



شركة الغاز والتصنيع الأهلية  
National Gas & Indust.Co.

## Homemade Universality of Performance



Annual Report  
2020









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



His Royal Highness Prince  
**Mohammed bin Salman bin Abdulaziz Al-Saud**  
Crown Prince of Saudi Arabia, Deputy Prime Minister,  
Minister of Defense





8

Board of Directors

12

CEO's Message

16

Company Establishment and Activities

30

Operations Sector

42

Commercial Sector

52

Technology & Digital Transformation

60

Human Capital

70

Risks

10

Chairman's Message

14

Vision & Values

20

Financial Performance

38

Gas Transport Sector

48

Safety and Industrial Security

56

Supply Chain

66

Strategy

74

Governance Report





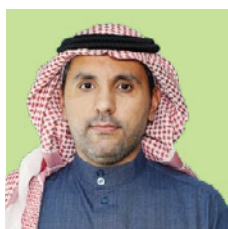
Eng. Abdulaziz Fahad Al Khayyal  
Chairman



Mr. Ali Mohammed Al Saflan  
Vice-Chairman

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## Board of Directors



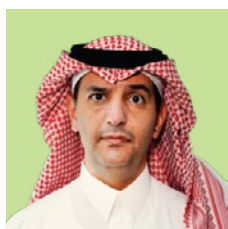
Mr. Ahmed Abdulrahman Al Mohsen  
Member



Mr. Bakr Abdulrahman Al Muhanna  
Member



Mr. Turki Abdullah Al Jawini  
Member



Mr. Raed Abdullah Al Tamimi  
Member



Dr. Raed Abdullah Al Hogail  
Member



Dr. Mohammed Hamad Al Kathiri  
Member



Mr. Mohammed Nazal Al Khaldi  
Member



Eng. Abdulrahman bin Abdulaziz bin Sulaiman  
(Member & CEO)



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## Chairman's Message



Throughout 2020, most of the economic, developmental and services sectors faced an exceptional challenge brought by the novel Coronavirus pandemic (COVID-19). In order to curb the spread of the virus and address its consequences, unusual and unprecedented precautionary measures had to be implemented. This not only clearly slowed-down economic activity and production, but also affected everyday life in general.

Thanks to Allah's grace and GASCO's commitment throughout the past years to implementing its strategic initiatives, mainly its digital transformation plan, GASCO was able to face the implications of the pandemic and overcome most obstacles and challenges that arose from the period of total lockdown. In fact, GASCO continued to implement its development strategy, accomplished important achievements in most of its production, operational, and commercial sectors, concluded contracts, implemented promising projects, and launched ambitious initiatives. GASCO also continued to supply Liquefied Petroleum Gas (LPG) filled in cylinders to all its stations across the Kingdom. GASCO filled more than 104,000,000 cylinders, achieving a 1% increase from 2019, and delivered more than 570,000,000 liters of liquid gas using tankers.

Throughout 2020, GASCO doubled its efforts and invested all its energies, logistical capabilities, and long-standing experience in service of the

Kingdom and GASCO customers, by ensuring the sustainable provision of gas to the markets in all forms of distribution – filling or in bulk – and in adequate quantities that meet the growing demand on this essential commodity. While performing its duties, GASCO adheres to the best practices and most reliable programs to ensure safety and security throughout all stages of production, transportation, and distribution.

I express my most sincere gratitude to His Majesty the Custodian of the Two Holy Mosques and His Royal Highness the Crown Prince, as well as the Ministry of Energy, for their kind support and constant care for the Company in general throughout the years, and for their support in facilitating the work of the GASCO fleet in transporting gas and its derivatives to all regions within the Kingdom during the period of total lockdown.


On behalf of my fellow members of the Board of Directors, I am pleased to present, through this report, the achievements accomplished by GASCO in all its sectors in 2020, demonstrate its financial and operational performance, and monitor its effective governance. Finally, I express my thanks to fellow Board members and all colleagues for the sincere efforts to meet GASCO's goals and ambitions. I also never fail to thank shareholders for their growing confidence in GASCO, and we hope to continuously meet their aspirations.

Eng. Abdulaziz Fahad Al Khayyal



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## CEO's Message



Throughout 2020, GASCO faced the repercussions of the novel coronavirus (COVID-19) pandemic with increased insistence on achieving its strategic plan. Through the initiatives and measures taken, GASCO succeeded in facing and overcoming these challenges.

Despite the hard challenges faced by the Company in 2020, The Company fortunately managed to cater to the market needs in terms of Liquefied Petroleum Gas (LPG) and to make outstanding achievements in all its sectors in 2020, 1,485,000 cylinders were well-maintained and rehabilitated, and 14,000,000 cylinders were cleaned as part of the program to revamp the appearance of cylinders. Furthermore, throughout 2020, the total number of trips completed by GASCO transport vehicles to procure gas from ARAMCO reached 154,000 trips, which marks an increase in 11% from 2019, during which GASCO transport vehicles travelled 80,000,000 km.

In terms of projects, GASCO continued implementing the projects launched in previous years and began implementing several new development and expansion projects, as well as projects to increase storage capacity and enhance security systems in several of its stations around the Kingdom. Furthermore, in terms of transportation and distribution, GASCO upgraded its fleet with 100 additional trucks and adopted a progressive replacement plan for the upcoming three years with the aim for the fleet to amount to 600 trucks and tanks. GASCO was also able to develop the application for the digital tracking of trucks.

Marketing, sales, and communication wise, GASCO organized and implemented a variety of targeted and specialized events, such as awareness campaigns, promotional exhibitions, and market studies and research. Moreover, GASCO launched its website and participated in several events and exhibitions in addition to implementing numerous social responsibility programs.

With regards to marketing tanks and cylinders,

GASCO concluded several construction and company establishment contracts and sold more than 10,000 tanks and containers in addition to opening 27 new sale outlets across the Kingdom. The sale of iron cylinders at GASCO increased by 144% and that of fiber cylinders increased by 42% compared to 2019.

In terms of digital transformation and Information Technology, GASCO achieved a paradigm shift in developing its electronic and digital infrastructure to the benefit of all its business sectors. The Company worked on launching and developing a number of mobile applications, adopted cybersecurity work mechanisms, strengthened its digital services across its various departments, and developed its website to offer an integrated package of services that meets the aspirations of GASCO customers.

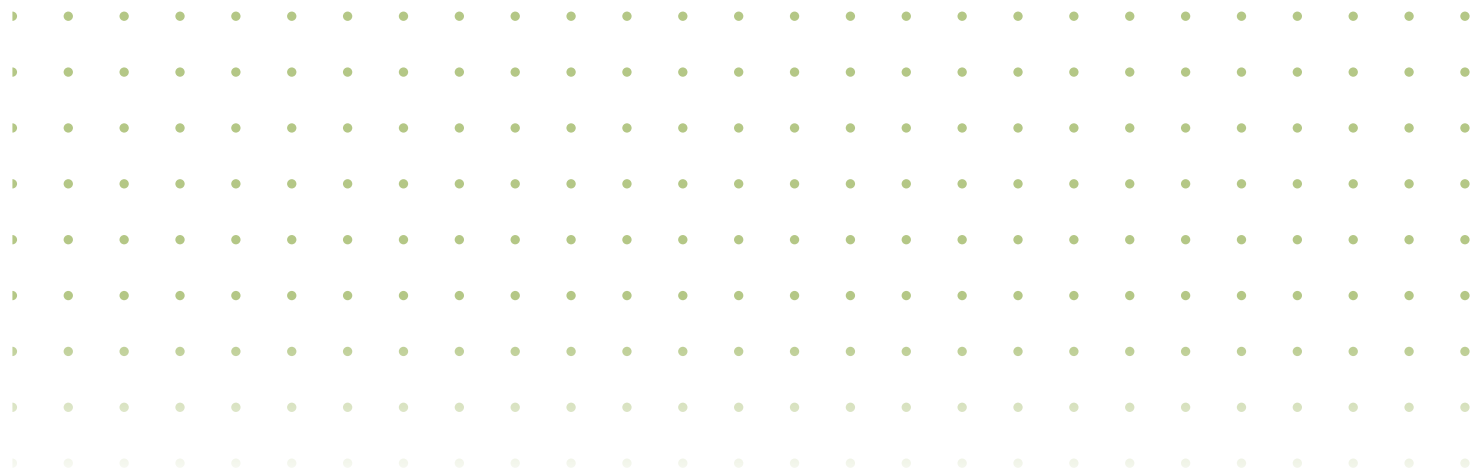
In terms of Human Resources, the Company attaches great importance to increasing the employees' capabilities to ensure that all tasks and responsibilities are effectively and properly carried out. Saudization rate within the Company as a whole reached 61%, while Saudization rate exceeds 80% except for truck drivers.

With regard to industrial safety and security, GASCO commits to implementing the best security and operational and personal safety standards with the aim to protect its workers, assets, and resources and consolidate the "Safety First" concept. Thankfully, the Company ended the year 2020 with no losses of lives nor properties.

In conclusion, I would like to express my deep gratitude to His Majesty the Custodian of the Two Holy Mosques, His Royal Highness the Crown Prince, the Ministry of Energy, the High Commission for Industrial Security, and all government agencies, for their continuous support to the Company and the private sector in general. May Allah the Almighty perpetuate the blessings of living in peace, security, and comfort in our Kingdom guided by our wise leadership.

**Eng. Abdulrahman bin Abdulaziz bin Sulaiman**

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## Vision & Values



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### Our Vision

To be the leading gas solutions provider in the region, driving industry growth and innovation.



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### Our Mission

We deliver safe, reliable, and high-quality gas solutions to our customers, create sustainable value for our shareholders, take care of the environment and community, contribute to our nation's economy while providing a healthy working environment for our employees.



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### What we stand for

We rely first and foremost on Almighty Allah, and on our unique capabilities and resources, in addition to our effective operations. Our customers are our relentless focus for us to be at the forefront of our industry. We firmly believe in constant development of our sector through strong and effective partnerships built in a fair competitive environment.



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### Our Values

- Safety First
- Excellence
- Innovation
- Integrity
- Customer Centricity
- Responsibility & Initiative
- Teamwork

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## GASCO's Establishment




The Saudi Gas and Manufacturing Company (established by Royal Decree No. 5/5/168 dated 12/01/1377 H, and as per Telegram No. 4859 from the His Majesty the King to the Mayor of Riyadh City dated 14/02/1377 H), and the National Gas Company (established by Royal Decree No. 10440 dated 11/09/1372 H) were merged in accordance with the resolution of GASCO's General Assembly convened on 12/06/1379 H. in Dammam, and as per The Saudi Gas and Manufacturing Company's General Assembly convened on 20/01/1380 H in Riyadh. This has been achieved by the approval of both merged companies' shareholders, under Council of Ministers' Resolution No. 713 dated 03/12/1380 H. and communicated to the Company through official letter No. 2943/sh dated 08/01/1381 H from the Minister of Commerce. The merger was effectively conducted on 29/05/1383 H and oversighted by the Saudi Ministry of Commerce and Investment. At a later stage, the Council of Ministers issued Resolution No. 820 dated 12/06/1394 H to merge all companies and institutions engaged in gas activities in the Kingdom under the National Gas and Manufacturing Company (GASCO) (Saudi Gas Company – Ibrahim Al-Ajaji and Brothers, and the gas branch of Abdel Muhsen Al-Murshid institution). Subsequently, and as per Resolution No. 1615 dated 14/11/1395 H. the Council of Ministers determined the capital of the Company and the beginning of its operation after the last merger on 01/01/1396 H.



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## GASCO's Activities



GASCO was incorporated to provide all sorts of activities including

- Exploitation, production, manufacturing, filling, transport, distribution, supply, marketing, sales, purchase and storage of all kinds of gas, petroleum, chemical and petrochemical products.
- Import, export, manufacturing, production, testing, maintenance, filling, marketing, sales, purchase, lease, distribution, supply and installation of gas tanks as well as cylinders and accessories, in addition to petroleum products, measuring devices, machines, generators, turbines, energy systems and equipment.
- Planning, development, design, establishment, management, operation, ownership, sales, and lease of gas stations and petroleum service centers.
- Technical and engineering consultancy and training in all fields related to gas and energy.
- Design, planning, establishment, manufacturing, sales, purchase, execution, extension, testing, and maintenance of gas networks.
- Establishment, construction, ownership, sales, purchase, lease, development, investment and management of real estate properties and lands of different kinds.





**Financial Performance**

Total revenue of SR 1,963 million was achieved in 2020 compared to SR 1,923 million in 2019, marking an increase of 2%. Net profit after Al-Zakat reached SR 136.9 million for 2020 compared to SR 109.4 million for 2019, marking an increase of 25%. The increase in net profit by SR 27.5 million is mainly due to an increase in revenues by SR 40.5 million, decrease in operating expenses by SR 16.6 million despite the amount incurred by the Company relating to costs of early retirement plan of employees by SR 4.3 million, increase in share in results of associates by SR 1 million, increase in other income is mainly due to selling trucks and scraps by SR 10.1 million and decrease of Zakat expense by SR 23 million.

Despite of the decrease in gross profit by SR 4.1 million which resulted mainly from the increase in cost of revenues by SR 33 million, representing the costs of early retirement plan of employees, increase in transportation expenses by SR 3.2 million due to the stoppage of Riyadh Refinery exceptionally for additional 3 months over the annual stoppage period and launching the initiative of cleaning the cylinders by SR 4.2 million despite the decrease in other items of cost of revenues, increase in finance costs by SR 5.8 million due to receiving loan from SIDF and decrease investments income by SR 13.3 million.

With reference to the SR 34.2 million embezzlement incident announced in 2020, an amount of SR 2.9 million was recorded as an expense during 2017, while an expense of SR 4 million was charged during the period ending 30 June 2020. As for the remaining amount of SR 27.3 million, it was absorbed and recorded as an amendment of previous years, as stated in explanatory note No. 34 related to financial statements of 2020. Several measures have been taken to improve the Company's internal control systems. GASCO also relied on a consulting firm to study and evaluate these systems and submit its recommendations to address any failure noted in this regard, with the aim to protect the Company's assets and properties.

## GASCO's Financial Performance for the last Five Years

### Working Capital (in millions of SR):

Item	2020	2019* (Amended)	2018* (Amended)	2017 (Amended)	2016 (Amended)
A) Current Assets	809	573	295	382	324
B) Current Liabilities	421	344	248	236	184
<b>Working Capital (A) - (B)</b>	<b>388</b>	<b>229</b>	<b>47</b>	<b>146</b>	<b>140</b>

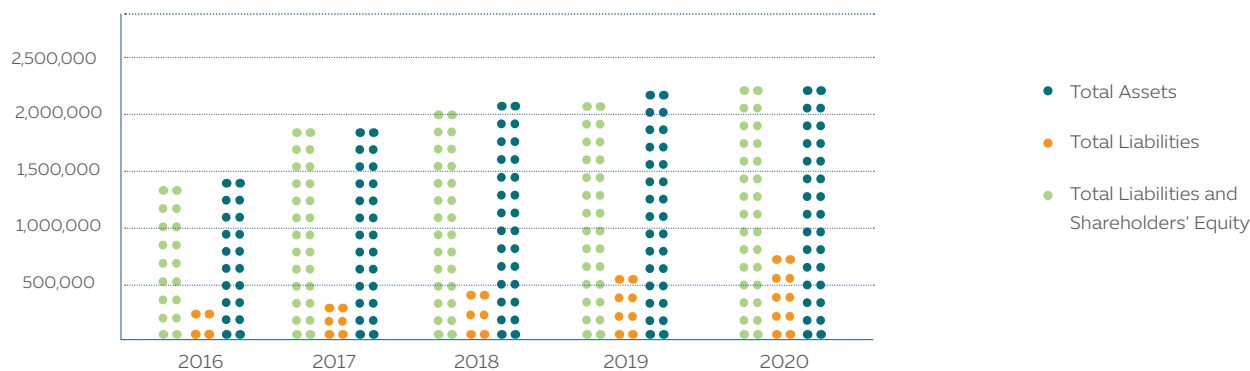
\* Numbers of compared years (2018 & 2019) were amended based on the Auditor's amendments performed on previous years and reclassification of some numbers within the compared years to be compliant with the current year. For more information, please refer to clarification No. 34 regarding 2020 financial statements.

