation of the Nomination and Remuneration Committee, from time to time review the annual remuneration of the Board member referred to above in the light of the variables related to performance, provided that remuneration, allowances and other financial or in-kind benefits granted to the Board member shall not exceed the amount of SAR 500,000 in accordance with the provisions of the Companies Law and its regulations and in accordance with the regulations set by the competent authorities.

Remuneration of Board Members

	Fixed Remuneration						Variable Remuneration									
	specific amount	Allowance for attending Board sessions	Sum of attendance allowance for committees'	In-kind benefits	Remuneration of technical,	Remuneration of the Chairman of Board, Managing Director or Secretary of Board,	Total	Percentage of Profits	Periodic remunerations	Short-term incentive plans	Long-term incentive plans	Shares awarded	Total	EOS gratuity	Grand total	Expenses allowances (transportation, accommodation)
Khalid A. Al-Zamil	-	12,000	-	-	-	-	12,000	-	300,000	-	-	-	312,000	-	-	-
Abdulrahman A. Al-Zamil	-	12,000	-	-	-	-	12,000	-	300,000	-	-	-	312,000	-	-	3,400
Fahad S. Al-Rajhi	-	12,000	12,000	-	-	-	24,000	-	400,000	-	-	-	424,000	-	-	14,280
Saeed O. Al-Esayi	-	12,000	12,000	-	-	-	24,000	-	400,000	-	-	-	424,000	-	-	-
Reyadh S. Ahmed	-	12,000	12,000	-	-	-	24,000	-	400,000	-	-	-	424,000	-	-	17,316
Saeed A. Basamah	-	12,000	12,000	-	-	-	24,000	-	400,000	-	-	-	424,000	-	-	9,694
Ziad A. Al-Turki	-	9,000	12,000	-	-	-	21,000	-	400,000	-	-	-	421,000	-	-	-
Yusef A. Al-Zamil ⁽¹⁾	-	-	-	-	-	-	-	-	80,000	-	-	-	80,000	-	-	2,620
Abdullah Khalifa Al-Buainain ⁽²⁾	-	12,000	36,000	-	-	-	48,000	-	320,000	-	-	-	368,000	-	-	1,700
Abdulaziz A. bin Dayel ⁽³⁾	-	-	9,000	-	-	-	9,000	-	400,000	-	-	-	409,000	-	-	11,320
Ayidh M. Al-Qarni ⁽³⁾	-	-	-	-	-	-	-	-	400,000	-	-	-	400,000	-	-	9,920
Ahmed Saad Al-Sayyari ⁽³⁾	-	-	-	-	-	-	-	-	375,000	-	-	-	375,000	-	-	7,300
Mosaed Suleiman Al-Ohail ⁽⁴⁾	-	12,000	12,000	-	-	-	24,000	-	-	-	-	-	24,000	-	-	-
Firas Mazen Al-Abad ⁽⁴⁾	-	12,000	12,000	-	-	-	24,000	-	-	-	-	-	24,000	-	-	-
Ahmed Ali Al-Dakhil ⁽⁴⁾	-	12,000	12,000	-	-	-	24,000	-	-	-	-	-	24,000	-	-	-
Total	-	198,000	192,000	-	-	-	378,000	-	4,155,000	-	-	-	4,445,000	-	-	77550

- 1) The resignation of board member Engineer Yousef Al-Zamil as of 1 April 2022.
- 2) The appointment of board member Engineer Abdullah Al-Buainainon on 25 April 2022.
- 3) The end of the membership of the board of directors' members on 9 December 2022.
- 4) The election of board members for the new term, which commenced from 10 December 2022, until 9 December 2025.

Committee members' Remunerations:

	Fixed Remuneration	Session attendance allowance	Total
Audit Committee Members			
Mr Ayidh M. Al-QarniHis membership ended on 22 December 2022.	100,000	-	100,000
Mohammed F. Al-Zahrani	100,000	24,000	124,000
Mohammad F. Al-Nader	100,000	24,000	124,000
Abdullah Khalifa Al-Buainain His membership commenced on 12 December 2022.	-	24,000	-
Mahmoud Saleh Al-TheebHis membership commenced on December 22, 2022, and until December 11, 2023.	-	24,000	-
Total	300,000	96,000	348,000
Executive Committee Members			
Fahad S. Al-Rajhi	100,000	12,000	112,000
Reyadh S. Ahmed	100,000	12,000	112,000
Saeed O. Al-Esayi	100,000	12,000	112,000
Abdullah Khalifa Al-Buainain His membership commenced on 25 April 2022.	80,000	12,000	92,000
Mosaed Suleiman Al-OhailHis membership commenced on 12 December 2022.	-	12,000	12,000
Ayidh M. Al-QarniHis membership ended on 9 December 2022.	100,000	-	100,000
Yousef A. Al-ZamilThe member resigned on 1 April 2022.	20,000	-	20,000
Total	500,000	60,000	560,000
Members of the Nomination and Remuneration Committee			
Fahad S. Al-RajhiHis membership ended on 9 December 2022.	Not applicable ⁽¹⁾	-	-
Ziad A. Al-Turki	100,000	12,000	112,000
Abdulaziz A. bin DayelHis membership ended on 9 December 2022.	100,000	-	100,000
Saeed A. Basamah	100,000	12,000	112,000
Ahmed Saad Al-SayyariHis membership ended on 9 December 2022.	75,000	-	75,000
Firas Mazen Al-AbadHis membership commenced on 12 December 2022.	-	12,000	12,000
Ahmed Ali Al-DakhilHis membership commenced on 12 December 2022.	-	12,000	12,000
Total	375,000	57,000	423,000
Governance Committee Members			
Abdulaziz A. bin Dayel	100,000	9,000	109,000
Turki M. AlMarzouq	100,000	9,000	109,000
Najm Abdullah Al-ZaidThe member resigned on 29 June 2022.	33,333	-	33,333
Faisal M. Al-ModlijAppointed to the Governance Committee on 29 June 2022.	33,333	9,000	42,333
Total	266,666	27,000	293,666

⁽¹⁾A board member participating in committees established by the board is entitled to an annual allowance not exceeding 100,000 Saudi Riyals, in return for their membership in the board committees, whether the member participates in one or more committees.