### Financial Position Statement (in millions of SR):

Item	2020	2019* (Amended)	2018* (Amended))	2017 (Amended)	2016 (Amended)
<b>Assets</b>					
<b>Non-Current Assets</b>					
Properties, Plant, and Equipment	633,521	605,271	615,918	597,006	716,228
Intangible Assets	32,895	32,290	23,829	-	-
Investments in Real Estate	34,353	34,494	34,494	34,494	34,494
Right to use Assets	3,402	5,461	-	-	-
Investments in Affiliates	80,270	79,289	78,946	81,897	64,216
Investments in shareholders' equity tools held at fair value through comprehensive income	665,158	787,538	1,017,286	855,923	340,312
Investments in property rights title devices at amortised costs	30,000	-	-	-	-
<b>Total Non-Current Assets</b>	<b>1,479,599</b>	<b>1,544,343</b>	<b>1,770,473</b>	<b>1,569,320</b>	<b>1,155,250</b>

<b>Current Assets</b>					
Investments in shareholders' equity tools held at fair value through profit and loss statement	279,498	169,114	-	-	-
Inventories, net	157,749	166,697	202,708	196,507	149,731
Receivables, net	45,482	38,594	15,276	22,345	44,791
Advanced Expenses and other Assets	49,078	40,967	38,461	53,901	26,683
Cash and Cash Equivalents	277,111	157,610	38,436	109,995	103,272
<b>Total Current Assets</b>	<b>808,918</b>	<b>572,982</b>	<b>294,881</b>	<b>382,748</b>	<b>324,477</b>
<b>Total Assets</b>	<b>2,288,517</b>	<b>2,117,325</b>	<b>2,065,354</b>	<b>1,952,068</b>	<b>1,479,727</b>
<b>Liabilities and Shareholders' Equity</b>					
<b>Shareholders' Equity</b>					
Paid-up Capital	750,000	750,000	750,000	750,000	750,000
Statutory Reserves	225,000	270,551	270,551	270,551	270,551
Contractual Reserve	-	-	-	20,655	20,656
Retained Earnings (Accumulated Losses)	44,448	(124,216)	(29,759)	-13,351	41,614
Unrealized Profits (from fair value investments through comprehensive income)	545,959	668,339	637,969	508,130	10,362
Suggested Profit Distribution		-	-	-	26,250
<b>Total Shareholders' Equity</b>	<b>1,565,407</b>	<b>1,564,674</b>	<b>1,628,761</b>	<b>1,535,985</b>	<b>1,119,433</b>
<b>Non-Current Liabilities</b>					
Loans from the Saudi Fund for Development	143,642	-	-	-	-
Lease Commitments	2,242	4,699	-	-	-
Specific Employee Benefits Commitments	156,481	203,602	188,400	180,506	176,044
<b>Total Non-Current Liabilities</b>	<b>302,365</b>	<b>208,301</b>	<b>188,400</b>	<b>180,506</b>	<b>176,044</b>
<b>Current Liabilities</b>					
Trade Payables	111,056	97,832	47,424	36,200	38,717
Lease Commitments	2,309	2,271	-	-	-
Expenses due and other Current Liabilities	190,078	161,266	122,524	113,297	87,219
Financing the Saudi Industrial Development Fund	32,000	-	-	-	-
Legal Al-Zakat Provision	85,302	82,981	78,245	86,077	58,314
<b>Total Current Liabilities</b>	<b>420,745</b>	<b>344,350</b>	<b>248,193</b>	<b>235,575</b>	<b>184,250</b>
<b>Total Liabilities</b>	<b>723,110</b>	<b>552,651</b>	<b>436,593</b>	<b>416,082</b>	<b>360,294</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>2,288,517</b>	<b>2,117,325</b>	<b>2,065,354</b>	<b>1,952,068</b>	<b>1,479,727</b>

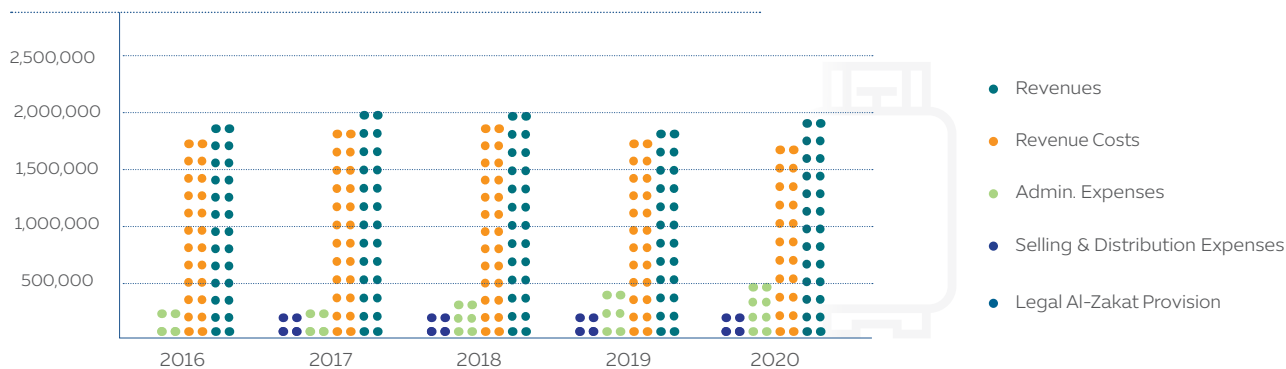
\* Numbers of compared years (2018 & 2019) were amended based on the Auditor's amendments performed on previous years and reclassification of some numbers within the compared years to be compliant with the current year. For more information, please refer to clarification No. 34 regarding 2020 financial statements.



• Comprehensive Income Statement (in Thousands of SR)

Items	2020	2019* (Amended)	2018* (Amended)	2017 (Amended)	2016 (Amended)
Revenues	1,963,042	1,922,559	1,901,940	1,985,134	1,975,972
Revenue Costs	(1,724,257)	(1,679,636)	(1,693,289)	(1,780,818)	(1,743,961)
<b>Gross Profit</b>	<b>238,785</b>	<b>242,923</b>	<b>208,651</b>	<b>204,316</b>	<b>232,011</b>
Selling and Distribution Expenses	(81,972)	(90,035)	(56,742)	(51,904)	(45,343)
Administrative Expenses	(116,960)	(125,516)	(92,912)	(76,964)	(61,410)
<b>Operating Income</b>	<b>39,853</b>	<b>27,371</b>	<b>58,997</b>	<b>75,448</b>	<b>125,528</b>
Investment Income	6,516	5,484	4,180	21,148	3,063
Other Investment Income – Net	92,177	105,470	28,544	23,236	8,665
Financial Charges	(6,045)	(249)	(1,913)	-	-
Other Revenues	17,091	6,941	9,607	14,625	15,200
Decrease in Real Estate Investment Value	(141)	-	-	-	-
<b>Net Income before Al-Zakat</b>	<b>149,451</b>	<b>145,018</b>	<b>99,415</b>	<b>134,457</b>	<b>152,186</b>
Legal Al-Zakat Provision	(12,559)	(35,575)	(9,521)	(7,110)	(5,463)
<b>Net Profit for the Year</b>	<b>136,892</b>	<b>109,443</b>	<b>89,894</b>	<b>127,347</b>	<b>146,723</b>
<b>Other Comprehensive Income for the Year</b>					
<b>Items that will not be reclassified within profit or loss at later stages:</b>					
Profits from re-Quantification of Specific Employee Benefits	(13,779)	(12,374)	13,022	2,758	6,444
Net change in fair value of Investments in shareholders' equity tools held at fair value through other comprehensive income	(122,380)	33,844	129,838	299	-
<b>Other Comprehensive Income for the Year</b>	<b>(136,159)</b>	<b>21,470</b>	<b>142,860</b>	<b>3,057</b>	<b>6,444</b>
<b>Total Comprehensive Income for the Year</b>	<b>733</b>	<b>130,913</b>	<b>232,754</b>	<b>130,404</b>	<b>153,167</b>

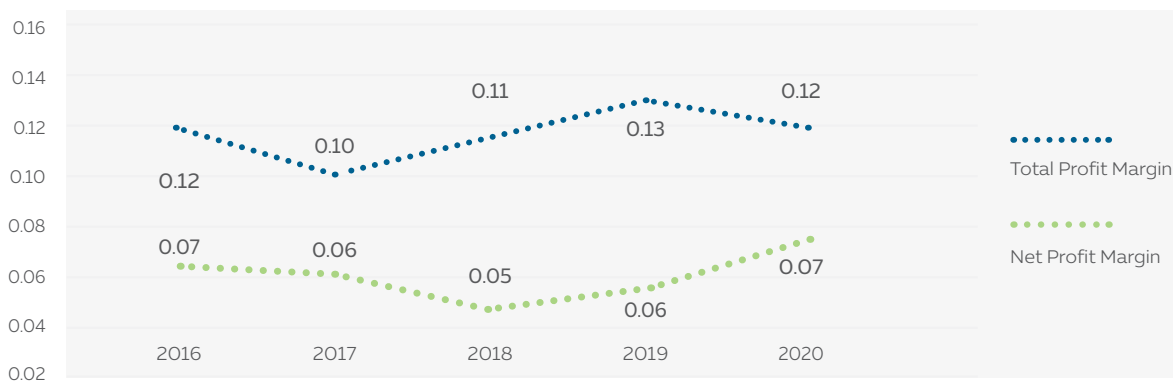
\* Numbers of compared years (2018 & 2019) were amended based on the Auditor's amendments performed on previous years and reclassification of some numbers within the compared years to be compliant with the current year. For more information, please refer to clarification No. 34 regarding 2020 financial statements.



• Cash Flow Statement (in Thousands of SR)

Items	2020	2019* (Amended)	2018 (Amended)	2017 (Amended)	2016 (Amended)
Cash flow from operating activities	127,237	209,741	157,712	242,111	179,723
Cash flow used in investing activities	(174,915)	101,932	(110,860)	(102,302)	(89,982)
Cash flow used in financing activities	167,179	(192,499)	(118,410)	(133,086)	(69,300)
<b>Net change in cash flow</b>	<b>119,501</b>	<b>119,174</b>	<b>(71,558)</b>	<b>6,723</b>	<b>20,441</b>
Cash and cash equivalents beginning of the year	157,610	38,436	109,994	103,271	82,830
Cash and cash equivalents end of year	277,111	157,610	38,436	109,994	103,271

\* Numbers of compared years (2018 & 2019) were amended based on the Auditor's amendments performed on previous years and reclassification of some numbers within the compared years to be compliant with the current year. For more information, please refer to clarification No. 34 regarding 2020 financial statements.



## Revenues:

GASCO's revenues from main activities, geographical analysis, and impact on the Company's business and contribution to the Company's results:

Items	Revenues from Activities (In Thousands of SR)	Percentage
Sale of Gas	1,813,938	92.4%
Sale of Cylinders	80,107	4.1%
Sale of Tanks	49,196	2.5%
Sale of Installation Tools and Other Activities	6,155	0.3%
Other Revenues	10,325	0.5%
Revenues from Cages	5,703	0.3%
Revenues from Commercial Projects	1,065	0.1%
Return on Sales	(3,447)	(-0.2%)
<b>Total</b>	<b>1,963,042</b>	<b>100%</b>

• Revenues for 2020 after deduction of return on sales as per the following geographical distribution: (In Thousands of SR)

Branch	Riyadh	Jeddah	Dammam	Abha	Qassim	Medina	Ta'if	Yanbu	Naqel Al Riyadh	Head Office	Total
<b>2020</b>	485,386	428,852	322,636	244,053	213,975	168,087	89,072	5,556	4,360	1,065	<b>1,963,042</b>

## Investments:

In order to develop its resources, GASCO invests in a number of companies operating in the gas industry in the Kingdom. The percentage of what GASCO owns in the capital of these companies varies. GASCO also invests in real estate assets, financial portfolios, investment funds, and so on.

### 1. Investments in Associate Companies:

Companies in which GASCO owns 30% or more of share capital:

#### 1- Saudi Gas Cylinder Factory (ENAGAS) – Closed Joint Stock Company

The Saudi Gas Cylinder Factory was established in the Kingdom of Saudi Arabia in Riyadh in accordance with the Saudi Companies Law under the commercial register number 1010029561; dated 30/04/1400 H.

The Factory undertakes the manufacturing of gas cylinders according to industrial permit number 682/S dated 15/05/1418 H. Financing for the manufacturing of cylinders, tanks and dry powder fire extinguishers totals to SR 92.13 million with less than 25% paid-up.

The Company's form was changed from Limited Liability into closed Joint Stock based on ministerial decision number 239/K dated 14/07/1430 H.

The share capital adds up to SR 23 million, consisting of 2,300,000 ordinary shares with a nominal value of 10 SR each. Total shares owned by GASCO are equal to 863,995, which constitutes 36.57% of the Company's share capital. The Company has not issued any debt instruments.

Activity Description	Revenue (In Thousands of SR)	Percentage	Head Office
Production of Gas Cylinders	24,580	42.5%	Riyadh
Production of Gas Tanks	33,240	57.5%	
<b>Total</b>	<b>57,820</b>	<b>100%</b>	

## 2- National Gas Distribution Company in Riyadh – Closed Joint Stock Company

The National Gas Distribution Company was established in the Kingdom of Saudi Arabia in Riyadh in accordance with commercial register number 1010160762; dated 02/05/1421 H i.e. 20/08/2000.

The Company's activities comprise purchasing of natural gas from Saudi Aramco and establishing a distribution network to deliver the gas to current and future industries in the Second Industrial City of Riyadh.

The Company operates and maintains the gas pipeline distribution network to customers as per permit number 1 for 1423

H. granted by the Ministry of Energy, Industry and Mineral Resources, and industrial permit number 5358/S dated 23/7/1432 H. In 1431 H. (i.e. 2010), the Company was given the permission to change its status into a closed joint stock company.

The Company's declared and subscribed share capital is equivalent to SR 50 million, divided into 5 million ordinary shares with a nominal value of 10 SR each. Total paid up capital totals to 2,500,000 shares, equivalent to SR 25 million. GASCO owns 1,750,000 shares in the National Gas Distribution Company, which is equivalent to 35% of total share capital of SR 50 million. The Company has not issued any debt instruments.

Activity Description	Revenue (In Thousands of SR)	Percentage	Head Office
Sale of Natural Gas	89,250	100%	Riyadh

## 3- East Gas Company – Limited Liability Saudi Company

The East Gas Company was established in the Kingdom of Saudi Arabia in Dammam in accordance with commercial register number 2050048153, dated 10/05/2005.

The Company is engaged in the following activities:

- o Operating and maintaining industrial facilities
- o Developing, owning, and maintaining a gas pipeline distribution network in the Second Industrial City of Dammam
- o Procuring natural gas from Saudi Aramco or any other suppliers

- o Wholesale trading of gas related tools and equipment
- o Supply of natural gas in the Second Industrial City of Dammam and the operations and maintenance of the Gas Transfer Counter Facility , as per the terms and conditions of the two 20-year agreements between GASCO and Saudi Aramco.

The Company's share capital is equivalent to SR 40 million divided into 4 million ordinary shares with 1,400,000 shares owned by GASCO that is equivalent to 35% of total share capital.

Activity Description	Revenue (In Thousands of SR)	Percentage	Head Office
Operating and maintaining natural gas pipeline distribution network	88,746	100%	Dammam

## 2. Other Company Investments:

### 1- National Industrial Gases Company (GAS)

A limited liability Saudi Company established in the Kingdom of Saudi Arabia, in accordance with commercial register number 2055001171, dated 24 Rajab 1403 H. (i.e. 7 May 1983). The Company became operational on the 1<sup>st</sup> of August 1985.

The Company's main activities consist of production of industrial gases and distribution of the same to various industries. The Company's share capital consists of 248,000 shares totaling to SR 248 million, and it is a subsidiary of Saudi Arabia Basic Industries Corporation (SABIC) that owns 70%, while GASCO owns 9% of the Company's capital.

### 2- Arabian United Float Glass Company:

Registered as a Saudi Closed Joint Stock Company as per ministerial decision number 157 on 02/06/1427 H. (i.e. 28/06/2006), and under Saudi Arabian Commercial Register No. 1010221369 issued in Riyadh on 20/06/1427 (i.e. 16/07/2006).

The Company is engaged in the activities of wholesale and retail, in addition to import, export, and acquisition of constructions and properties, as well as construction of buildings, manufacturing of float glass, and conducting research and development in the glass manufacturing requisites.

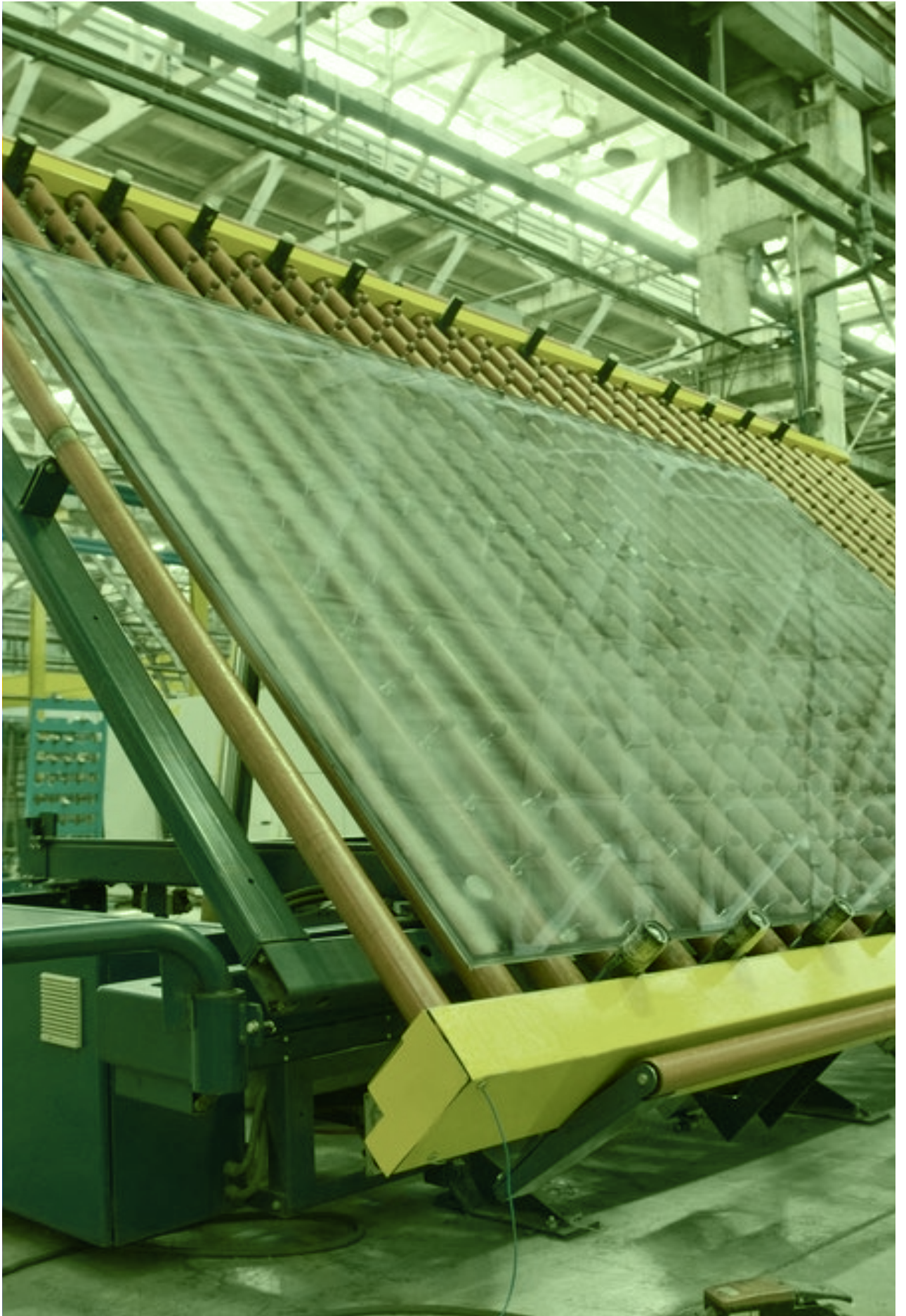
The Company's share capital is equivalent to SR 243 million, comprised of 24,325,147 ordinary shares of which GASCO owns 2,677,819 shares that is equivalent to 11.01% of share capital.

## 3- Invested Properties:

Property	City	Area in sqm	Net Book Value as at 31 December 2020 (in Thousands of SR)
King Fahd Road, Mousa Bin Nasir Street Crossroad – property	Riyadh	14,912	25,164
King Fahd Road, Imam Faisal Bin Turki Street Crossroad – property	Riyadh	790	2,022
Sulaimaniya, Abu Bakr Al Razi Street – property	Riyadh	6,750	3,510
Al Marba Street – property	Riyadh	714	1,427
Al Batha Street – property	Riyadh	800	679
Jeddah Kilo 10, Holy Makkah Road – property	Jeddah	3760	900
Al Dahi Street – Land	Qassim	20,000	441
Ha'il / South Dab'a – Land	Hai'l	90,000	210
<b>Total</b>			<b>34,353</b>

## 4- Other Investments:

The Company's other investments are focused on income bonds, money funds, structured financial instruments and investment funds in initial public offerings of shares and others.







Operations Sector



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## Operations Sector

The operations sector is responsible for supervising, monitoring, and operating the filling stations located throughout the Kingdom (7 stations in total located in each of Riyadh, Jeddah, Dammam, Khamis Mushait, Al-Qassim, Medina, and Ta'if) as well as the station for rehabilitating cylinders located in Riyadh. 11kg gas cylinders are filled in the abovementioned stations and daily production capacity reached more than 400,000 cylinders in one work shift while complying with the highest quality and performance standards. Filling stations additionally provide containers with a total capacity of 39,900 m<sup>3</sup> for storing LPG. LPG is supplied by ARAMCO refineries in the Kingdom and transported using tankers designated for this purpose. Filling stations receive the LPG in areas designated to handling gas. Specific distribution tankers within these stations are also filled with LPG.

The Operations Sector prioritizes conducting scheduled maintenance works for production lines and filling stations' facilities and gives great importance to applying safety standards in work sites.

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## Operations

In 2020, more than 104,000,000 11kg-capacity cylinders were filled, marking a 1% increase compared to 2019. In addition, more than 570,000,000 liters of LPG were delivered to customers. The Company achieved a new record by managing to fill 473,759 cylinders in one day only.

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## Cylinder Maintenance and Rehabilitation

With a view to preserve the quality of service and continuously adhere to safety measures, GASCO works on rehabilitating and conducting maintenance for gas cylinders. Since its establishment in 2004, the Company has successfully rehabilitated and maintained more than 16.5 million cylinders. In 2020 alone, GASCO rehabilitated and maintained 1,485,000 11kg-capacity cylinders.

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## Initiatives Launched in 2020

The most important initiatives launched in 2020 in contribution to improving operational performance and standards and achieving the Company's strategy can be summarized as follows:

- **Program to Revamp Cylinder Appearance**

As GASCO aims to provide products that meet the highest quality standards and strives to preserve customer satisfaction, and as part of a wide range of initiatives taken by the Company, GASCO launched, in 2020, an initiative to clean cylinders. As a result, more than 14,000,000 cylinders have been cleaned since then in GASCO stations. The Company is working on further increasing the number of cleaned cylinders in 2021.

- **Program to Improve Performance and Reliability**

Given that GASCO acknowledges the importance of sustainability and increasing the reliability of the business, the Company proceeded with upgrading the equipment in GASCO stations and increasing stations' readiness. Achievements along these lines include: (1) Upgrading and maintaining fire extinguishing systems in GASCO stations and replacing the connecting elements used for filling LPG tankers with more advanced and modern units. (2) Renewing and upgrading the gas handling area and tank gauging devices to achieve increased safety in receiving and delivering LPG. (3) Conducting maintenance works for tanks within the stations.

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The daily production capacity reached

more than **(400)** thousand  
cylinders in one work shift

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More than

**570 million**

liters of LNG were delivered to customers

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**(1,485,000)**

11kg-capacity cylinders were maintained  
and rehabilitated.

# Projects

## 2020 Achievements

- Implementing the gas handling areas development project.
- Implementing the first and second phases of the project of storage capacity increase in the Riyadh GASCO station using submerged storage tanks.
- Completing the manufacture of the first storage tank and launching the first phase of the storage capacity increase project in the Riyadh GASCO station.
- Implementing the project aiming to develop and enhance security systems in GASCO stations in Riyadh and Khamis Mushait.
- Implementing the project aiming to upgrade the fire extinguishing system in GASCO stations in Al-Qassim and Khamis Mushait.
- Inspecting and maintaining all spherical storage tanks.
- Replacing the gas pipeline extended between the ARAMCO refinery and the gas company in Riyadh.
- Implementing the project aiming to develop and enhance security systems in GASCO stations in Medina and Al-Qassim.
- Setting and designing a project for relocating the transmission station in Yanbu.
- Conducting a gap analysis between the implemented fire extinguishing systems and the specifications set by the High Commission for Industrial Security regarding fire extinguishing systems.
- Setting the preliminary designs for the project aiming to increase storage capacity in stations and obtaining the approval of the High Commission for Industrial Security for the designs.

## Future Plans

- Continuing to increase the efficiency and effectiveness of operations through managing resources and reducing waste.
- Increasing productivity and safety of gas handling areas in GASCO stations.
- Increasing strategic storage in GASCO stations.

- **Project Name:**  
Increasing the efficiency and productivity of the central workshop
- **Overview:**  
Improving maintenance performance and quality, increasing the number of rehabilitated cylinders, and decreasing cylinder maintenance costs.
- **Project Value:**  
SR 4,700,000
- **Expected Project Completion Date:**  
Q4 2021.

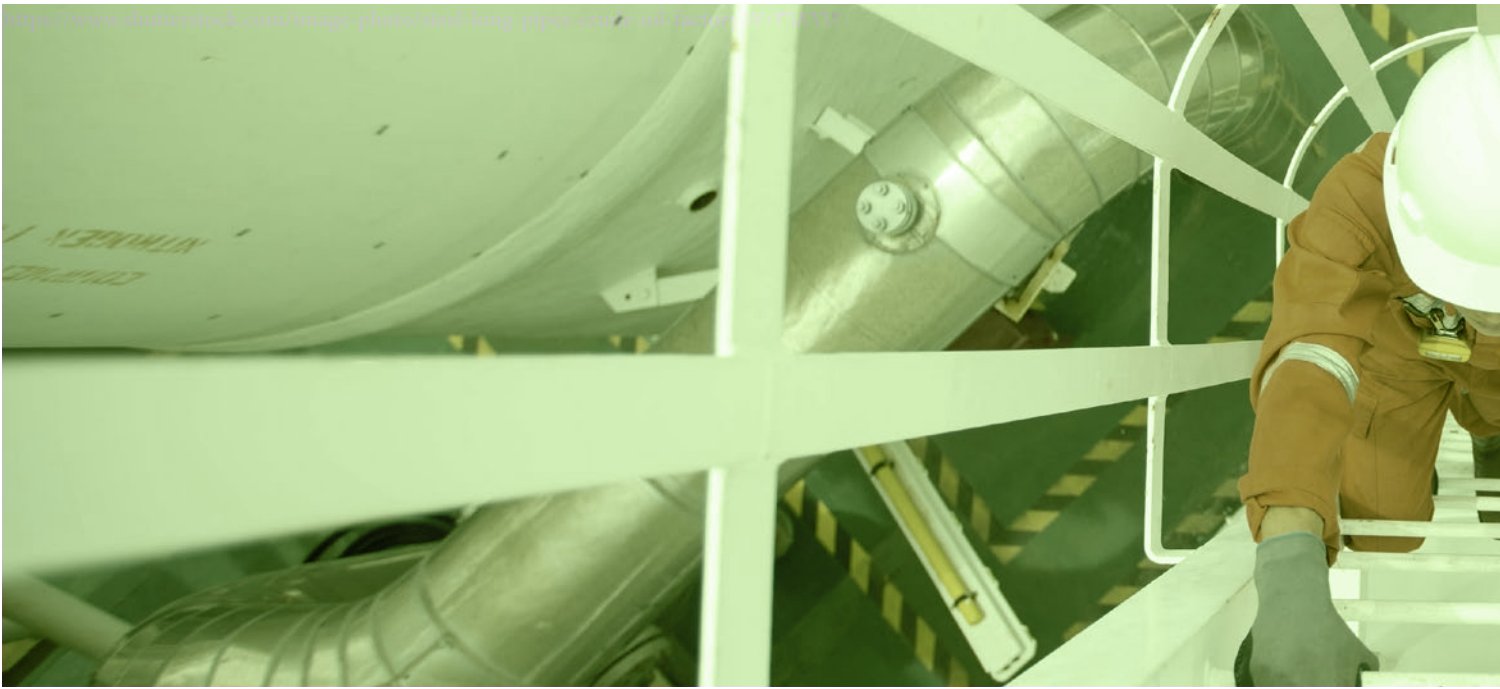
- **Project Name:**  
Upgrading the electrical system in stations
- **Overview:**  
Upgrading the main distribution board in Ta'if and Al-Qassim in order to improve performance and reliability.
- **Project Value:**  
SR 5,000,000
- **Expected Project Completion Date:**  
Q4 2021.

- **Project Name:**  
Upgrading the hydraulic control system
- **Overview:**  
Improving performance and increasing safety in stations through the upgrade of the hydraulic control system.
- **Project Value:**  
SR 400,000
- **Expected Project Completion Date:**  
Q1 2021.



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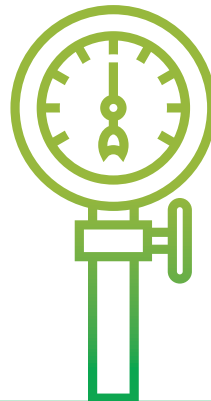




## Sales Operations Department

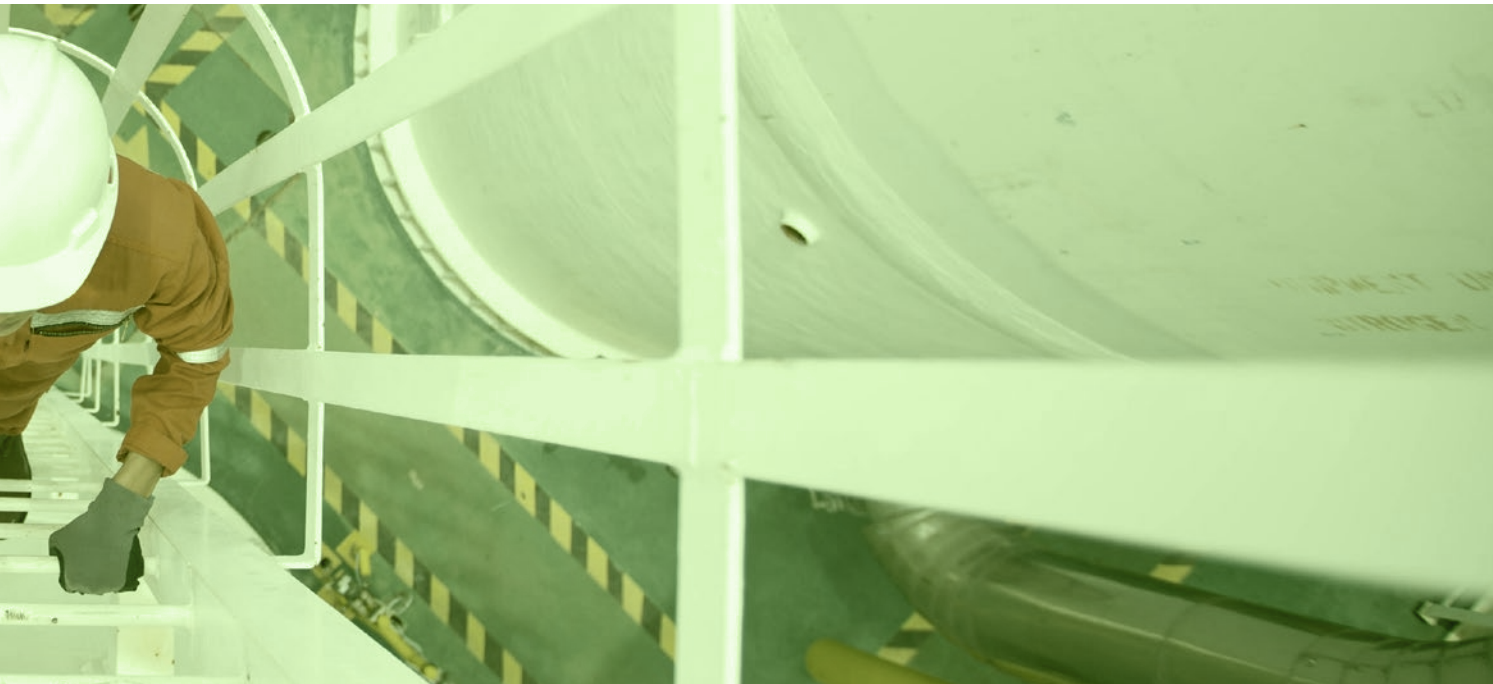
### Achievements of the Sales Operations Department:

1. Reducing the time needed to complete the gas filling service to 2.2 working days.
2. Reducing the time needed to complete maintenance services from an average of 15 working days to 3 working days.
3. Activating the control room.
4. Rehabilitating distribution tanker trucks.
5. Organizing a training program for distribution drivers on the transportation of hazardous materials, safety of customer sites and tanks, and communication and interaction with customers.
6. Adding service fees to the cost of maintaining tanks and containers.
7. Linking LPG level sensors at customer sites to GASCO sites in order to automatically send a request for filling without the need to contact customer service.
8. Stopping the issuance of manual invoices and working with electronic invoicing.
9. Unifying the payment number (SADAD) and linking it to the customer's reference number.

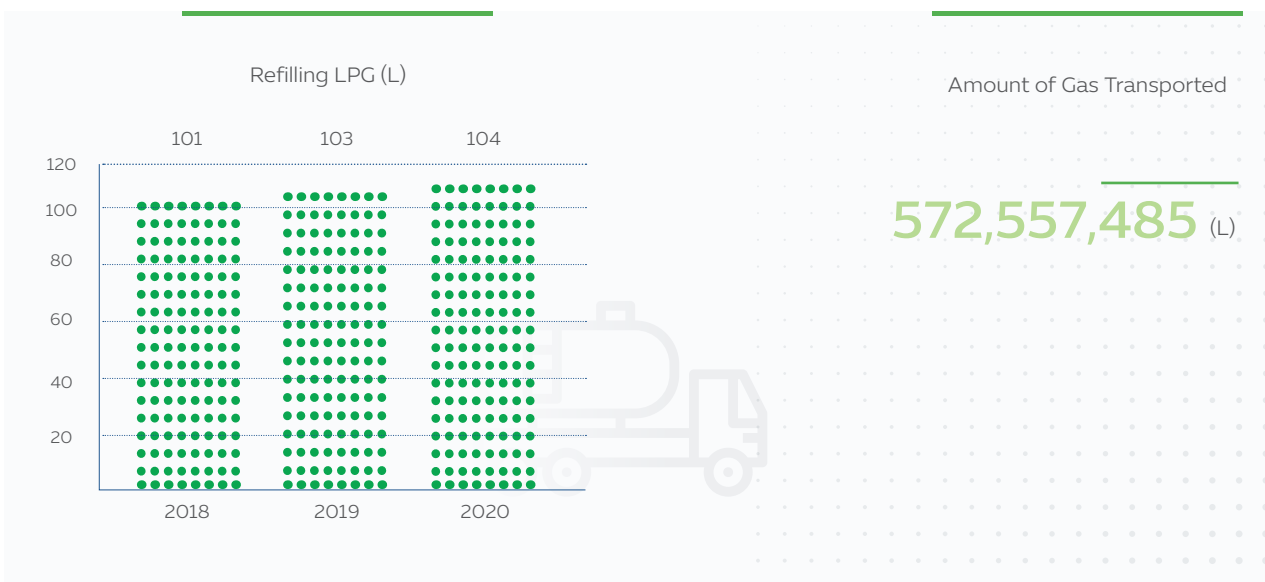


### What is expected to be accomplished in 2021:

1. Increasing tanker trucks capacity from 80% to 85%.
2. Increasing customer tanks capacity from 80% to 85%.
3. Increasing the sales of maintenance services through providing maintenance for tanks that are 10 years old or more.
4. Decreasing the percentage of gas return to 5% or less.
5. Updating the drivers' application to increase service quality.
6. Scheduling client requests and orders within a maximum of 24 hours rather than within 48 hours as was the norm.