Mechanism of Remuneration of Senior Executives

- The Board shall determine types of remuneration granted to the Company's senior executives - based on recommendations of the Nomination and Remuneration Committee - such as fixed remuneration, performance-based remuneration, and incentives.
- Remuneration is intended to promote competitiveness required to attract and retain qualified and competent employees and to maintain the highest level of skills that the Company needs.

Remunerations of Senior Executives - Five of the Senior Executives who have received the highest remunerations from Sipchem, including the CEO and CFO as detailed in the table below:

	Fixed Remuneration				Variable Remuneration					EOS gratuity	Total remunerations of Board Executives, if any	Grand total
	Salaries	Allowances	In-kind benefits	Total	Periodic remunerations	Profits	Short-term incentive plans	Long-term incentive plans	Granted shares (insert the value)	Total		
Senior Executives Remunerations Including CEO and CFO	8,854,569	3,028,453		11,883,022	2,484,536			7,577,374		10,061,910	2,148,467	24,093,399

14) Any Penalty, Sanction or Precautionary Measure

There are no penalties, sanctions, precautionary measures or precautionary attachments imposed on Sipchem by CMA or any other supervisory, regulatory or judicial authority.

15) Results of Annual Review of Internal Audit Procedures

- The Internal Audit Department of Sipchem provides assurance and consulting services independently and objectively in order to add value, improve operations and achieve the strategic goals of Sipchem.
- The Internal Audit Department assists Sipchem in achieving its goals through evaluating and improving the effectiveness of the internal control system, risk management and governance processes.
- The Internal Audit Department follows the risk-based audit methodology, through which the audit work is directed towards the most risky and important activities and works of Sipchem. In accordance with the best professional practices, Sipchem annual audit plan is prepared on the basis of risks.

The scope of work of the Internal Audit Department in Sipchem includes the review of activities, operations, risk management procedures, internal control systems, information systems, governance processes, and assistance in discovery and protection against fraud, deceit, and embezzlement. All activities, functions, departments and branches of Sipchem and its subsidiaries fall within the scope of the Internal Audit Department.

During 2023, the Internal Audit Department carried out several periodic and special audits according to the annual audit plan approved by the Audit Committee with the aim of giving the necessary assurances regarding the effectiveness and efficiency of internal control and risk management in Sipchem, with a focus on activities and functions with high risks. The Internal Audit Department also provides consulting services for the purpose of contributing to the Executive Management to improve the efficiency and effectiveness of Sipchem's various operations, in addition to contributing to the audit of the interim and annual financial statements.

Audit Committee's opinion on the adequacy of Sipchem's internal control system

The internal audit activities and processes referred to above did not show the existence of substantial observations during 2023, and the internal audit activities and processes demonstrated the adequacy and effectiveness of the internal control system, the existence of good risk management and the efficiency of governance processes.

16) Recommendation made by the Audit Committee on the need for the appointment of an internal auditor in Sipchem

There was no recommendation made by the Committee as Sipchem already has an Internal Audit Department performing internal auditor functions.

17) Audit Committee's recommendations contradicting the Board's resolutions or rejected by the Board on appointing and dismissing Sipchem's auditor, determining relevant fees and assessing the performance thereof, or the appointment of the internal auditor, along with justifications for these recommendations and reasons for

There is no contradiction between the Audit Committee's recommendations and the Board's decisions.

18)Details of Social Contributions

Sipchem believes that its social responsibility is a commitment to the community to achieve cooperation and solidarity. It also believes in the necessity of contributing to bringing about change that benefits individuals and local communities. This comes in pursuit of its goals of sustainability, environmental preservation, and supporting the local economy. This is achieved through activating initiatives, and contributions, and implementing community programs that align with Sipchem's strategy, which in turn aligns with the Kingdom's Vision 2030.

We strive hard to inspire people and empower society to invest therein. Year after year, we are working to improve, develop and activate our approach and way of dealing with society to achieve high returns and benefits at all levels of projects.

Sipchem's corporate social responsibility strategy (Sipchem Cares) is based on four main pillars, which are:

Health, Environment and Safety

Social Programs and Volunteer.

Education and Culture

Support local businesses and entrepreneurship's Programs

After we accomplished many significant achievements over the past years, Sipchem is committed to giving back to the community. We prioritize our community through various social development programs and initiatives, which aim to enhance the quality of the strategic outputs "Sipchem Cares" for community responsibility.

In 2023, Sipchem succeeded in carrying out the defined and various projects and social programs, which covered over 76% of the Kingdom's cities and provinces. Since 2007, We have also reached about 4 million beneficiaries. In 2023, Sipchem launched 100 community initiatives, through which our employees contributed to activating volunteer work and achieving 3,000 volunteer hours. 2023 was a year full of events in which "Sipchem" dedicated all its efforts to accomplish great achievements that grew and flourished in various fields and levels. These efforts have yielded continuous and impactful results, leaving a lasting positive mark on the community. Sipchem proudly and confidently fulfilled its social responsibility on the ground

19) Statement of dates of general assemblies of shareholders held during 2023 and names of Board Members who attend these general assemblies

The General Assembly was held on **May 10th, 2023**.