Branch	Riyadh	Jeddah	Dammam	Abha	Al-Qassim	Medina	Taif	Total
No. of cylinders filled	23,523,956	20,545,907	16,618,450	14,945,823	12,878,506	10,393,680	5,316,378	104,222,700





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# Gas Transport Sector



## Gas Transport Sector

The logistics operations performed by the transportation sector are among of the most vital constituents of the Company's supply chain, which delivers the Liquefied Petroleum Gas from its sources to the seven stations owned by the Company as well as some other customers in the industrial sector, in addition to the transportation of gas cylinders and tanks from the Saudi factory and central workshop to the seven Company stations. GASCO owns a new and advanced fleet of more than 560 trucks, working around the clock all year to provide LPG to customers at any time. Moreover, the Company always makes sure that all its fleet tankers operate as per the standards required by concerned parties within the Kingdom, as well as the highest international safety standards in relation to petroleum material transport. This sector also includes maintenance centers in Riyadh and Yanbu to attend to the tankers' maintenance requirements and ensure that they operate continually in a competent and safe manner, and it is an honor that such activities are being run by local qualified staff.

### The most Significant Initiatives in 2020:

1. Purchase of 50 MAN trucks at a cost of more than SR 16 million.
2. Purchase of 50 Volvo trucks at a cost of more than SR 15 million.
3. Adoption of a truck replacement plan for the next three years with a total of 300 trucks.
4. Adoption of a plan to replace tanks of a lower capacity (38,000 liters) with a capacity of up to (50,000 liters), with a total of 200 tanks.
5. Adoption of the truck tracking system and contracting with the Smart Digital Network Solutions Company.

### Transport Sector Achievements:

1. Total trips amounted to 154 thousand with an increase of 11% compared to 2019.
2. Total traveled distances amounted to 80 million km with an increase of 12% compared to 2019.
3. The total amount of transported gas reached 1262 thousand tons with an increase of 1% compared to 2019.
4. The accident rate per million kilometers reached 0.4 with a decrease of 6% compared to 2019.

Fleet of more than

**560** trucks

**100%**

of drivers were trained to obtain the certificate of transporting dangerous goods

**1262**

thousand tons

The total amount of transported gas

**80 million km**

Total traveled distances







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## Commercial Sector





## Marketing and Communication Activities - 2020 Achievements

- The Company urged customers to follow safety procedures by launching various awareness campaigns aiming to clarify the correct procedures in case of a gas leak, God forbid, in addition to sensitizing customers that all products are designed according to the highest safety standards, as they are certified by the Standards, Metrology, and Quality Organization.
- The Company provided various discount campaigns to the customers including discounts on tanks, discounts on regulators, and discounts on fiber cylinders; in addition to providing introductory campaigns about products and services along with a comprehensive brochure of the Company's products.
- GASCO launched interactive contests for followers on social media platforms during the holy month of Ramadan and offered valuable gifts.
- GASCO launched its redesigned website, where it allows customers to request all services and products electronically besides providing suppliers' services electronically.
- The Company conducted a study on the development of the visual identity, carried out an internal and external questionnaire, and proposed a group of visual identities. This comes as a result of the effort made by the Company in its digital, commercial, and human transformations and the subsequent initiatives to improve the customers' experience and aim to make the Company the optimal choice for customers.
- The Company carried out marketing research to measure the extent of customer satisfaction with the services and

products provided, whereas it included studying the market by conducting a mystery shopper search to develop the customer's experience, in addition to studying the services and products of the Company by conducting quantitative and qualitative research for a random sample of customers to provide services and products that fulfill the customers' aspirations.

- The Company has signed a strategic partnership with Al Zamil Company to sell tanks and its accessories by wholesale to continue developing and improving the services provided to consumers in terms of product proliferation and availability in an easier manner.

## Foreign Exhibitions and Participations:

- The Company took part in the International Day of Civil Defense in a number of regions in the Kingdom, including Riyadh, Dhahran, Asir, and Jizan, as an appreciation to the importance of the role played by the General Directorate of Civil Defense to raise awareness on safety and security and take all precautions to prevent accidents and disasters.
- GASCO participated in cooperation with the Standards and Metrology Organization in the exhibition on quality in Jeddah.
- GASCO took part in the Civil Defense Forum and chaired one of the sessions entitled (Successful Field Experiences)
- GASCO also participated in the Liquefied Gas Conference, being one of the organization's members, and it was an effective remote participation.



### International Days Celebrations:

- GASCO held an awareness workshop on the International Day of Child Cancer in the Head Office.
- GASCO held a celebration in the Head Office building on the National Day of our beloved Kingdom, based on the principle of sharing the joy of the National Day with the employees, in addition to serving breakfast and coffee to the employees.
- World Breast Cancer Day / Participation in communication platforms
- Eid Al Fitr / Celebration and distribution of gifts for employees.

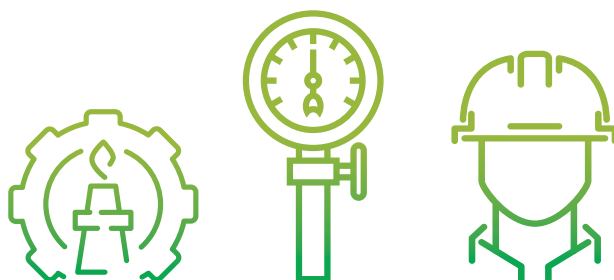
### Social responsibility:

- GASCO participated in supporting the Community Endowment Fund with an amount of (SR one million), which was divided into 6 different initiatives
- As a token of appreciation from GASCO to serve the nation and the citizen and cooperate during the Covid-19 pandemic, GASCO provided financial support to the Ministry of Education to provide laptops for students.
- For the fifth year in a row, GASCO continued its support to the Disabled Children Association
- Based on its firm belief in empowering talents, GASCO participated in the National Olympiad program for scientific creativity, provided financial support, and honored the talents.
- GASCO supported the Adults Motor Disability Association.

- GASCO granted support to the Almajdouie Foundation's "Basta" project by providing free gas cylinders to the beneficiaries.
- GASCO launched a blood donation campaign for its employees at the Head Office, as a social initiative.

### Newspapers and Ads:

- Participation in the memorial of the pledge of allegiance to the Custodian of the two Holy Mosques.
- Participation in the anniversary of the pledge of allegiance to the Crown Prince.
- Participation in the National Day
- Participation in the National Guard magazine in memory of the King's pledge of allegiance
- Publication of the general assembly's announcements
- Participation in Saudi Book 200
- Participation in an awareness campaign entitled Stay Home, which was installed in the form of stickers on the tanks.



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## Customers' Experience

The Call Center's automated phone system was developed and launched in order to provide self-service to the customers 24 hours a day, seven days a week, which enables customers to create requests, inquire about appointments or about the balance and bills without the need to call any staff member. This saves time, improves customers' experience, and reduces operational costs. While incoming calls to the Call Center during the year amounted to approximately 428527 calls, 401522 service requests were registered in the system, and customer satisfaction rate with the services provided reached 4.58 out of 5.

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**428527**

calls Approximately

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**401522**

service requests

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**4.58/5**

customer satisfaction rate

## The Launch of Electronic Services

### The Basic Idea:

- Provide multiple channels to the customer
- Conduct structured operations and simplified procedures during transactions
- Saving the client's effort and time
- High precision in performance
- Reducing duplication of transactions

### 1. Future Plans and Projects

- Create an automated driver response system
- Development of electronic services platforms

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## Tanks Sales Department:

- Signing the contract for the construction and establishment of the gas station for the Reda National Company for Road Paint & Highway Safety in Riyadh.
- Signing the contract for the construction and establishment of the gas station for the facility of the Arabian Rig Manufacturing in Ras Al-Khair.
- Implementation of 14,123 inspections during the year 2020.
- 10119 tanks were sold during the year 2020.

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## Cylinder Sales Department:

1. Establishment of 27 new retail outlets in 2020 in several cities within the Kingdom
2. Provision of fiberglass fiber cylinders in all branches of the Kingdom, covering 43 governorates.
3. Provision of fiber cylinders in 109 new outlets.
4. Display of the cylinders and regulators in the exhibitions in which the Company participated.
5. Increase in iron cylinder sales by 144% from 2019, and fiber sales 42% from 2019.
6. Increase in the percentage of users of SADAD service for distributors to 100%.







The work of the Industrial Safety and Security Department is focused on protecting the Company's facilities from internal and external risks by providing all means and requirements for safety and security and making the work environment free from human and material risks and losses in accordance with the standards of local and international organizations for security and safety and under the supervision of the General Secretariat of the Supreme Authority for Industrial Security at the Ministry of Interior. GASCO always seeks optimal safety methods in the operation and maintenance aspects to ensure business quality and sustained production at the lowest costs possible.

### Industrial Safety and Security:

GASCO is committed to implementing the best security standards along with the operational and personal safety standards to protect assets and resources and establish the concept of safety first based on the principle of supporting awareness to identify and manage risks just as to encourage the Company's employees and contractors to cooperate to avoid material and human losses.

### Industrial Safety and Security Legislations:

Industrial safety and security measures are implemented in accordance with global and local regulations under the umbrella of the General Secretariat of the High Commission for Industrial Security at the Ministry of Interior. Industrial safety and security projects are also implemented according to the instructions received.

### Environment and Occupational Health:

GASCO cares about the environment and occupational health, along with the reduction of injuries and diseases to ensure the personnel and operational safety and provide a safe and healthy working environment.

### Personal Safety:

Human resources represent a core value for the Company that focuses on the safety of employees, contractors, and visitors by implementing the obligation to use Personal Protective Equipment (P.P.E) and provide clothing that is appropriate to the nature of the facility and apply leadership to support the development of a safety culture in line with future goals.

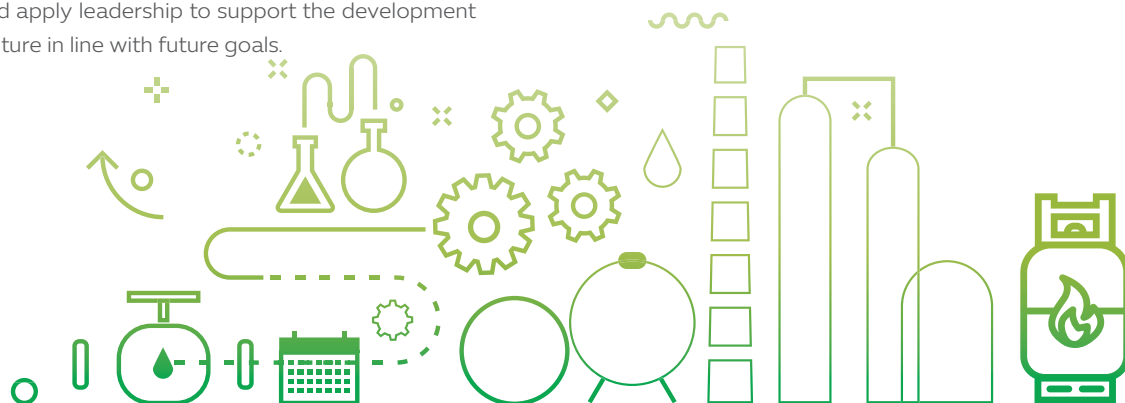
### Contingency Plans

The Company implements emergency plans under the supervision of the High Commission for Industrial Security and with the participation of Civil Defense and other government sectors through knowledge exchange and periodic implementation of fake hypotheses, assessment of elements, and emergency response training to achieve the Company policy of protecting its assets and the surrounding environment with utmost care and responsibility.

### Expected Goals:

The sector is always looking forward to continuously upgrading the level of security and safety, building a common organizational culture of awareness, and enhancing the concept of safety first; in addition to contributing to raising awareness amongst all society members in various areas of safety and health to reduce risks and damages by achieving the following goals:

- Implementing the integrated security system project.
- Developing the alarm system and protection from fire.
- Continuous development of the work environment.
- Holding the maximum possible number of trainings for the relevant government agencies to properly handle gas.
- Participating in exhibitions to raise awareness on gas safety.









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# Technology and Digital Transformation



Throughout 2020, GASCO worked on improving the Company's information systems in line with its strategy and departments requirements. This has been a great boost for the Company to complete its digital transformation journey, taking into account the increase in the infrastructure efficiency and security.



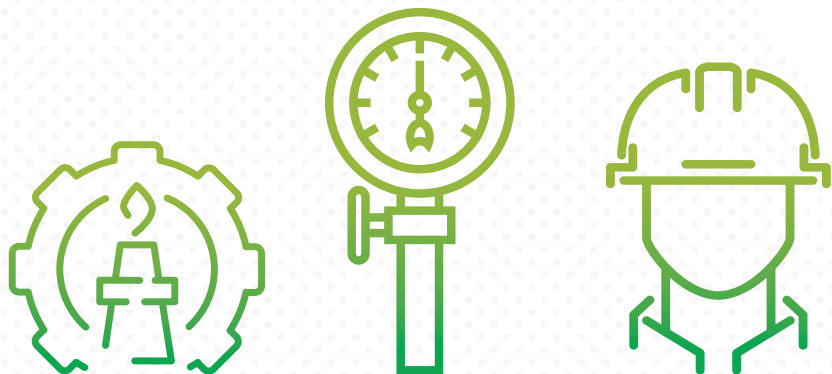
GASCO worked on enhancing the Company's electronic infrastructure through the development of data centers, networks, and work procedures, in line with the constant updates in the IT sector as a whole, and particularly in the Company's digital transformation strategy and size of data exchanged between the head office and the branches. The Company also supported all its employees in their remote work during the COVID-19 pandemic and in carrying out all the Company's required work in the highest levels of reliability and security.

GASCO constantly strived to carry forward in its digital transformation journey at all levels. This took place through the Company's responsiveness to all internal and external demands, which increased operational efficiency and resulted in the automation of procedures, speedier completion of transactions, and faster customer service through the best and easiest technologies.

The Company also launched its portal that is considered as the baseline for more advanced customer services which will gradually be established to reach best practices for tank or cylinder customers.

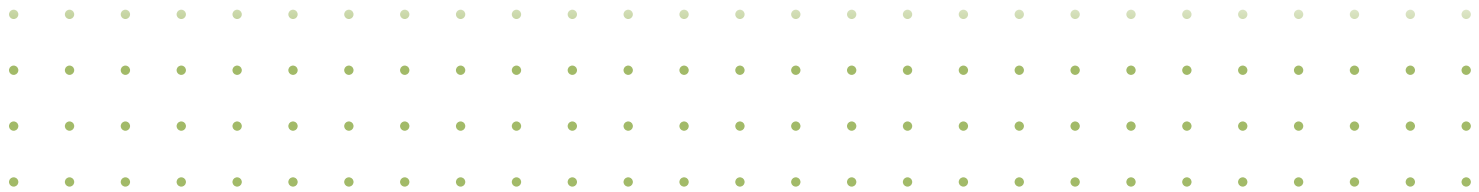
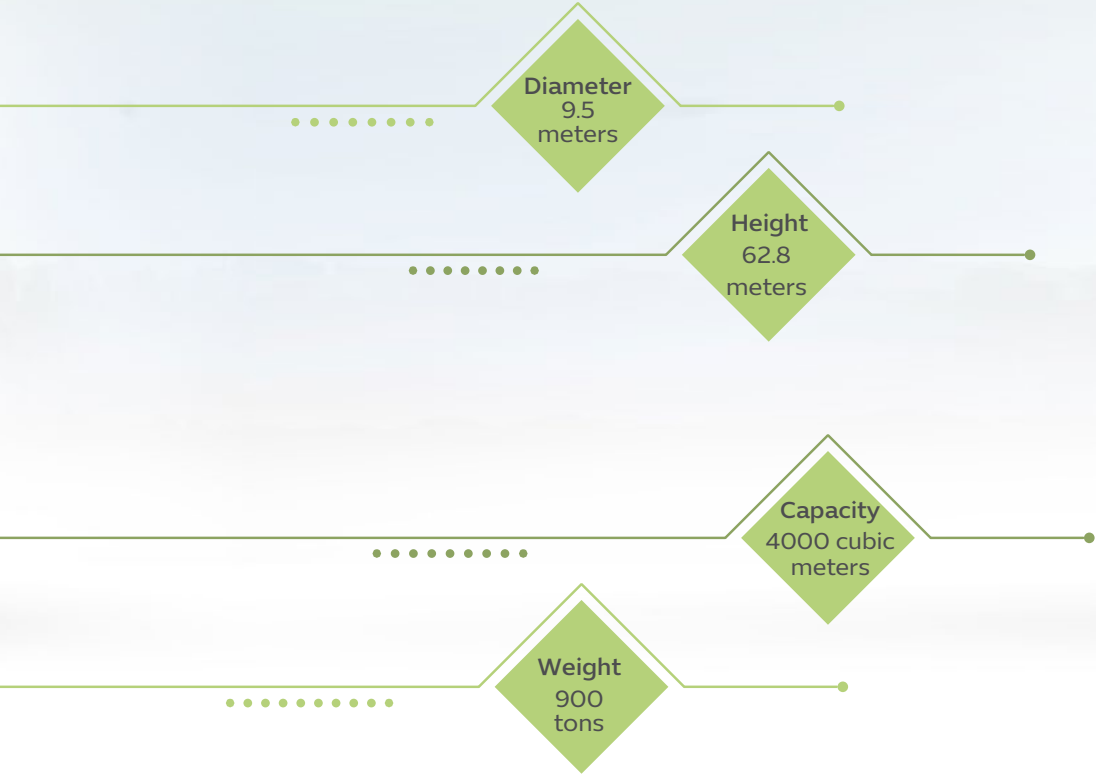
A call center has also been established for automated customer service without the need to reach out to any staff member. Around 50% of customers' inquiries have been received through this automated call center system.