Here are the names of the Board Members Attendees:

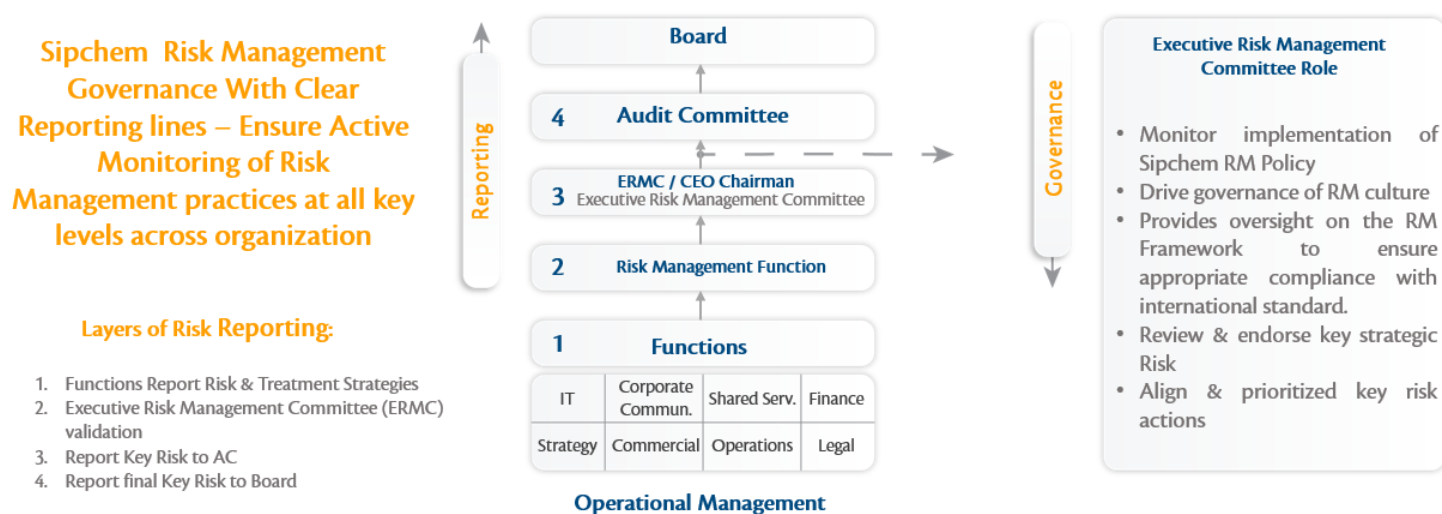
S	Name	Attendance
1	Eng. Khaled Abdullah Al-Zamil	Present
2	Mr. Fahad Suleiman Al-Rajhi	Present
3	Dr. Abdulrahman A. Al-Zamil	Present
4	Eng. Reyadh S. Ahmed	Present
5	Mr. Saeed A. Basamah	Present
6	Eng. Abdullah Khalifa Al-Buainain	Present
7	Eng. Saeed O. Al-Esayi	Present
8	Mr. Ziad A. Al-Turki	Present
9	Eng. Mosaad Suleiman Al-Ohali	Present
10	Mr. Firas Mazen Al-Abad	Present
11	Mr. Ahmed Ali Al-Dakhil	Present

20) Information on any risks facing the company.

Risk management is an integral part of Sipchem's strategy to achieve organizational objectives to maximize the shareholder value by taking the calculated risk. Integrating enterprise risk management practices across an organization improves decision-making in governance, strategy, objective-setting, and day-to-day operations.

The Board, as part of its role in providing strategic oversight and supervision of the Company, is responsible for protecting investors' interests by maintaining effective risk management and internal control systems. The Executive Risk Management Committee is fostering a culture of risk management using leading standards through risk management department. Accordingly, the concerned department implements, identifies, evaluates, and develops appropriate procedures for dealing with risk management practices in the normal course of business activities or managing risks that may affect the organizational strategies.

Based on the leading practices and regulations of CMA, Sipchem's governance structure of the risk management system is as follow:



Implementation of the Risk Management System and Organizational Structure:

Sipchem's Board of Directors has assigned the responsibility of Sipchem's risk management systems and processes to the Board Audit Committee. The Audit Committee is responsible for leadership, direction, and oversight with respect to the Company's risk appetite, risk tolerance, risk framework, and risk strategy as well as governance of strategic, financial, operational, and environmental, social and governance (ESG) related risks. The Executive Risk Management Committee (ERMC) is responsible for developing and implementing risk management systems and processes as a framework for the Company. Sipchem's risk management functionally reports to the Executive Risk Management Committee.

Sipchem's Risk Management Policies and Practices:

Sipchem developed a risk management policy to govern the risk management activities within Sipchem & its affiliates. Furthermore, the policy was approved by the Board to establish the tone within organization for promoting risk culture and formalizing consistent risk management processes and practices.

Sipchem Risk Management Framework:

Sipchem implemented a comprehensive risk management framework through a system based on ISO 31000 principles and guidelines (accompanied by ISO 22301 business continuity Management), consistently informed the Board about critical strategic, financial, operational and compliance risks and align with strategic objective to ensure safety of its people and assets, and continuity of products or services delivery in the event of crisis/disaster.

Risk Factors for Sipchem & its Affiliates

Sipchem is exposed to several risks that limit its ability to achieve its strategic, operational, and financial objectives. There is no certainty that risk management activities will prevent occurrence of such risks. However, the management shall closely monitor such risks while taking preventive measures and controls to address the same. The following risks, which are identified as material, do not necessarily comprise all the risks affecting Sipchem.

- **Geopolitical Environment**

Regional geopolitical instability may result from sanctions or unexpected political conflicts, which may lead to a decline of revenues and shareholder values.

- **Cybersecurity Incidents**

Cybersecurity incidents [IT/OT] may cause disruptions in manufacturing processes, ERP transactions, data losses and reputational damages further cause sustained disruption to critical physical and digital infrastructure.

- **On-Site Major Plant Explosion**

On site, major plant explosion incident, causing prolonged plant output loss, potential loss of lives or casualties, significant financial losses and Sipchem reputation.

- **Sustainability**

Significant delay in acknowledging required changes to existing assets, business volume and business model adaptation for sustainability is impacting organizational change (globally) and scrutiny on operational resilience, products and services

- **Succession Challenges**

This challenge is the ability to attract and retain the best talent and address the challenges of employee succession and competencies in new areas such as digitalization and sustainability.

- **Evolving Technologies**

The company's framework is characterized by a strategic response to evolving technologies (e.g. non-fossil plastics strategy) as well as market trends (circular economy) that may jeopardize the supply and demand fundamentals of the key value chain..

- **Major Maritime Shipping Incident/Explosion**

Maritime incident or accident at sea, in transit or in port (e.g., explosion, fire or environmental contamination) may result in major financial loss, imposition of fines and penalties, and significant damage to Sipchem's reputation and shareholder value.

- **Increasing Feedstock Prices in KSA**

Strategic Response in the Sipchem Business Model to Feedstock Price Increase in the Kingdom of Saudi Arabia.

- **Capital Investment Growth Projects / Value Creation from M&A Deals**

In pursuing capital investment for growth projects and Merger and acquisition deals SIPCHEM may face risks from market volatility, regulatory uncertainties, integration challenges, and the potential for strategic misalignment.

- **Liquidity Crunch**

Liquidity crises in the Saudi Capital Market may cause an increase in base rates/profit margins, a focus on the exposure of local bank financing, which may lead to high loan cost/excessive lending.

21) Significant differences in operating results from previous year results:

STATEMENTS	2023	2022	Change +/-	% of change
Sales/ Revenue	7,617.94	10,253.63	(2,635.7)	-25.7%
Gross profit	2,168.47	4,838.68	(2,670.5)	-55%
Operating profit	1,418.97	4,046.99	(2,628)	-65%
Net profit yields to shareholders	1,174.99	3,595.29	(2,338)	-67%

During 2023, the net profit decreased by 67% compared to 2022. This is attributed mainly to:

- Decrease in Revenue as a result of the decrease in selling prices for company's products
- Decrease in sales volumes due to the periodic turnaround maintenance activities of International Methanol Company and International Diol Company, in spite of the decline in the prices of raw materials.

22) Clarification of any difference for the accounting standards approved by the Saudi Authority for Auditors and Accountants.

- There is no difference from the approved accounting standards.

23) Each subsidiary's name, share capital, percentage of Sipchem's shareholding therein, main activity, country of operations, and country of incorporation.

Subsidiary's name	Capital SAR 1 million	Percentage of the company's ownership	Main Activity	Country of operations	Country of incorporation
International Methanol Company	360.97	65%	Production of Methanol (methyl alcohol)	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia

International Diol Company	431.25	100%	Production of Butanediol (BDO), Maleic Anhydride (MAAn), Tetrahydrofuran (THF) and gamma-Butyrolactone (GBL)	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Sahara Petrochemicals Company	2,388	100%	It operates as a holding company whose main activity is concentrated in the petrochemical sector	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
International Vinyl Acetate Company Ltd.	676	100%	Production of Vinyl Acetate Monomer	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Al WAHA Petrochemicals Company	1,660	75%	Production of propylene and polypropylene	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
International Acetyl Company Limited (IAC)	1.003	100%	Production of Acetic Acid (AA) and Acetic Anhydride (AAn)	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Tasnee & Sahara Olefins Company (TSOC)	2,830	32.55%	Establishment, management, operation, ownership and investment in industrial projects, particularly petrochemical and chemical industries in addition to marketing their products and performing all related activities.	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
International Gases Company	425.4	100%	Production of carbon monoxide and hydrogen	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Saudi Ethylene and Polyethylene Company (SEPC)	2,737.5	24.41%	Production of propylene, ethylene, high-density polyethylene and low-density polyethylene.	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Sipchem Marketing Company	2	100%	Marketing and sales of petrochemicals and plastics	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia

Saudi Acrylic Acid Company (SAAC)	1,777	43.16%	Establishment, management, operation and ownership of acrylic acid and its derivatives production projects, and petrochemical and chemical industrial projects.	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Saudi Acrylic Monomer Co. Ltd. (SAMCO)	1,084.5	32.37%	Production of acrylic acid derivatives: Acrylic Acid Butyl Acrylic Diethylhexyl Acrylic Glacial Acrylic Acid	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
International Utilities Company (IUC)	2	91.20%	Management, operation and maintenance of utilities and facilities for Sipchem's subsidiaries.	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
International Polymers Company	703	75%	Production of Polyvinyl acetate, Polyvinyl alcohol, polyethylene wax, Low-Density Polyethylene and ethylene and vinyl acetate copolymers.	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Saudi Acrylic Polymer Company (SAPCO)	416.4	32.37%	Ownership, management and operation of super absorbent polymers plant within the integrated acrylics complex project	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Sahara & Ma'aden Petrochemicals Company (SAMAPCO)	900	50%	Design, construction, ownership and operation of an integrated plant for the production of chlorine, caustic soda, and ethylene dichloride	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Sipchem Chemicals Company	266	100%	Production of Ethyl Acetate, Butyl Acetate, Polybutylene Terephthalate, and Tetrahydrofuran	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Saudi Butanol Company (SABUCO)	486	14.38%	Production of n-butanol and isobutanol	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia

Sahara Marketing Company	0.5	100%	Marketing and wholesale of petrochemical products	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Gulf Advanced Cable Insulation Company	57	50%	Cable Insulation Polymers products	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Khair Inorganic Chemical Industries (INOCHEM)	800	30%	Production of sodium carbonate, dense vs light soda ash, calcium chloride and calcium carbonate	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Saudi Specialized Products Company (Wahaj)	56	100%	Production of metal molds used for plastics industries and maintenance of metal molds in addition to producing transparent films.	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Sipchem Asia Pte Ltd	0.752	100%	Marketing Sipchem's products in Asia	Singapore	Singapore
Saudi Advanced Technologies Company	5	100%	Metal formation by hammering, pistons, casting, rolling, making structures for motor vehicles, making parts, accessories and engines for motor vehicles.	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Linde Sipchem Industrial Gas Company	5	50%	Production of Raw Gases and Industrial Gases	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Sipchem Europe Cooperative U.A and its subsidiaries	Million CHF	100%	Provide administrative support to the logistic and marketing aspects	Switzerland	Switzerland
Sipchem Innovent S.A	\$ 300	100%	Innovation, research and development, venture capital, and investment in general	Switzerland	Switzerland

24) Details of shares and debt instruments issued for each subsidiary

There are no debt instruments convertible into shares or any subscription notes or similar rights issued or granted by the Company during 2023. There are also no rights of transfer or subscription under debt instruments convertible into shares, option rights, warrants or similar rights issued or granted by the Company during the year 2023.