The Company worked on developing customized algorithms that automatically notify the customer when the level of gas decreases highlighting the need for gas refill before running out of supplies.





# Supply Chain





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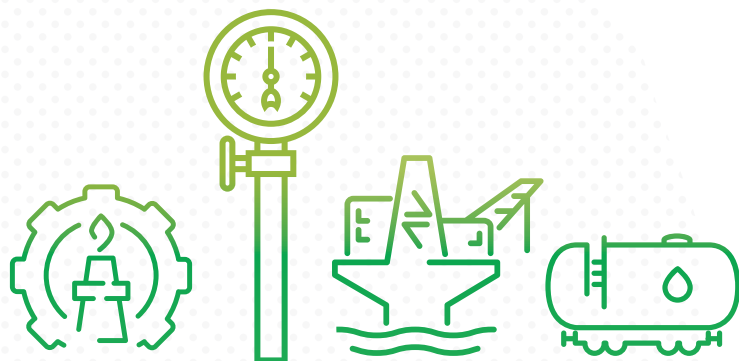
## Supply Chain

The Supply-Chain Department was established out of GASCO's constant concern to raise its products efficiency to the highest standards. Through this department, the Company guarantees the provision of all needed materials and services in a timely and least costly manner, and as per the required quality standards. This is achieved through purchase operations ensuring the integrity of competition between suppliers, and through suppliers' performance management as per standards allowing them all equal and fair chances.

This is in addition to all the support given by the Company to local products in line with the Saudi Vision 2030, and needless to mention the Company's constant follow up with contractors and providers on duty to raise all partners' performance level.

The growth of export operations in the Company resulted from the major role of the strategic procurement management that contributed to the localisation of the industry in the Kingdom

through agreements signed with many local and international companies. This had positive effects on the Company and directed its path towards finding more practical ways to satisfy its needs. It is worth mentioning the development in logistic operations carried out through a restructuring process of the product transportation system to become more effective in order to benefit the most from this service in all locations. Another objective of GASCO was to preserve national resources through decreasing fuel consumption and keeping the environment clean.



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### Main achievements of the Supply Chain:

1. Reducing operational costs by renegotiating with suppliers.
2. Reducing capital costs through direct negotiations with competitors.
3. Raising stock efficiency by using the material planning system to target inventory reduction.
4. Establishing a public auction to get the highest possible value of the movable assets.
5. Transferring incidental expenses into supply contracts with suppliers by monitoring them as items.
6. Working on developing and automating systems in line with the development of e-transactions.
7. Reducing supply risks by balancing between multiple suppliers.
8. Transferring supplies from external to internal dependency and developing local manufacturers.
9. Preparing plans to develop logistical businesses with local partners, which will impact customer service performance.

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### Success Story:

The COVID-19 pandemic has globally affected supply chains, but praise be to Allah, and thanks to everyone's cooperation and the speed of advance planning, the inventory ratio has been raised and the supply has not been affected in any way.

Coordination also took place with suppliers to increase the ratio of their reserve stock and smoothly cooperate in supplying.

A section has been created as well to clean and sterilise the cylinders before they reach the distribution points, in order to ensure public safety.







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# Human Capital



Human resources are important assets for GASCO whose mere focus remains on employees who work hard to complete the tasks, activities and projects requested by the Company to achieve its goals through the adoption of best professional practices. The Company also aims to raise the efficiency and capabilities of the employees to ensure that the accomplished tasks and responsibilities are efficient and of high quality.

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## Human Capital Development Department

### 1- Organizational Development Section

The executive management has approved the new organizational structure for its sectors that was built in order to achieve its strategic objectives. The role of this structure goes beyond limiting and dividing roles and responsibilities into specialisations, in addition to defining and distributing powers and responsibilities. It has other roles that contribute to implementing plans, decision-making, in addition to improving and developing the Company's sectors. Moreover, the management has upgraded the job descriptions for all positions at GASCO.

### 2- Talent Development Section

This year, GASCO launched training programmes aimed at refining and developing employees' skills. A total of 812 employees were trained in 2020 through 33 training courses.

### The most prominent training programmes launched in 2020

- General Management (Prince Mohammed bin Salman College)
- ADR - Carriage of Dangerous Goods by Road
- OSHA - Occupational Health and Safety Administration
- IOSH - Institution of Occupational Safety and Health
- Leading Towards Success
- Disaster and Crisis Management

GASCO also provided training programmes in coordination with 'Tamheer' programme. Covering 18 trainees, Tamheer is one of the pioneering programmes provided and supervised by the Human Resources Fund to train graduates by offering on-the-job training opportunities directed to Saudi graduates from local and international universities, so that they can apply for job vacancies at GASCO. The trainees will be able to improve their skills and acquire corporate concepts in an educational, practical environment that qualifies them to be competitive on the labour market.

Meanwhile, through the Cooperative Training Programme, GASCO cooperated with educational institutions in 2020 to train several students to practice specialised tasks in the actual work environment while pursuing their studies.

**812 employees**

were trained in 2020

**33**

training courses were held in 2020

**18**

trainees were trained in cooperation with 'Tamheer' programme

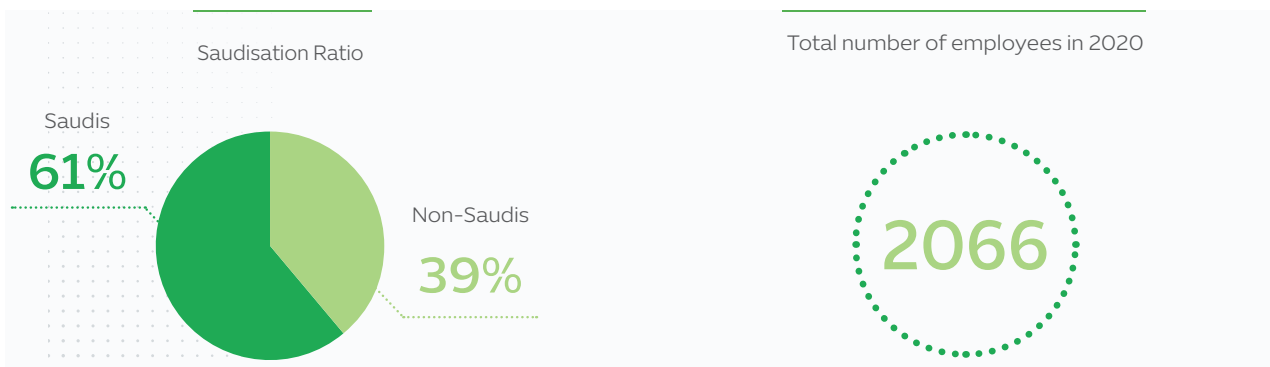
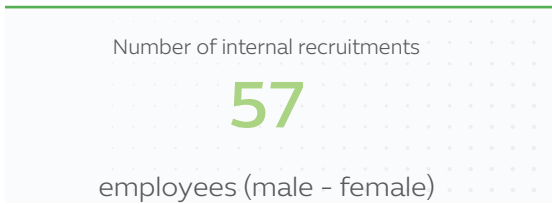
## Human Capital Operations Department

### 1- Talent Acquisition

In 2020, GASCO sought to raise the level of service provided by the Talent Acquisition Department through the continuous procedures on the new employment portal system, contributing to facilitating and automating employment stages. The Company was focused on activating and increasing the internal employment rate and providing its employees with the opportunity to develop their capabilities and experiences within the Company.

This is part of GASCO's belief in the importance of investing and benefiting from human resources. The Department also launched an orientation programme for new employees, which includes many procedures such as holding an introductory session on GASCO's vision, mission, divisions, and systems, as well as the most important information that contributes to the employee's stability and integration in an effective and welcoming way.

The schematic representation below shows the Department's most prominent achievements in 2020:



## Social Achievements and Programmes

### • Thank You Initiative

The 'Thank You Initiative' was launched in line with the Board decision to support early retirement, as part of GASCO's broad and comprehensive restructuring, in order to achieve work interests in terms of boosting performance agility, reducing costs, and making the most of human resources. This initiative was granted as an incentive by GASCO to those who have spent 25 year of service, with an estimated budget of SR 53,000,000, under specific conditions.

**SR 53,000,000**

Incentives estimated offered by GASCO

### • Coronavirus Crisis

GASCO's management has protected its employees' health and safety by adhering to COVID-19 preventive measures imposed by the competent authorities, by forming specialised committees that have implemented systems and procedures serving the employees' safety and health.

**SR 6,164,809.77**

total of loans at the end of 2020

### • Coronavirus Reward Initiative:

A financial reward was provided to GASCO's employees to motivate them during the COVID-19 outbreak, as they were exposed to danger while performing their work.

### • Qard Hassan:

GASCO has designated a programme to provide Qard Hassan loans - also know as benevolent loans - to employees with the aim of helping them meet their needs. These loans amounted to a total of SR 6,164,809.77 by the end of 2020.

**SR 150.000**

Disbursed subsidies at the end of 2020

### • Marriage Subsidies:

GASCO has dedicated a programme to provide subsidies to its Saudi employees who are about to get married. The value of disbursed subsidies reached SR 150,000 by the end of 2020.

### • Discount Programmes:

GASCO has entered into an agreement with Wala Plus platform - a programme that provides offers and discounts to employees.

## Future Projects

- Improving and developing GASCO's work environment, making it one of the best working environments, in coordination with the specialised institutions.
- Completing the career succession planning process at the company given its major importance in preserving and promoting intellectual and knowledge capital, while retaining distinguished employees and investing to improve their talent and ensure they are well supported to occupy the suitable positions in the future.
- Establishing the GASCO E-Learning Academy, in cooperation with Knowledge City - a company specialised in providing comprehensive training solutions for employees.
- Implementing the Future Leaders Development Programme, which is an on-the-job training programme for new graduates, designed in line with the Company's goals, tasks and responsibilities.





# Strategy



In 2017, GASCO launched a comprehensive development strategy to integrate effective investment in gas and environment protection, in line with the Company's vision to be the leader in gas solutions in the Middle East and driving the industry's growth towards excellence and innovation. GASCO's mission is to offer safe, reliable, and high-quality gas solutions to customers, provide sustainable value to its shareholders, protect the environment and society, actively contribute to the country's economy, and ensure a healthy work environment for its employees. Furthermore, the Company firmly believes in continuous development by forming strong partnerships in a fair competitive environment. To support these pillars and achieve the goals of this strategy, GASCO launched the following four strategic transformation programmes:

1. The Operational Excellence Programme, which aims to make GASCO a hub of excellence in the region, support development and innovation, and provide smart solutions that ensure the sustainability of supplies and operational efficiency.
2. The Business Transformation Programme, which aims to offer the best services and solutions required by the gas market in the Kingdom, and to operate in a competitive market that ensures the highest levels of customer satisfaction.
3. The Digital Transformation Programme (Afaq), which seeks to automate all procedures within all the Company's departments.
4. The HR Transformation Programme, which seeks to raise the efficiency and capabilities of the Company's employees, with the aim to ensure effective and high-quality performance of tasks and responsibilities. It also aims to attract national talents who can contribute to the development process by following the best professional practices.

GASCO has also worked on several projects to develop security and safety systems, in coordination with the best international and local specialised companies, according to the latest standards approved by the High Commission for Industrial Security, and under their direct supervision thereof. Moreover, the Company launched other projects to improve the infrastructure, increase storage capacity, and upgrade the transport and distribution trucks fleet. The budget for these projects exceeded SR 500 million.

GASCO has implemented a set of initiatives and procedures aimed at raising the level of service and customer satisfaction by offering high-value products, and technical solutions that easily and quickly provide services, in addition to establishing a direct communication with customers to improve its products and services.

### Strategic Pillars

01

- Seizing opportunities available in the field of gas
- Developing services and businesses related to gas distribution
- Maintaining core business

### Foundations & Enabling Factors

02

- Health, safety, environment and quality
- Human capacity building
- Active participation in market composition
- Technology employment

### Strategic Themes

03

- Partnerships and alliances
- Investment in assets
- Excellence in operations
- Customer Value Maximisation

### GASCO's Strategic Initiatives

04

- Operational excellence (Reducing cost and increasing efficiency)
- Digital transformation (Automating operations)
- Business transformation (Providing the best business-required services and solutions)
- HC transformation

## List of the Most Important Projects

In addition to its achievements in the four strategic transformation programmes, GASCO witnessed further accomplishments in 2020 in implementing the following capital projects:

### · Production Lines Development Project

Completing the development of all production lines in GASCO branches in order to increase the production of cylinders, reduce human intervention, and improve the quality and safety of packing.

### · Handling Area Development Project

Building gas filling and unloading platforms for tankers in accordance with the highest safety and security standards, automating filling procedures and processes, and adding devices to measure gas levels in accordance with the latest technologies.

### · Underground Reservoirs Project

Increasing the strategic storage of GASCO in accordance with the international specifications and best practices for underground tanks.

### · Security System Development Project

Developing the integrated security system in accordance with the latest specifications from the High Commission for Industrial Security to raise the security protection standards for the branch.

### · Firefighting System Development Project


Updating the firefighting system in accordance with the latest specifications from the High Commission for Industrial Security and international standards in order to increase safety standards for personnel and equipment.





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## Risks



GASCO is just like all the various economic entities that are usually exposed to some risks due to the nature of its business and activities. Meanwhile, GASCO has established a risk committee, emanating from the board of directors to supervise, direct and control the risk management work in the company. Also, specialised advisory bodies have been contracted to ensure that best practices are followed in managing GASCO's risks, assessing them and mitigating their impact and the likelihood of their occurrence. This takes place in order to work on the results of auditing and evaluating risks periodically, monitoring them and mitigating their impact.

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### Strategic Risks:

According to the Council of Ministers' Resolution No. (711) dated 11/30/1438 AH regarding the approval of the regulations and systems for the distribution system of dry gas and Liquefied Petroleum Gas (LPG) for residential and commercial purposes, GASCO is currently in the phase of reaping the fruits of many infrastructure projects that it has initiated in the past years, which contributed significantly to reducing the impacts and likelihood of many strategic risks.

Despite the effects of the COVID-19 pandemic, GASCO was keen to keep its operations going in order to achieve strategic programmes while adhering to all preventive measures for its employees and customers.

GASCO managed to modernise and upgrade projects for various devices and equipment in all the Company's stations in Saudi Arabia, the most important of which is the development of all cylinder production lines to increase production and raise the

level of quality and safety. This resulted in raising the efficiency of packaging by adopting e-technologies in production, follow up and reports, which also helped reduce the cost of packaging and increase production capacity. GASCO also proceeded to modernise the fleet of gas distribution trucks for tanker service customers by including a number of modern trucks, which added speed in service, reduced waiting times and increased the number of customers. This is in addition to the fact that the Company has made great strides in increasing strategic stock operational reserves to cope with the periodic or sudden shutdown of the refineries in order to ensure continuity and sustainability of providing services to all customers. In the same context, GASCO continues to modernise the fleet of gas tankers on specific mechanisms for expansion and spread to cover several of consumption areas in the Kingdom in accordance with government directives.

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### Operational Risks:

GASCO avoids the risks of supply disruption from Aramco for emergency or scheduled maintenance through joint plans that help to exploit the storage capabilities of the two companies to ensure the continuation of the gas supply to customers. GASCO also deals effectively with the risks of the approved main road routes between the Company's stations and the two Aramco refineries in Qatif and Yanbu being affected, as alternative methods are used when needed in coordination with the High Commission for Industrial Security at the Ministry of Interior, and this results from a large accumulation of practical on-the-ground experience. In addition to that, the Company works to manage the potential risks of technical accidents causing shortage of supply or sudden interruption through modernising and increasing the transportation and distribution fleet of tankers and tanks, in accordance with the highest international and local specifications and standards to ensure the provision of gas stocks. Also, operational efficiency and performance are improved, available resources are utilised, periodic and preventive maintenance is carried out and safety standards are followed. GASCO has also developed cylinder filling lines in all its stations with modern and distinctive systems in the LPG market to ensure continuous fulfillment of demand and the implementation of the highest levels of quality and safety. Moreover, GASCO manages the risks related to human cadres by developing career succession plans, providing an effective and inspiring environment for workers and allocating specialised and general courses that increase the efficiency and capabilities of

workers, in addition to a number of motivational programmes to support job stability.

In the areas of security and safety, GASCO adopts the latest standards for occupational safety and health and works to adhere to the requirements of the High Commission for Industrial Security at the Ministry of Interior, the standards of the National Fire Fighting Association (NFPA) with regard to firefighting and the standards of the Occupational Safety and Health Administration (OSHA). The Company has also been keen to obtain ADR certificates for the road transport of hazardous materials. In addition to that, GASCO is working to train and educate its drivers and enroll them in road transport of hazardous materials courses.

In the areas of evaluation and assessment of the internal control systems and review of the Company's business, GASCO has an independent and specialised department for internal auditing, which carries out missions, through annual plans, in order to conduct a continuous review of the Company's business in all its various sectors to address observations and evaluate performance. The department also supervises the results of the periodic evaluation of the GASCO's risks and monitoring the extent of compliance with the approved laws, regulations, and policies. Periodic reports are submitted to the Audit Committee to issue its recommendations to the Company's Board of Directors in order to take the necessary action in this regard.

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## Financial Risks:

The company faces a major challenge, which is the decrease in the profit margin in its main activity due to the stability of the selling price since 1420H, which led to the fact that most of the company's profits were from the company's investments, not from Gasco main activity.

GASCO takes all necessary financial precautions and allocations to face the risks related to the main financial assets, including receivables, inventory, cash in banks and other assets, as well as the main financial liabilities, including accounts payable, other liabilities, and employees' rights. Also, there are risks related to its various investments and issues, if any. GASCO also works to invest cash surpluses on a regular basis to achieve viable returns, while maintaining an ideal liquidity ratio that enables it to fulfill its obligations.

The Company is also committed to protecting its property and equipment through insurance, such as its trucks and carriers. GASCO also protects its money and transported goods as well as civil liability through an insurance cover that is proportional with the size and business of the Company. Moreover, the Company works annually to improve its insurance coverage by studying

the risks expected in its business through its accredited insurance advisors.

With regard to the risks posed by the explosion incident due to gas leakage in GASCO's tanker No. 845, which took place in the morning hours of Thursday, 1 November 2012, corresponding to 16 Dhu al-Hijjah 1433 AH, as a result of a traffic accident, the Company has assigned a specialised law firm to work on managing the risks and mitigating the impact of the incident on the Company in this regard.

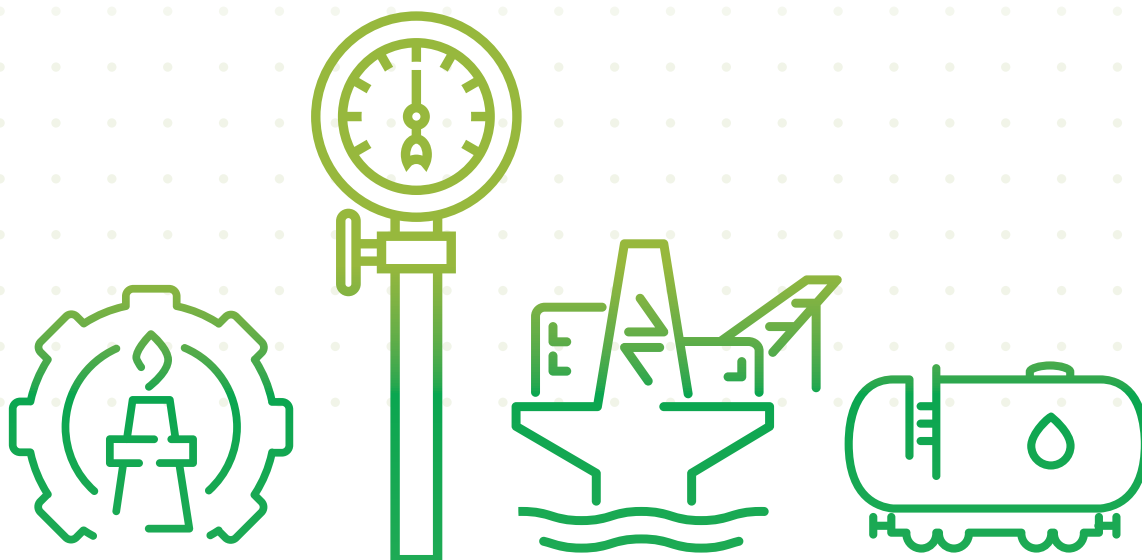
Note that on Monday 08/09/1442H corresponding to 03/22/2021, the Court of Appeal nullifying the Ministry of Transport's lawsuit and ruled to release GASCO, and thus the case is considered closed.

With regard to the embezzlement incident announced in 2020, a number of measures have been taken to improve the company's internal control systems, seek the assistance of a consultant to study risks and make proposals to address any deficiencies that are monitored in this regard to protect the company's assets and property.

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## Technical Risks:

With regard to the technical risks, GASCO manages to constantly update its programmes and Information Technology management, as well as providing the necessary technical support to ensure business continuity. It also seeks to provide high protection and security of information to maintain company data and confidentiality, through advanced systems within the digital transformation programme (Afaq).







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## Governance Report



GASCO ensures its commitment to the highest Company governance standards and guarantees the implementation of best practices to strengthen the relationship with its shareholders as well as all its investors and clients, which secures the protection of the shareholders and stakeholders rights on the long term.

Believing in the principles of disclosure and transparency, and in the importance of data to the investors, the Company discloses its performance, financial results, and previous management activity, and provides information of interest to the investors as follows:

#### Shareholders' Rights:

GASCO gives special consideration to its shareholders' rights; hence their inclusion in the Company's bylaws and Governance Report, as stipulated by laws and regulations, and stated as follows:

- Shareholders have the right to:

- Receive their share of the net profit due to be distributed in cash or through share issuance.
- Receive their share of the Company's assets upon liquidation.
- Attend the Company's General Assemblies and take part in deliberation and voting processes.
- Alienate shares in accordance with provisions stipulated by the companies and capital market laws and implementing regulations.

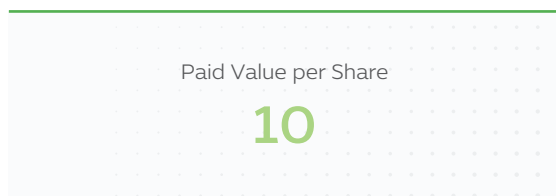
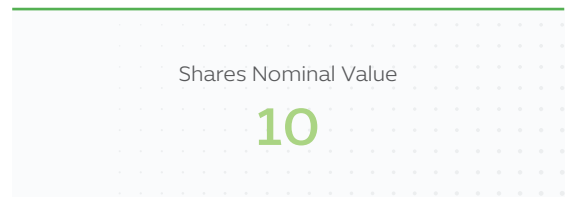
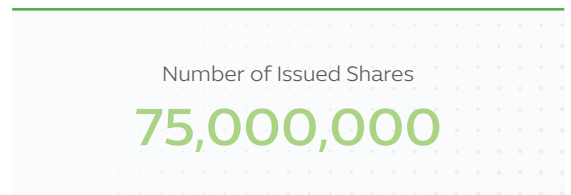
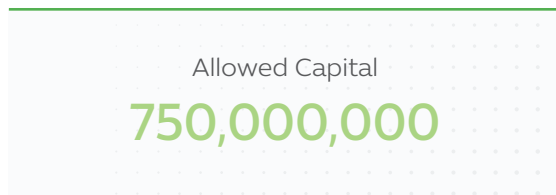
Enquire about and request access to the Company's books and documents, including data and information on the Company's activity as well as its operational and investment strategy, without detriment to its interests and in a manner consistent with the companies and capital market laws and implementing regulations.

- Hold Board members accountable, pursue liability against them, and consider the appeal of invalid General Assemblies decisions, as per the conditions and restrictions stated in the Companies Law and the Company's bylaws.
- Have the priority in equity participation with ownership of new shares issued for cash consideration, unless this priority is no longer granted by the Company's Extraordinary General Assembly.
- Register shares in the Company's shareholders' register.
- Inquire access to a copy of the Company's Memorandum and Articles of Association, unless published on the Company's website.
- Nominate Board members and vote for them.
- Monitor the Company's performance and the Board activities.

The Company endeavours to communicate directly with its shareholders through the Ordinary and Extraordinary General Assemblies. It also strives to publish the Company ads on the Saudi Stock Exchange website (Tadawul), and to make the full, clear, correct, and non-misleading information available and published at the right time. The Company also issues an annual report encompassing the Board of Directors' report that showcases the required disclosures in conformity with the companies and capital market laws and implementing regulations as well as required approvals. Moreover, the Company enables the shareholders to inquire about any information and to send any comments via post or email, in addition to granting the shareholders access to the Company's books and documents on (WWW.GASCO.COM.SA) with the aim of ensuring that all shareholders equally benefit from their regular rights, and as a follow up on all required measures to do so.

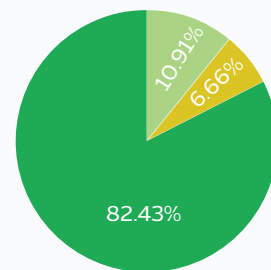
• **The Company's Capital as registered on the 31<sup>st</sup> of December 2020:**

The Company does not have preference shares nor shares with voting power, be it for shareholders, Board members, or associates. All the Company's shares are equal in nominal value and equal in voting rights and other rights in accordance with the Company's bylaws.



**Shareholders' Information:**

- Other shareholders with ownership of less than 5% per shareholder
- Public Investment Fund
- Abdul Aziz Bin Abdul Rahman Bin Abdul Aziz Al Mohsen



Shareholders owning (5%) and more  
(on December 31st 2020)



## Treasury Shares:

There are no treasury shares available in the Company.

## Profit Distribution:

As per GASCO's policy, profit distribution depends on the Company's operational results, cash flow, and working capital needs, in addition to the Company's needs in terms of capital investments. Based on the aforementioned factors, the Board of Directors makes the relevant recommendations for profit distribution, taking into consideration article (45) of the Company's bylaws:

Annual net Company profits are distributed as follows:

1. (10%) of the net profits shall be set aside to form the statutory reserve of the Company. The Ordinary General Assembly may discontinue setting aside such reserves once it has reached (30%) of the paid capital.
2. Upon the Board of Directors' suggestion, the Ordinary General Assembly can set aside (5%) of the net profits to form a consensual reserve for the Company to cope with significant matters and emergencies.
3. The Ordinary General Assembly shall decide to set aside other reserves amounting enough to serve the Company's interest or guarantee a steady profit distribution amongst shareholders to the extent possible. The Assembly shall also deduct amounts from the net profits with the aim to establish social institutions for the Company's employees or to help existing institutions.
4. The remaining amount following the above deductions shall be distributed amongst shareholders with a percentage no less than (1%) of the paid-up capital.
5. Taking into account the provisions stipulated in article (twenty-one) of these Articles of Association, and article (seventy-six) of the Companies Law, a provision of (10%) of the remaining profits is made for the Board remuneration, after distributing profits amongst shareholders with a percentage no less than (5%) of the Company's paid-up capital, while ensuring that this remuneration is proportional to the number of meetings attended by the Board member.
6. Upon the Board of Directors' suggestion, the Ordinary General Assembly shall take an appropriate decision in relation to the remaining profits in a manner consistent with the decisions and instructions issued by the competent authorities.

**Following the fulfilment of the established controls, The Board of Directors shall distribute half-yearly and quarterly profits throughout the financial year.**

Moreover, the Company's profit distribution policy consists of the following:

- Consideration of hierarchy and consistency in profit distribution and percentage depending on the potential and liquidity available within the Company.
- Disclosure and announcement of the periodic regular profits that are decided to be timely distributed amongst shareholders.
- The Board of Directors shall distribute half-yearly and quarterly profits throughout the financial year in accordance with article (45) of the Company's bylaws. The Board can proceed with the distribution upon receiving an authorization from the Company's General Assembly through a yearly renewable decision to distribute interim profits, taking into consideration the availability of regular profitability and liquidity enabling the Company to expect its profit level to a possible extent, and considering the existence of distributable profits as per the most recent audited financial statements, enough to cover the profits suggested to be distributed, after deduction and capitalization of previously distributed amounts from these profits, following the date of these financial statements.
- Upon taking the decision to distribute interim profit or to release recommendations to the General Assembly, the Board shall commit to disclose and announce it immediately and shall provide the Capital Market Authority with a copy of this distribution as soon as issued.
- The profits are due at the end of the trading day on the date of profit claim for stockholders, and at the end of the second trading day following the date of profit claim for shareholders registered in the Company's shareholders' register published in "Tadawul".
- The Board shall implement the General Assembly's decision in terms of profit distribution to the registered shareholders within (15) days of the profit claim date agreed as per the Assembly's decision or in accordance with the Board decision to distribute interim profits.

- In its annual report submitted to the Company's General Assembly, the Board shall disclose the detailed description of the Company's profit distribution policy, the percentages of profits distributed amongst shareholders in the different times of the year, the percentage of profits suggested to be distributed at the end of the financial year, the gross value of these profits, in addition to the announcement of any arrangement or agreement through which any of the Company's shareholders has waived any profit rights.
  - Disclosure of any arrangement or agreement through which any of the Company's shareholders has waived any profit rights:
- No arrangement or agreement have been set for any of the Company's shareholders to waive any profit rights.

Year	Earnings per share from the Distributed Profits (SR)	Earnings per share from the net income (SR)
2020	*-	1.83
2019	2.6	1.46
2018	1.6	1.20
2017	1.8	1.70
2016	1.2	1.94

\* Until the date of publishing this report 31/03/2021, the Board of Directors had not issued any recommendation regarding the distribution of profits for the year 2020.

#### Shareholders' Meetings:

In 2020, the Company held two general assemblies as follows:

##### First General Assembly: Extraordinary General Assembly held on Monday 27/01/2020.

By virtue of the invitation sent by the Board of Directors' to the Company's shareholders to attend the Extraordinary General Assembly declared on the Saudi Stock Exchange (Tadawul) website on 05/05/1441 H (31/12/2019). This assembly was held at the "Holiday inn" Riyadh Izdihar in Riyadh at 07:30 pm, headed by Eng. Abdulaziz bin Fahd Al Khayyal, Chairman of the Board, and in presence of the following Board members:

- |  |                                       |
|--|---------------------------------------|
| 1. Ali Mohammed Al Saflan                | 5. Baker Abdulrahman Al-Mahnaa        |
| 2. Mohammed Hamad Al Kathiri             | 6. Mohammed Bin Nazal Al Khaldi       |
| 3. Raed Abdullah Al Hogail               | 7. Abdulrahman Abdulaziz bin Sulaiman |
| 4. Ahmed Abdulrahman Abdulaziz Al-Mohsen | 8. Raed Abdullah Al Tamimi            |

Board member Turki Abdullah Al Jawini apologized for not attending the meeting. Abdullah Al-Juhni, representative from the Capital Market Authority, was also present at the meeting.

The president opened the meeting by welcoming the attendees and declared that the assembly will not be held due to the absence of the legal shareholders' quorum, as the attendees represented (27.93%). The meeting got postponed till (07:30) pm on the same day mentioned in the invitation.

At (07:30) pm, the president opened the meeting by welcoming the attendees and declared that the Extraordinary General Assembly shall take place with the following shareholders' information detailed as follows:

	Number of Shareholders	Number of Shares	Percentage
Shareholders in person	10	14,210,925	18.95
Shareholders by proxy	0	0	0
Automated Voting / e-voting <sup>8</sup>	118	6,738,780	8.99
Total	128	20,949,705	27.93

The meeting was held in conformity with the Companies Law and the Company's bylaws.

The Chairman of the Board announced that Mousa bin Abdullah Al-Mousa was appointed as the Assembly's secretary, and that the Audit and Canvass Committee members have been selected and include Abdullah bin Abdulrahman Al-Masbahi and Walid bin Khalid Al-Ribdi, and this was approved by Shareholders.

The General Assembly's agenda was read out loud to all shareholders and attendees who were granted the opportunity to debate and ask their questions to the Board as per the agenda. Since no inquiries came from shareholders, the President asked the shareholders to vote on the agenda items using the voting cards previously handed to them. After the voting process, the Audit and Canvass Committee members gathered and counted the shareholders' votes in collaboration with the Assembly's secretary. Voting results were counted and a report issued with the results annexed and announced as follows:

Item	Agree	Disagree	Abstain from Voting
1. Voting on the amendment of article (one) of the Company's current bylaws relevant to the Company's establishment.	20,432,553 97.53%	37,551 0.18%	479,601 2.29%
2. Voting on the amendment of article (three) of the Company's current bylaws relevant to the Company's purposes.	20,468,939 97.71%	1,453 0.01%	479,313 2.29%
3. Voting on the amendment of article (four) of the Company's current bylaws relevant to the Company's participation and ownership in companies.	20,490,463 %97.81	1,738% %0.01	457,504 2.18%
4. Voting on the amendment of article (twenty) of the Company's current bylaws relevant to the powers of the Board.	20,441,723 97.58%	47,290 0.23%	460,692 2.20%
5. Voting on the amendment of article (twenty-one) of the Company's current bylaws relevant to the powers of the Chairman, Vice-Chairman, Managing Director, and Secretary.	20,440,143 97.57%	47,580 0.23%	461,982 2.21%
6. Voting on the amendment of article (forty) of the Company's current bylaws relevant to the committee's reports.	20,466,193 97.69%	2,528 0.01%	480,984 2.30%
7. Voting on the amendment of article (forty-four) of the Company's current bylaws relevant to the financial documents.	20,468,069 97.70%	1,493 0.01%	480,143 2.29%
8. Voting on mandating the Board of Directors to distribute the Interim profits on a half-yearly or quarterly basis for the fiscal year 2020 and set the due date for their distribution in accordance with the regulatory procedures issued to implement the Companies Law commensurate with the Company's financial situation, cash flow, as well as expansion and investment plans.	20,480,716 97.76%	1,251 0.01%	467,738 2.23%
9. Voting on mandating the Board of Directors' decision to appoint Turki bin Abdullah Al Jawini (independent member of the Board) as a representative of the Human Resources Development Fund, re-placing Dr. Mohammed bin Ahmed Al-Sudairi as of 12/12/2019 and until the Board session ending on 28/11/2022.	20,466,910 97.70%	5,456 0.03%	477,339 2.28%

10. Voting on the establishment of a new Audit and Canvass Committee for the new session for three consecutive years starting on the day of the Gen-eral Assembly, and agreeing on its tasks, controls, and remunerations of the below members:	20,310,784	39,057	599,864
	96.95%	0.19%	2.86%
<ul style="list-style-type: none"> <li>· Ahmed Abdulrahman Abdulaziz Al-Mohsen</li> <li>· Raed bin Abdullah bin Saleh Al Tami-mi</li> <li>· Dr. Ahmed bin Abdullah bin Ali Al-Munif</li> <li>· Mousa bin Abdullah bin Hamad Al-Mousa</li> </ul>			

Consequently, the resolution of the Board of Directors regarding the agenda is the approval by majority of votes on all items of the agenda.