25) A Description of Sipchem's Policy in Distributing Dividends

The annual net profits of the Company are distributed according to Article (48) of Sipchem's articles of association, after deducting all general expenses and other costs as follows:

- A percentage representing (10%) of the net profits shall be set aside to form a statutory reserve for the Company, and the Ordinary General Assembly may cease such practice whenever the mentioned reserve reaches 30% of the paid share capital.
- The Ordinary General Assembly, based on the proposal of the Board of Directors may retain a certain percentage of the net profits to form a consensual reserve and allocate such reserve for purposes beneficial to the Company.
- The Ordinary General Assembly may decide to create other reserves, to the extent that serves the interest of the Company or guarantees the distribution of fixed profits as possible to the shareholders. The Ordinary General Assembly may also deduct amounts from the net profits to incorporate social institutions for Sipchem's employees or to assist the institutions that may exist.
- The remaining amount thereafter shall be distributed among shareholders, with a proportion not less than (5%) five per cent of the paid share capital.
- Subject to the provisions of Article (22) twenty-second of this law, and Article (76) seventy-six of the Companies Law, which after the above allocates a percentage not exceeding (10%) ten percent of the remaining amount for remuneration of the Board of Directors, provided that entitlement to such remuneration shall be prorated to the number of sessions attended by each member.

The Company may also distribute profits to its shareholders periodically, quarterly or semi-annually, if its financial capabilities permit, provided that the Company, when doing so, adheres to the conditions, controls and instructions issued about the same by the competent authorities

The dividends to be distributed according to Article (49) of the Articles of Association shall be paid to the shareholders at the place and dates specified by the Board in accordance with the instructions issued by the Ministry of Commerce and Investment and the Capital Market Authority.

Sipchem's Board of Directors has made its recommendations on the first half and the second half of the financial year 2023 as follows:

Profit ratios distributed during the year			Proposed year-end dividend profit ratios	Gross Profit
	21 July 2023 AD	11 December 2023 AD		
Percentage	12.5	%7.5	20%	-
Total	906402.488.75	543,841,493	-	1,450,243,981.75

26) Description of any interest in the voting shares category held by persons (save the members of Sipchem's Board of Directors, senior executives and their relatives) who informed the Company of such rights under Article Eighty-five of the Registration and Listing Rules and any change in such rights during the fiscal year 2023 AD

The Company did not receive notice of any interests belonging to persons in the voting shares or a change in such rights.

27) Description of Any Interests, Contractually Based Securities and Subscription Rights of Sipchem's Board Members, Senior Executives and Their Relatives in Shares or Debt Instruments of the Company or Any of Its Subsidiaries, Together with Any Change in These Interests or Rights During 2023

A description of any interests held by the Board Members, their wives and adolescent children in the shares or debt instruments of the Issuer:

S	Name	Shares on 1 January 2023 AD		Shares on 31 December 2023 AD		Net Change	Change Percentage	Ownership of first-degree relatives and its change
		Number	Ownership %	Number	Ownership %			
1	Eng. Khalid A. Al-Zamil	334,240	0.04558%	334240	0.04558%	0	0	-
2	Dr. Abdulrahman A. Al-Zamil	692,533	0.094%	692533	0.094%	0	0	-
3	Mr. Fahad S. Al-Rajhi	7,000,000	0.95%	7121201	0.971%	0	0	-
4	Mr. Saeed O. Al-Esayi	7,077,885	0.9651%	7077885	0.9651%	0	0	-
5	Eng. Reyadh S. Ahmed	0	0%	0	0%	0	0	-
6	Mr. Mosaed Suleiman Al-Ohail	0	0%	0	0%	0	0	-
7	Mr. Saeed A. Basamah	0	0%	0	0%	0	0	-
8	Mr. Ziad A. Al-Turki	995,000	0.1356%	995,000	0.1356%	0	0	-
9	Mr. Firas Mazen Al-Abad	0	0%	0	0%	0	0	-
10	Mr. Ahmed Ali Al-Dakhil	168	%0.00002	168	%0.00002	0	0	-
11	Eng. Abdullah Khalif Al-Buainain	49,000	%0.00668	49,000	%0.00668	0	0	-

A description of any interests held by the Senior Executives, their wives and adolescent children in the shares or debt instruments of the Issuer:

S	Name	Shares on 1 January 2023 AD		Shares on 31 December 2021 AD		Net Change	Change Percentage	Ownership of first-degree relatives and its change
		Number	Ownership %	Number	Ownership %			
1	Eng. Abdullah S. Al-Saadoon	50,000	0.00681	60000	0.0082	10000	20%	-
2	Eng. Ibrahim Abdulaziz Al Rashoud	51,222	0.0069	51,222	0.0069	0	0	-
3	Eng. Mater Athshan Al Dhafeeri	35,000	0.00477	50000	0.0068	15000	43%	-
4	Mr. Rushdi K. Al-Dulijan	0	0%	0	0%	0	0	-
5	Eng. Omar S. Bahobail	21,000	0.00286	21,000	0.00286	0	0	-
6	Mr. Fahad Mansour Al-Ohaly	72,183	0.00984	87,000	0.0118	14817	20%	-

There is no interest in securities, contractual rights, or subscription rights belonging to the members of the board of directors of the company, senior executives, or their relatives in shares or debt instruments of subsidiary companies.

28) Information Related to Any Loans owed by the Company (Million Riyals)

Sahara International Petrochemical Company							
Loan lender	Loan Tenor	Principal amount of loan	Beginning of the year balance	Reclassification	Withdrawals made during the year	Payments made during the year	End of the year balance
Commercial banks Long-term loans	5-7	4,425	1,869	-	-	581	1,288
Commercial banks Short-term loans	6 months	100	-	-	100	100	-

International Diol Company							
Loan lender	Loan Tenor	Principal amount of loan	Beginning of the year balance	Reclassification	Withdrawals made during the year	Payments made during the year	End of the year balance
Long-term loans from Partners	unspecified	740	461	-	-	-	461

International Gases Company							
Loan lender	Loan Tenor	Principal amount of loan	Beginning of the year balance	Reclassification	Withdrawals made during the year	Payments made during the year	End of the year balance
Commercial banks Long-term loans	4	300	162	-	-	70	92

Information Related to Any Loans owed by the Company (Million Riyals)

International Polymers Company							
Loan lender	Loan Tenor	Principal amount of loan	Beginning of the year balance	Reclassification	Withdrawals made during the year	Payments made during the year	End of the year balance
Commercial banks Long-term loans	5	700	665	-	-	70	595

Sipchem Chemicals Company							
Loan lender	Loan Tenor	Principal amount of loan	Beginning of the year balance	Reclassification	Withdrawals made during the year	Payments made during the year	End of the year balance
Long-term loans from Partners	Unspecified	812	812	-	18	-	830

Gulf Advanced Cable Insulation Company							
Loan lender	Loan Tenor	Principal amount of loan	Beginning of the year balance	Reclassification	Withdrawals made during the year	Payments made during the year	End of the year balance
Long-term loans from Partners	Unspecified	3	2	-	-	0.2	1.8

Saudi Specialized Products Company							
Loan lender	Loan Tenor	Principal amount of loan	Beginning of the year balance	Reclassification	Withdrawals made during the year	Payments made during the year	End of the year balance
Long-term loans from Partners	Unspecified	-	-	-	-	-	-

Saudi Advanced Technologies							
Loan lender	Loan Tenor	Principal amount of loan	Beginning of the year balance	Reclassification	Withdrawals made during the year	Payments made during the year	End of the year balance
Short-term loans from Partners	Unspecified	-	-	-	-	-	-

Information Related to Any Loans owed by the Company (Million Riyals)

Sahara and Ma'aden Petrochemicals Company SAMAPCO							
Loan lender	Loan Tenor	Principal amount of loan	Beginning of the year balance	Reclassification	Withdrawals made during the year	Payments made during the year	End of the year balance
Commercial banks Long-term loans	11.6	2,250	1,525	-	-	-	1,525

Al Waha Petrochemical Company							
Loan lender	Loan Tenor	Principal amount of loan	Beginning of the year balance	Reclassification	Withdrawals made during the year	Payments made during the year	End of the year balance
Commercial banks Long-term loans	12	1,964	845	-	-	355	490
Saudi Exim Bank	1	262.5	-	-	262.5	-	262.5

29) Description of categories and numbers of any convertible debt instruments and any contractual or subscription rights or similar rights issued or granted by the company during the fiscal year, with an explanation of any compensation received by the company in return.

N/A

30) Description of any transfer or subscription rights under convertible debt instruments contractual securities or similar subscription notes issued or granted by the company.

N/A

31) Description of any redemption, purchase, or cancellation by the company of any redeemable debt instruments and the remaining value of the securities, distinguishing between listed securities purchased by the company and those purchased by its subsidiaries.

N/A

32) The number of board meetings held during the fiscal year 2023, the dates of these meetings, and the attendance record for each meeting, indicating the names of the attendees.

The board of directors of Sahara Global Petrochemicals Company held four meetings during the year 2023, and the following table shows the attendance and date of each meeting:

S	Name	04/03/2023	06/21/2023	09/27/2023	12/11/2023	Total Attendance
1	Eng. Khaled Abdullah Al-Zamil	Present	Present	Present	Present	4
2	Mr. Fahad S. Al-Rajhi	Present	Present	Present	Present	4
3	Dr. Abdulrahman A. Al-Zamil	Present	Present	Present	Present	4
4	Eng. Reyadh S. Ahmed	Present	Present	Present	Present	4
5	Mr. Saeed A. Basamah	Present	Present	Present	Present	4
6	Eng. Abdullah Khalifa Al-Buainain	Present	Present	Present	Present	4
7	Eng. Saeed O. Al-Esayi	Present	Present	Present	Present	4
8	Mr. Ziad A. Al-Turki	Present	Present	Absent	Present	3
9	Eng. Mosaad Suleiman Al-Ohali	Present	Present	Present	Present	4
10	Mr. Firas Mazen Al-Abad	Present	Present	Present	Present	4
11	Mr. Ahmed Ali Al-Dakhil	Present	Present	Present	Present	4

33) Number of Company's requests for shareholders' register and dates and reasons for those requests.

S	Request date	Request reasons
1	Jan 11, 2023	company procedures
2	01 February 2023	company procedures
3	08 Mar 2023	company procedures
4	28 Mar 2023	company procedures
5	03 May 2023	company procedures
6	08 May 2023	General Assembly
7	01 June 2023	company procedures
8	04 July 2023	company procedures
9	03 Aug 2023	company procedures
10	03 September 2023	company procedures
11	04 October 2023	company procedures
12	02 November 2023	company procedures
13	05 Dec 2023	company procedures

34) Description of any Transactions between Sipchem and Related Parties

Transactions with the related parties represent transactions with the shareholders, the sister companies, associate companies, partners, the Board of Directors and the entities wholly or jointly controlled or materially influenced by the related parties. The Group conducted the following transactions with the related parties during 2023:

Name	Nature of the transaction	Relationship
Japan- Arabia Methanol Company Limited ("JAMC")	Sales	shareholder in a subsidiary
Hanwha Chemical Malaysia Sdn Bhd ("Hanwha")	Sales	shareholder in a subsidiary
Sahara and Ma'aden Petrochemicals Company ("SAMAPCO")	Joint Services Cost, Employee Unit Ownership Program Cost	A joint-venture of a subsidiary
National Manufacturing Company ("Tasnee")	Acquisition of Feedstock supplies rights and marketing arrangements	Shareholder in an associate company
Basell Arabia Investments Limited and its associates ("Lyondell Basell")	Sales	Shareholder in joint operations of a subsidiary
Saudi Ethylene & Polyethylene Company ("SEPC")	Sales	Associate Company
Linde Sipchem Industrial Gases Company ("LSIG")	Expense paid on behalf of joint-venture	A joint-venture
Gulf Advanced Cable Insulation Company ("GACP")	Expense paid on behalf of joint-venture	A joint-venture

The Company and non-controlling equity shareholders have provided loans to group companies to support their operations and comply with debt requirements. Long-term loans carry financing charges at market rates and have specified maturity dates according to agreed upon repayment schedules.