The meeting was closed at (7:50) p.m. on the same date. The president of the Assembly, on behalf of the Company's Board of Directors and all members, extended his thanks to all attendees for their attendance and effective participation.

### Second Assembly: Ordinary General Assembly held on Thursday June 4th, 2020.

By virtue of the invitation sent by the Board of Directors to the Company's shareholders to attend the Ordinary General Assembly declared on the Saudi Stock Exchange (Tadawul) website on 28/04/2020, and in accordance with the circular issued by the Capital Market Authority requesting from the listed shareholding companies to hold assemblies remotely via available modern technology and suspend face-to-face meetings until further notice, for the safety of the financial market dealers. These regulations were imposed in the framework of the efforts and preventive measures taken by the competent health authorities against COVID-19 and in support of the constant efforts bestowed by all government entities in the KSA to curb the spread of this virus. This said, the meeting was held remotely at (6:30 pm), headed by the Chairman of the Board Eng. Abdulaziz bin Fahd Al Khayyal, and in presence of the following Board members:

- |                                     |  |
|-------------------------------------|--|
| 1. Mr. Ali Mohammed Al Saflan       | 6. Mr. Raed Abdullah Al Tamimi               |
| 2. Dr. Mohammed Hamad Al Kathiri    | 7. Mr. Ahmed Abdulrahman Abdulaziz Al-Mohsen |
| 3. Dr. Raed Abdullah Al Hogail      | 8. Eng. Abdulrahman Abdulaziz bin Sulaiman   |
| 4. Mr. Bakr Abdulrahman Al Muhanna  | 9. Mr. Turki Abdullah Al Jawini              |
| 5. Mr. Mohammed Bin Nazal Al Khaldi |  |

Representatives of the auditing firm "Deloitte and Touche & Co." in addition to accountants and legal reviewers were also present at the meeting. The president opened the meeting at 6:30 pm by welcoming the attendees and declared that the assembly shall take place with the following shareholders' information detailed as follows:

Number of Shareholders	Number of Shares	Percentage
339	19,164,144	25.55%

The meeting was held in conformity with the Companies Law and the Company's bylaws.

The General Assembly's agenda was read out loud to all shareholders and attendees, then the president asked the auditor's representative to read the auditor's report and the financial statements and articles relevant to the financial year ending on 31/12/2019. The president expressed his readiness to answer any of the shareholders' inquiries, and since no inquiries were received, he asked the auditor's representative to leave the meeting in order to pursue the discussion of the agenda items.

The Head of the Audit Committee Ahmed Abdulrahman Abdulaziz Al-Mohsen read out the Audit Committee report to the General Assembly.

The Assembly looked into the auditors' submitted offers for the audit and review of financial year 2020 and first quarter of financial year 2021.

Shareholders were granted the opportunity to debate and ask their questions to the Board as per the agenda. Since no inquiries came from the shareholders, the president asked the shareholders to vote on the agenda items using the voting cards previously handed to them. After the voting process, the votes were gathered and counted and a report was issued with the results as follows:

Item	Agree	Disagree	Abstain from Voting
Approval of the Board report for the financial year ending December 31st, 2019.	18.337.045 95.68%	246.339 1.28%	580.760 3.03%
Approval of the Company's auditor's report for the financial year ending December 31st, 2019.	18.347.340 95.73%	220.333 1.14%	596.471 3.11%
Approval of the financial statements for the financial year ending December 31st, 2019.	18.382.103 95.91%	218.070 1.13%	563.971 2.94%
Approval of the discharge of the Board obligations for the financial year ending December 31st, 2019.	18.273.099 95.35%	298.719 1.55%	592.326 3.09%
Approval of granting remunerations amounting to a total of (SR 2,882,069) for Board members for the financial year ending December 31st, 2019.	18.097.647 94.43%	512.404 2.67%	554.093 2.89%
Approval to select a Company auditor from the list of candidates as per the Audit Committee recommendation, with the aim to conduct the audit of the financial statements for the second and third quarters and for the entire financial year 2020 and first quarter of financial year 2021, and agreement of his fees.			
	10.141.275		
1. Ernst & Young – Total fees (SR 877.000)	52.91%		
2. PKF Al Bassam & Co. – Total fees (SR 395.000)	1.368.393 7.14%	-	2.443.624 12.75%
3. BDO Dr. Mohamed Al-Amri & Co. – Total fees (SR 618.000)	5.210.852 27.19%		
Approval of the Board decision relevant to cash profit distribution for the second, third, and fourth quarter of financial year 2019 amounting to a total of (SR 146,250,000), with (SR 1.95) per share, which represents (19.5%) of the Company's capital.	18.614.665 97.13%	21.829 0.11%	527.650 2.75%

Approval to increase the fees of "Deloitte and Touche & Co." as per the recommendation of the Audit Committee. These fees are in exchange for the second, third quarter and whole year audit for the financial year 2019 and the first quarter of financial year 2021, in addition to the Zakat submission and settlement to the General Authority of Zakat & Tax amounting to (SR 346,250).	17,166,577 89.57%	1,158,613 6.04%	838,954 4.37%
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Approval of the works and agreements to be signed between the Company and the Company for Cooperative Insurance "Tawuniya" – related party – whose Board member Raed Abdullah Al Tamimi is a member of the Company Board. This agreement dated 13 February 2020 for the duration of one year is a medical insurance agreement for the Company employees, amounting to a total of (SR 20,761,134) excluding VAT. The Company confirms that this agreement is part of the regular activity and that no privileges have been granted through it.	18,109,295 94.49%	272,007 1.41%	782,842 4.08%
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Approval to mandate the Board to handle the Ordinary General Assembly as per the authorization in section (1) of article seventy-one of the Companies' Law, for a full year as of date of Ordinary Assembly's approval, or until the end of the Board mandate (whichever comes first); as per the regulatory procedures issued in implementation of the Companies' Law of the listed shareholding companies.	16,252,677 84.80%	2,129,862 11.11%	781,605 4.07%
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Approval of the Board recommendation to transfer the excess of the statutory reserves amounting to (SR 45,551,265) to the Company's cumulative loss account.	18,273,523 95.35%	331,106 1.72%	559,515 2.91%
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Consequently, the resolution of the Board of Directors regarding the aforementioned agenda of the Ordinary Assembly is the approval by majority of votes on all items of the agenda, and the selection of Ernst & Young to conduct the audit of the financial statements for the second and third quarters and for the entire financial year 2020 in addition to the first quarter of financial year 2021.

The meeting was closed at (7:00) p.m. The president of the Assembly, on behalf of the Company's Board of Directors and all members, extended his thanks to all attendees for their attendance and effective participation.

## Shareholders' Register

No Company applications for the shareholders' register for 2020.

## Formation of the Company's Board of Directors & Committees

### Formation of the Board of Directors

A Board of Directors shall manage the Company and consists of 10 members elected by the Shareholders' Ordinary General Assembly by cumulative votes:

<b>Independent Members</b>	1- Eng. Abdulaziz bin Fahd Al Khayyal - Chairman 2- Dr. Raed Abdullah Al Hogail - Member 3- Dr. Mohammed Hamad Al Kathiri- Member 4- Mohammed Bin Nazal Al Khaldi - Member	Individually Individually Individually Representative of the Public Pension Agency
<b>Non-Executive Members</b>	5- Ali Mohammed Al Saflan - Vice-Chairman 6- Ahmed Abdulrahman Abdulaziz Al-Mohsen - Member 7- Baker Abdulrahman Al Muhanna- Member 8- Turki Abdullah Al Jawini – Member 9- Raed Abdullah Al Tamimi - Member	Individually Individually Representative of the Public Pension Agency Representative of the Public Pension Agency Individually
<b>Executive Members</b>	10- Abdulrahman Abdulaziz bin Sulaiman - Member	Individually

## Formation of the Company's Committees:

### Executive Committee:

The Committee consists of 4 Board Members:

- Eng. Abdulaziz Fahd Al Khayyal – Head
- Ali Mohammed Al Saflan – Member
- Dr. Raed Abdullah Al Hogail – Member
- Dr. Mohammed Hamad Al Kathiri – Member

### Nomination & Remuneration Committee:

The Committee consists of 4 Board Members:

- Mohammed Nazal Al Khaldi – Head
- Ali Mohammed Al Saflan – Member
- Baker Abdulrahman Al Muhanna– Member
- Dr. Raed Abdullah Al Hogail – Member

### Investment Committee:

The Investment Committee consists of 3 Board members:

- Baker Abdulrahman Al Muhanna– Head
- Eng. Abdulaziz bin Fahd Al Khayyal – Member
- Ahmed Abdulrahman Abdulaziz Al-Mohsen – Member

### Audit Committee:

The Committee consists of 4 members; 2 non-executive Board Members and 2 from outside the Board of Directors including a specialist in financial and accounting affairs:

- Ahmed Abdulrahman Al-Mohsen – Head
- Raed Abdullah Al Tamimi – Member
- Ahmed Abdullah Al-Munif – Member from outside the Board.
- Mousa Abdullah Al-Mousa – Member from outside the Board.
- The establishment of the Audit Committee was approved for three years on 27/01/2020.

### Crisis Management Committee:

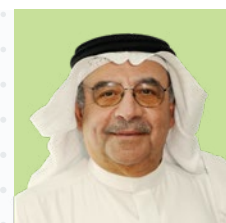
- Raed Abdullah Al Tamimi – Head
- Mohammed Bin Nazal Al Khaldi – Member
- Abdulrahman Abdulaziz bin Sulaiman – Member
- Abdulaziz Mohammed Al-Babtain – Member from outside the Board.
- The establishment of the Crisis Management Committee was approved by the Board of Directors on 15/06/2020.
- Abdulaziz Mohammed Al-Babtain was appointed as a member of this committee on 05/07/2020.

Changes that occurred in terms of the classification and nature of membership in the Company's Board of Directors and Committees during the year 2020.

Type of Change	Name of Member	Nature of Change	Date of Change
Type of Membership	Turki Abdullah Al Jawini	From Independent to Non-Executive	September 9, 2020

## Board and Committee Members' Biographies

**Eng. Abdulaziz bin Fahd Al Khayyal**  
Chairman of the Board



### Qualifications:

Master of Business Administration in 1979, Bachelor's degree in Mechanical Engineering from the University of California, Irvine in 1977, and Advanced Management Program from the University of Pennsylvania in 1995.

### Current Position:

Retiree.

### Experience and Previous Positions:

He worked at Saudi Aramco from 1981 till 2014 where he held many positions, the most recent of which being Senior Vice President for Industrial Relations. He also occupied the positions of Senior Vice President for Refining, Marketing and International, Vice President for Sales and Marketing, and Vice President for Corporate Planning. He also served as President of Saudi Petroleum International Inc. in New York.

### Memberships in Company Committees

Executive Committee – Head

Investment Committee – Member

### Current Board Memberships & Managerial Positions:

Company Name	Inside / Outside KSA	Legal Entity
Marathon Petroleum Corporation	Outside	Listed Stock Company
Halliburton Corporation	Outside	Listed Stock Company

### Previous Board Memberships & Managerial Positions:

Company Name	Inside / Outside KSA	Legal Entity
Saudi Aramco	Inside	Listed Stock Company
Petro Rabigh	Inside	Listed Stock Company
Petron	Outside	Listed Stock Company
Bahrain International Villa	Inside and outside	Limited Liability Company
S-Oil Corporation	Outside	Listed Stock Company
Saudi Electricity Company	Inside	Listed Stock Company

**Ali Mohammed Al Saflan**  
Vice Chairman of the Board



**Qualifications:**

Business Management Programme Certificate from Columbia University (USA), Master of Business Administration from King Fahd University of Petroleum and Minerals, and Bachelor's degree in Financial Management and Business Administration from Rider University (USA).

**Current Position:**

Entrepreneurial ventures

**Experience and Previous Positions:**

He has over (44) years of experience working in many technical and administrative positions at Saudi Aramco, the last of which being the Senior Vice President for Industrial Relations and Affairs.

**Memberships in Company Committees**

Executive Committee – Head

Nomination and Remuneration Committee – Member

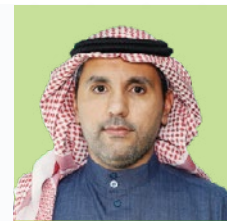
**Current Board Memberships & Managerial Positions:**

Company Name	Inside / Outside KSA	Legal Entity
Sarawat Printing & Publishing	Inside	Closed Stock Company
Saeed Ghodran Group	Inside	Closed Stock Company
Tagat Al Sharq Al-Saudi Factory	Inside	Closed Stock Company

**Previous Board Memberships & Managerial Positions:**

Company Name	Inside / Outside KSA	Legal Entity
S-Oil Corporation	Outside	Listed Stock Company
Gabas Albilad Holding Company	Inside	Closed Stock Company
Gulf SAF Group	Inside	Closed Stock Company
Natural Gas Distribution Company	Inside	Closed Stock Company
East Gas Co Ltd	Inside	Closed Stock Company

**Ahmed Abdulrahman Al Mohsen**  
Board Member



**Qualifications:**

Master of Business Administration from University of Missouri (USA), Bachelor's degree in Accounting from King Saud University in Riyadh, and Fellow CPA (Certified Public Accountant) Certificate (USA). He also completed the Strategic Financial Leadership Program at Stanford University in the USA.

**Current Position:**

Chief Financial Officer at Al Rajhi Capital.

**Experience and Previous Positions:**

He held the position of Chief Financial Officer at Al Rajhi Bank (Jordan) after occupying various positions at Al Rajhi Bank, PricewaterhouseCoopers (PwC), and Saudi Fund for Development.

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**Memberships in Company Committees**

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Audit Committee – Head

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Investment Committee – Member

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**Current Board Memberships & Managerial Positions:**

Company Name	Inside / Outside KSA	Legal Entity
Al Rajhi REIT	Inside	Real Estate Investment Traded Fund

**Previous Board Memberships & Managerial Positions:**

Company Name	Inside / Outside KSA	Legal Entity
-	-	-

**Baker Abdulrahman Al Muhanna**  
Board Member



**Qualifications:**

Bachelor's degree in MIS from King Fahd University of Petroleum and Minerals in 2006.

**Current Position:**

Director and Head of Transport & Logistics and Food & Agricultural Investments Division at the Public Investment Fund.

**Experience and Previous Positions:**

He worked as an investment banking specialist at Deutsche Bank in the areas of capital markets and mergers and acquisitions. He also held the position of Head of Investments at King Abdullah City for Atomic and Renewable Energy and served as Assistant Director of Investments at the Saudi Arabian Industrial Investments Company.

**Memberships in Company Committees**

Investment Committee – Head

Nomination and Remuneration Committee – Member

**Current Board Memberships & Managerial Positions:**

Company Name	Inside / Outside KSA	Legal Entity
Milling Company	Inside	Closed Stock Company
Minerva Foods	Outside	Listed Stock Company
Tatweer Education Holding Company	Inside	Closed Stock Company
Al Madina Al Turathiya Company	Inside	Closed Stock Company
Saudi Global Ports Company	Inside	Limited Liability Company
Saudi Fisheries Company	Inside	Listed Stock Company

**Previous Board Memberships & Managerial Positions:**

Company Name	Inside / Outside KSA	Legal Entity
-	-	-

**Turki Bin Abdullah Al Jawini**  
Board Member



**Qualifications:**

Bachelor's degree in MIS from Clarion university in USA.

**Current Position:**

Director General of the Saudi Human Resources Development Fund (Hadaf).

**Experience and Previous Positions:**

He has extensive experience in many fields in which he held several leadership positions in the Saudi British Bank (SABB), NAS Holding, and NASJET. He also worked as the Advisor to the Vice President of the Airports' Sector at the General Authority for Civil Aviation and was the Director General of King Fahd International Airport in Dammam. Al Jawini occupied the position of CEO of Dammam Airports Company (DACO).

**Memberships in Company Committees**

No Members

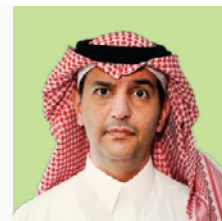
**Current Board Memberships & Managerial Positions:**

Company Name	Inside / Outside KSA	Legal Entity
Takamol Holding	Inside	Closed Stock Company
Future of Work	Inside	Closed Stock Company
Hadaf	Inside	Limited Liability Company
Saudi Pharmaceutical Industries & Medical Appliances Corporation (SPIMACO)	Inside	Listed Stock Company

**Previous Board Memberships & Managerial Positions:**

Company Name	Inside / Outside KSA	Legal Entity
East Gas Company Ltd	Inside	Limited Liability Company

**Raed Bin Abdullah Al Tamimi**  
Board Member



**Qualifications:**

holds a bachelor's degree in Medical Sciences from the University of Wales, Britain (1996), and several professional certificates in insurance and management.