The prices and terms of the above transactions are approved by the Board of Directors of Group's subsidiaries. The above transactions resulted in the following balances with the related parties as at December 31, 2023:

- Trade receivables:

Million Riyals

Names	2023	2022
LyondellBasell Industries NV and an associate company	201	186
Hanwa Chemical Malaysia SDN. BHD.	70	86
Japan- Arabia Methanol Company Limited	72	50
Total	343	322

- **Prepayments and other current assets**

(Million Riyals)

Name	2023	2022
SAMAPCO	41	38
LyondellBasell Industries NV	9	10
Linde Sipchem Industrial Gases Company	1	1
Gulf Advanced Cable Insulation Company	1	-
Total	52	49

- **Accrued Expenses and Other Current Liabilities**

Million Riyals

Name	2023	2022
SAMAPCO	91	49
LyondellBasell Industries NV	53	54
Hanwa Chemical Malaysia SDN. BHD.	6	7
Gulf Advanced Cable Insulation Company	0	-
Total	150	110

35) Information Related to Any Business or Contracts, in Which the Company is a Party, or in Which There Was an Interest for a Board Member or its Senior Executives or Any Person Related to Any of Them, Including the Names of Those Involved in the Business or Contracts, the Nature of Such Business or Contracts, Terms, Duration and Amount of the Same. In Case of Lack of Such Business or Contracts, the Company shall provide a Declaration in This Regard.

N/A

36) Statement of Any Arrangements or Agreement, Under Which a Board Member or a Senior Executive Has Waived Any Remunerations.

There is no arrangement or agreement, under which a Board Member or a senior executive has waived any remuneration.

37) Statement of Any Arrangements or Agreement, Under Which a Shareholder of the Company Has Waived Any Rights to Profits.

There is no arrangement or agreement, under which a shareholder of the Company has waived any rights to profits.

38) Statement of Regular Paid and Payable Payments of Any Zakat, Taxes, Fees or Any Other Payables that Were Not Paid Until the End of the Annual Fiscal Period with a Brief Description of the Same and Description of the Reasons

Regulatory due payments:

Million Riyals

STATEMENT	Payments made during the year 2023	Outstanding and unpaid up to the end of annual fiscal year	Brief description	Reasons
ZATCA	147.9	299.6	Zakat	Obligatory
ZATCA	75.5	(15.1)	Tax	Obligatory
GOSI	66.7	-	Subscriptions	Obligatory
Labor Office Fees	1.7	-	Fees	Obligatory

39) Statement of Any Investments or Reserves Established for the Interest of Employees of the Company

Sipchem's success is mainly attributed to its distinguished ability and constant endeavors to attract qualified personnel. Sipchem has been successful in creating an environment in which employees are proud to work; a very professional transparent one, which encourages high performance and effective engagement at all levels of management in all of Sipchem's subsidiaries. Sipchem cares about ensuring its personnel's job satisfaction to help them achieve their career ambition; Sipchem pays attention to the job development and training programs, both technical and administrative, to raise levels of efficiency, and loyalty and create a fair and competitive environment inside the Company. The table below shows the number and percentage of employees in Sipchem and its subsidiaries as of the end of 2023 compared to 2022:

Employees	2022		2023	
	Number	Percentage	Number	Percentage
Saudis	1182	%83.35	1,233	84.50%
Non-Saudis	236	%16.65	226	15.45%
	1,418		1,459	

The following are some of the achievements of the Human Resources Department during 2023:

1. Talent management and development:

A. Development of Human Resources Policy:

Sipchem implemented an online training system, which included more than 8,800 training courses in management, leadership, work skills, security and safety, and computer programs. Approximately 1,800 employees attended these courses. It is worth mentioning that the content of these training materials was prepared by global universities and educational institutions. In 2023, the company achieved more than 35,795 training hours.

B. Internal training courses program

The talent management department organized over (104) training courses in various fields such as Safety, security, and personal skills in collaboration with some departments, attended by more than 2,259 participants from most departments of the company. In 2023, the company achieved more than 37,579 training hours.

C. Development of Employee Performance Assessment:

The Human Resources team developed and improved the annual employee performance evaluation management program by adding and launching multiple stages for the employee performance management process, divided into five models, namely

- A model for measuring the performance of executive employees.
- A model for measuring the performance of middle management employees.
- A model for measuring the performance of professional and experienced employees.
- A model for measuring the performance of technical assistant employees.
- A model for measuring the performance of administrative assistant employees.

These stages begin at the beginning of the year by setting goals and performance standards according to the employee category. This is followed by the first-quarter dialogue between the employee and the supervisor, then the mid-year review stage, followed by the third-quarter dialogue as well. Then, the final evaluation and calibration stage begins. This ensures that performance monitoring is continuous throughout the year, providing appropriate guidance at the right time. It also ensures linking employee performance to the organization's goals fundamentally and primarily.

D. Talent Assessment:

Sipchem has completed two talent assessment campaigns to assess a total of 493 employees. The results helped Sipchem identify leadership potential and support employees in developing their professional lives.

E. Succession planning:

Based on its efforts in talent assessment, Sipchem has enhanced succession planning and conducted talent reviews with different levels of leadership throughout Sipchem to develop them using various development solutions such as training, coaching, and leadership skill development.

F. Career Progression Program:

Sipchem has recruited more than thirty (30) Saudi employees who graduated during 2023 from Sipchem's development program to determine the career path for universities' fresh graduates

G. Professional Development Plan Program:

Applying the individual professional development plan for employees, which is a plan implemented through the human resources system. This Plan describes the competencies required from the employee in line with the employee's career path and promotes the development of the employee's capabilities and skills and how to invest the same.

H. Qualification Program for Technicians and Technical Staff:

Sipchem provides training and development opportunities for employees in the field of manufacturing and operation, including training courses and on-the-job training. Sipchem issues certificates and grants rewards related to the successful completion of each stage of the program.

I. Digital transformation of some human resources systems:

- Among these is the process of managing the training of newly graduated university employees (PDP) who join the company immediately after graduation, where the management of their training and all related procedures has been fully automated.
- Additionally, the conversion of some operational safety curricula from traditional content to electronic training materials and courses.
- Establishing a dedicated online platform as an educational academy for procurement management.

Cooperative training program:

The Human Resources team, in collaboration with several departments at Sipchem, has trained 129 trainees from various universities and colleges in the Kingdom. The trainees have successfully completed the cooperative training programs.

3. Employees' Incentive Programs

A. Home Ownership Program for Saudi Employees:

The program aims to give a chance to Sipchem's Saudi employees, who meet the program conditions, to own housing units in light of Sipchem policy of assuring comfort and stability for its employees and motivating them to continue their services with Sipchem.

B. Housing loan program through the bank for Saudi employees.

Sipchem aims through this system to provide financial solutions through approved banks for its Saudi employees who meet the conditions, whereby Sipchem bears the interest on a monthly basis according to the repayment period and based on agreed criteria with the bank. This program included 194 beneficiaries in 2023, aiming to ensure stability and comfort for employees and their families and to encourage them to continue working in its service as they are a cornerstone of the company's strategic pillars.

C. Employees Share Ownership Incentive Program:

Sipchem implemented an Employee Incentive Program aimed at encouraging Sipchem's and subsidiaries' employees to maintain and improve their work performance and put up their utmost efforts to serve Sipchem's interests and achieve its objectives. The program also contributes to attracting highly qualified personnel in the field of petrochemicals.

The program is currently managed by Al Bilad Securities and Investment Co., through a special portfolio opened for the program in 2010. In 2023, a total of 2,087,164 shares were transferred to eligible employees, and the total number of shares for the program as of December 31, 2023, was 8,242,405 shares.

D. Savings Program:

Sipchem initiated an Islamic Shariah-compliant savings program to motivate its employees and enhance their loyalty to Sipchem hence improving the work performance, attracting well-qualified Saudi employees and motivating them to continue their services. The program aimed at helping Saudi employees accumulate their savings to be utilized upon retirement or the end of services. Sipchem takes a part of the subscribed employee's salary and may invest these savings according to his desire. Sipchem has the right to manage this investment in the way that it believes to be beneficial for the program subscriber in accordance with the best available Islamic Shariah-compliant investment portfolio. Also, Sipchem has the right to invest the subscriber's savings in investment activities in cooperation with specialized companies and banks in accordance with the criteria of Islamic investment in a manner that can attain benefits for the subscribers provided that such investments are in low-risk Islamic portfolios. The saving program was activated in 2011. It is managed by Bank AlJazira and it was reviewed, audited and approved by the Sharia Committee of Bank AlJazira.

40) Board of Directors Member Decisions

The Board of Directors is keen to ensure the professional performance of (Sipchem) during the year 2023. Accordingly, the Board of Directors confirms the following:

- 1) That the accounting records had been prepared correctly.
- 2) That the internal control system has been properly prepared and implemented effectively.
- 3) That there is no little doubt in Sipchem's ability to continue its activity.
- 4) The consolidated financial statements have been prepared in accordance with the accounting standards and regulations issued by the Saudi Organization for Certified Public Accountants and in accordance with the relevant requirements of the Companies Law and the Company's Articles of Association regarding the preparation and publication of financial statements.
- 5) There is no contract to which the Company is a party and where there is or there was a fundamental interest of a member of the Board of Directors, CEO or CFO or any person related to any of them.
- 6) There is no arrangement or agreement whereby a Board Member or a senior executive waives any salary or compensation.
- 7) There is no arrangement or agreement whereby a shareholder of the Company waives any rights in profits.
- 8) No member of the board shall engage in any competitive activities with the company's business.

41) If the Auditor's Report Includes Reservations on the Annual Financial Statements, the Board Report Must Clarify Those Reservations, Their Reasons, and Any Information Related Thereto.

Auditor's report does not include any reservations on the annual financial statements.

42) If the Board Recommends Changing the Auditor Before the End of the Auditor's Term of Service, the Report Must Contain this Matter, Along With the Recommendation for the Change.

The Board did not recommend to change the auditor.

43) Disclosure of details of Treasury shares held by the Company and details of the uses of these shares:

Number of treasury shares held by the Company	Value (SAR per share)	Date of retention	Use details
8,211,341	SAR 301,766,781	20 October 2022	Sipchem's shares were bought back as treasury shares, because the Board considers that the share price in the market is less than its fair value.

Conclusion

At the end of our report, the Board of Directors would like to express its gratitude and thanks to the Custodian of the Two Holy Mosques and HRH Crown Prince, for their care and support for the petrochemical sector in Saudi Arabia. Also, the Board appreciates the sincere efforts of the governmental bodies for their continuous support. The Board also extends its appreciation and thanks to the shareholders and all Company staff members for their sincere efforts and dedication to support Sipchem's efforts to attain its goals, promote its competitiveness and preserve its gains and interests. We pray to God to bless our efforts, , as we are filled with hope to continue to develop the performance and enhance the capabilities of the company in order to support the economic and social development system of the Kingdom.