**Current Position:**

member of the Board of Directors in several companies

**Experience and Previous Positions:**

CEO of the National Medical Care (2017-2018). He worked in the Company for Cooperative Insurance, Tawuniya, from 1996 to 2017. Throughout those years, he held many other positions, the last of which was CEO of the company. He holds many certificates and advanced training certifications in management, strategy, leadership, insurance, investment, risk management and governance from several well-known international institutes such as INSEAD, IMD, Fitch, London Business School, and others.

**Memberships in Company Committees**

Audit Committee – Member

Risk Committee – Chairman

**Current Board Memberships & Managerial Positions:**

Company Name	Inside / Outside KSA	Legal Entity
Al Rajhi Bank	Inside	Public Joint-Stock Company
Saudi Public Transport Company (SAPTCO)	Inside	Public Joint-Stock Company

**Previous Board Memberships & Managerial Positions:**

Company Name	Inside / Outside KSA	Legal Entity
National Medical Care	Inside	Public Joint-Stock Company
Najm	Outside	Closed Stock Company
Tawuniya	Inside	Public Joint-Stock Company
Natural Gas Distribution Company (NGDC)	Inside	Closed Stock Company
United Insurance Company - Bahrain	Inside	Closed Stock Company
Tawuniya for Real Estate Investment	Inside	Limited Liability Company
Waseel ASP Ltd	Inside	Closed Stock Company

**Dr. Raed Bin Abdullah Al Hogail**  
Board Member



**Qualifications:**

holds a PhD in financial management from George Washington University, a master's degree in finance from the University of Denver, and a Bachelor of Science in industrial management (finance and accounting) from King Fahd University of Petroleum and Minerals.

**Current Position:**

General Manager, Al Masader Al Sari'a Company.

**Experience and Previous Positions:**

has an extensive experience of more than 30 years, during which he held several positions, including Executive Vice President for Support Services at NTCC and worked as an Assistant Professor in finance and investment at King Saud University.

**Memberships in Company Committees**

Executive Committee – Member

Nomination and Remuneration Committee – Member

**Current Board Memberships & Managerial Positions:**

Company Name	Inside / Outside KSA	Legal Entity
Cushman & Wakefield	Inside	Limited Liability Company
National Tri-generation Company (NTCC)	Inside	Unlisted Shareholding Company

**Previous Board Memberships & Managerial Positions:**

Company Name	Inside / Outside KSA	Legal Entity
NGDC	Inside	Unlisted Shareholding Company
Arabian United Float Glass Company (AUFGC)	Inside	Unlisted Shareholding Company
Walaa Insurance		Listed Public Shareholding Company
Gulf One Investment Bank B.S.C		Unlisted Shareholding Company
Higher Education Fund		Independent Government Fund

**Dr. Mohammad Bin Hamad Al Kathiri**  
Board Member



**Qualifications:**

PhD in Business Administration with a specialization in Strategic Management from University of Manchester School of Business in the United Kingdom, master's in Business Administration from the University of Ottawa in Canada, and a bachelor's degree in Business Administration from King Saud University.

**Current Position:**

Entrepreneurial Ventures and consulting jobs in administration and economics.

**Experience and Previous Positions:**

He has more than 25 years of experience; worked as Secretary-General of Riyadh Chamber of Commerce and Industry, Undersecretary of the Ministry of Trade and Investment and Foreign Trade, and Secretary-General of Riyadh Economic Forum. He is a Professor in the Department of Business Administration at King Saud University and a consultant in facilities strategic planning and development.

**Memberships in Company Committees**

Executive Committee – Member

**Current Board Memberships & Managerial Positions:**

Company Name	Inside / Outside KSA	Legal Entity
SEPCO Environment	Inside	Closed Stock Company
National Gas Industries Co	Inside	Limited Liability Company
Kablaat al Jawda	Inside	Limited Liability Company
Saudi Makaanah Investment Co. (SMICO)	Inside	Limited Liability Company

**Previous Board Memberships & Managerial Positions:**

Company Name	Inside / Outside KSA	Legal Entity
Saudi Agricultural and Livestock Investment Company (SALIC)	Inside	Closed Stock Company
Al Mosafer Al Mohtaref	Inside	Limited Liability Company

**Mohammed Bin Nazal Al Khaldi**  
Board Member



**Qualifications:**

Master's degree in Executive Management from Al-Yamamah University (2018) and a Bachelor of Science in Human Resources Management and Organization from King Abdulaziz University (2008).

**Current Position:**

Assistant Governor for Administrative Affairs at the Public Pension Agency.

**Experience and Previous Positions:**

Worked as Human Resources Operations Manager of General Manager at Qanawat, a Saudi Telecom Company, and as Director of Human Resources Planning and Training Programs at Maaden Company. He also served as Acting Head of Human Resources at Bank Albilad and worked as Vice President of Human Resources at Merrill Lynch.

He worked as Head of Human Resources at Sanabil Investments, Head of Human Resources and Administration at Al Dakheel Financial Group, and Vice President of Human Resources at Samba Financial Group SJSC.

**Memberships in Company Committees**

Nomination and Remuneration Committee – President

Risk Management Committee – Member

**Current Board Memberships & Managerial Positions:**

Company Name	Inside / Outside KSA	Legal Entity
Al Ra'idah Investment Company	Inside	Limited Liability Company
AUFGC	Inside	Closed Stock Company
RAZA Inc	Inside	Limited Liability Company
SPIMACO	Inside	Saudi Stock Company

**Previous Board Memberships & Managerial Positions:**

Company Name	Inside / Outside KSA	Legal Entity
Riyad Bank	Inside	Saudi Stock Company

**Eng. Abdul Rahman Bin Abdul Aziz Bin Suleiman**  
Board Member and CEO



**Qualifications:**

Holds a master's degree in petroleum engineering from King Saud University and a master's degree in business administration from the University of Hull, UK. Holds also a bachelor's degree in petroleum engineering from King Saud University.

**Current Position:**

CEO of GASCO

**Experience and Previous Positions:**

Has more than 22 years of experience; held several positions, including CEO of the Samnan Holding Group, General Manager of Abyat, and Managing Director of Jazan Development Company. Occupied several positions at GASCO, including Assistant General Director of Transportation, and Director of Project Management and Director of Strategic Planning Department.

**Memberships in Company Committees**

Risk Committee – Member

**Current Board Memberships & Managerial Positions:**

Company Name	Inside / Outside KSA	Legal Entity
NGDC	Inside	Closed Stock Company
Samnan Holding Group	Inside	Closed Stock Company
Tabuk Fishers Co.	Inside	Closed Stock Company
East Gas Company	Inside	Limited Liability Company

**Previous Board Memberships & Managerial Positions:**

Company Name	Inside / Outside KSA	Legal Entity
Jazan Energy	Inside	Listed Stock Company
Jinan	Inside	Closed Stock Company
Saudi Gas Cylinder Factory (ENAGAS)	Inside	Closed Stock Company
AUFGC	Inside	Closed Stock Company

## Members of Committees Outside the Board of Directors

**Dr. Ahmed bin Abdullah Al Munif**  
Audit Committee Member



### Qualifications:

Holds a PhD in Accounting and Finance from University of Dundee - UK; MA in Accounting and Finance, University of Glasgow - UK; Master of Science in Accounting and Information Systems from Central Tennessee State University, USA; Bachelor's in Accounting, King Saud University, Kingdom of Saudi Arabia.

### Current Position:

Head of Accounting Department, King Saud University.

### Experience and Previous Positions:

worked as Internal Audit Supervisor at King Saud University in addition to his work as a Dean for the Academic Affairs of the College of Business Administration, lecturer in Accounting, and Assistant Financial Auditor at the Saudi Industrial Development Fund.

Type of Membership	Individually or as a representative of a corporate body
Member from outside the committee	Individually

### Current Board Memberships & Managerial Positions:

Company Name	Inside / Outside KSA	Legal Entity
-	-	-

### Previous Board Memberships & Managerial Positions:

Company Name	Inside / Outside KSA	Legal Entity
-	-	-

**Moussa bin Abdullah Al Mousa**  
Audit Committee Member



**Qualifications:**

Bachelor's degree in Accounting from King Saud University in Riyadh, holder of the Saudi Fellowship for Certified Public Accountants (SOCPA).

**Current Position:**

A licensed chartered accountant from 2014, "Al Mousa Chartered Accountants and Consultants", and a bankruptcy trustee since 2019. He also works as a secretary to the Board of Directors of the National Gas and Industrial Company.

**Previous Positions:**

Held many positions in the financial management of the National Gas and Industrialization Company, in addition to his work at the Ministry of Water and Electricity Agency for Planning and Development, and in the Financial Department of Herfy Food Services Co.

Type of Membership	Individually or as a representative of a corporate body
Member from outside the committee	Individually

**Current Board Memberships & Managerial Positions:**

Company Name	Inside / Outside KSA	Legal Entity
-	-	-

**Previous Board Memberships & Managerial Positions:**

Company Name	Inside / Outside KSA	Legal Entity
-	-	-

**AbdulAziz Mohammad Ababteen**  
Risk Committee Member



**Qualifications:**

Master of Finance from the University of Portsmouth, Bachelor's degree in Accounting from King Saud University, and holder of a Corporate Governance Officer Certificate from London University of Finance and Business.

**Current Position:**

Head of Internal Audit at the National Shipping Company of Saudi Arabia (Bahri).

**Previous Positions:**

Director of Internal Audit at the Saudi Hollandi Bank (Alawwal Bank), Director of Internal Audit at Al-Rajhi Bank, and Principal Auditor at KPMG, and others.

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**Memberships in Company Committees**

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Risk Management Committee – Member from  
outside the Board

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**Current Board Memberships & Managerial Positions:**

Company Name	Inside / Outside KSA	Legal Entity
-	-	-

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**Previous Board Memberships & Managerial Positions:**

Company Name	Inside / Outside KSA	Legal Entity
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## Tasks and Specialties of the Board of Directors and Committees:

### Tasks and Specialties of the Board of Directors:

The Board of Directors represents all the shareholders and exercises all diligence and care in managing the Company, safeguarding its interests, and ensuring its development and the appreciation of its value, while abiding by the General Assembly mandates. The Board of Directors shall exercise the highest power in managing the Company and directing its business towards achieving its objectives. The following are among the main tasks and functions of the Board:

1. Developing the main plans, policies, strategies, and objectives of the Company, monitoring their implementation, and reviewing them periodically, in addition to ensuring the availability of the financial and human resources necessary to achieve them.
2. Developing and monitoring internal control policies and procedures.
3. Preparing clear and specific standards and policies and procedures for membership in the Board of Directors - in a way that does not conflict with the mandatory provisions of the rules and regulations - and putting them into effect after the approval of the General Assembly.
4. Developing written policies to regulate the relationship with all stakeholders.
5. Establishing policies and procedures to ensure that the Company complies with the rules and regulations, and that it is committed to disclose all essential information to shareholders and stakeholders, and that the Executive Management is as well in compliance with them.
6. Preparing and approving the interim and annual financial statements prior to their issuance, and monitoring the Company's financial management, its cash flow, in addition to the financial and credit relationship with other parties.
7. Proposing to the Extraordinary General Assembly on the increase or decrease of the Company's capital, the continuation of the Company, or its dissolution prior to the term defined in the Bylaws.
8. Proposing to the Ordinary General Assembly on the utilization of the Company's constitutional reserve, in case it was formed by the Extraordinary General Assembly and was not restricted for a specific purpose, or the creation of additional reserves or financial provisions, and recommending on the distribution of net earnings.
9. Establishing effective communication channels that enable shareholders to review all aspects of the Company's various activities continuously and periodically, or any substantial developments.
10. Establishing values and standards that govern the Company's activities.

In addition to the above, the Board of Directors' duties include other tasks and functions, established in accordance with the Companies Law, the Company's bylaws, and the Corporate Governance Regulations.

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## Tasks and Specialties the Company's Committees:

### • The Audit Committee

The Audit Committee is responsible for monitoring the Company's activities. Thus, it has the right to review the Company's records and documents, and to request any clarification or declaration from the members of the Board of Directors or the Executive Management. It may also request the Board of Directors to invite the Company's General Assembly to convene, if the Board of Directors impedes its work, or if the Company is exposed to material damages or losses. The following are among the main tasks and functions of the committee:

- Assisting the Board in undertaking its responsibilities regarding the internal control system in the Company. The Audit Committee is also responsible for reviewing the accounting reports and ensuring their compliance with the statutory and regulatory requirements of the Company, ensuring the effectiveness of controls, and reviewing the Company's accounting policies.
- Supervising both the internal audit representatives and the external auditor.
- Reviewing the Company's internal control system and preparing written reports on its opinions and recommendations.
- Reviewing the internal audit report and following up on the execution of the corrective actions.
- Recommending to the Board of Directors on the appointment or replacement of the internal audit representatives, or the termination of the external auditor's services and determining their fees and ensuring its independence while making recommendations.
- Monitoring the work of the external auditors and approving any activities outside the scope of their audit work.
- Reviewing and providing feedback on the audit plan of the external auditor.
- Discussing the external auditor findings on the financial statements with the Executive Management and following up on the corrective measures implemented in this regard.
- Reviewing the quarterly and annual financial statements prior to submitting them to the Board of Directors and submitting their notes and recommendations on these statements to the Company's Board of Directors.
- Reviewing the accounting policies adopted by the Company and submitting any corresponding recommendations to the Board of Directors.



#### • The Nomination and Remuneration Committee

The main duties of the Nomination and Remuneration Committee include the following:

- Establishing a clear policy for determining the remuneration of the members of the Board of Directors, its sub-committees, and the Executive Management, and raising recommendations to the Board of Directors to be sent to the General Assembly for approval. The policies, that shall abide by the performance related standards, shall be disclosed and enforced.
- Clarifying the relationship between the bonuses granted and the corresponding remuneration policy and disclosing any material deviation.
- Reviewing the remuneration policy on a periodic basis and assessing its effectiveness in meeting its objectives.
- Providing recommendations to the Board of Directors on the remuneration of the members of the Board of Directors and its sub-committees, and the senior executives of the Company as per the applicable policy.
- Suggesting clear policies and procedures for membership in the Board of Directors and Executive Management.
- Recommending to the Board of Directors on the nomination and re-nomination of its members in accordance with the applicable policies and procedures.
- Preparing a job description of the skills and qualifications required for membership in the Board of Directors and for the executive management positions.
- Defining the time to be allocated by each member for running the Board of Directors' tasks.
- Reviewing annually the required skills or expertise for board membership and executive management positions.
- Reviewing the organizational structure of the Board of Directors and Executive Management and recommending on possible changes.
- Ensuring, on an annual basis, the independence of the independent members, and the absence of any conflict of interest in case the member is a current Board member of another Company.
- Developing job descriptions for the executive members, the independent non-executive members, and the senior executives.
- Preparing specific procedures for filling any vacancy in the position of a Board member or a Senior Executive.
- Defining the strengths and weaknesses of the Board of Directors and recommending corrective action as per the Company's interest.

#### • The Executive Committee

It assists the Board of Directors in the executive management of the Company, routinely reviewing and monitoring the company's activities, and making the necessary recommendations to the Board. It also reviews the Company's estimated budget and executes the tasks assigned to it by the Board of Directors, follows up on the strategic procurement plans, and monitors the capital expenditures of the Company.

#### • The Investment Committee

This committee is responsible for preparing and drafting the investment policy, submitting it to the Board of Directors for review and approval prior to its implementation, and then monitoring its implementation. It determines the strengths and weaknesses of the investment performance of the Company and provides recommendations that would increase its efficiency. It also reviews and evaluates the investment portfolio of the Company, assesses, and monitors all investment-related risks. It also submits the minutes of its work to the Board of Directors.

#### • The Risk Management Committee

The Risk Management Committee develops comprehensive policies and strategies for managing risks in accordance with the nature and size of the Company's activities, determining the risk acceptance levels, verifying its feasibility and the ability to successfully continue its activities, and identifying the risks that threaten its ability to continue during the coming period. It provides oversight of the Company's risk management systems, re-evaluating on a periodic basis its risk exposure and tolerance, and preparing detailed reports of recommended action. It also reviews the organizational structure of the Risk Management Unit, to ensure the availability of adequate resources and systems, and submitting the corresponding recommendations to be approved by the Board of Directors. It also ensures the independence of its employees from any activities that may expose the Company to any risk, and it evaluates the surrounding risks and reviews any issues raised by the Audit Committee that may affect the Company's risk management.

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### Training and Development of Board Members:

None of the Board members did undergo any training courses during the year 2020, due to the circumstances related to the Coronavirus pandemic and its impact on the business activities during the year.

## Board and Committee Meetings:

### 1: Board Meetings

During the year 2020, the Board of Directors has held 10 meetings as follows:

Board Members	27 Jan	23 Mar	31 Mar	1 June	15 June	27 July	25 Aug	27 Aug	02 Nov	23 Dec
Eng. Abdulaziz bin Fahd Al Khayyal - Chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ali Mohammed Al Saflan– Vice Chair- man	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ahmed Abdulrahman Al Mohsen	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Baker Abdulrahman Al Muhanna	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓
Turki Abdullah Al Jawini	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗
Raed Abdullah Al Tamimi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Raed Abdullah Al Hogail	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mohammed Hamad Al Kathiri	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mohammed Nazal Al Khaldi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Abdulrahman Abdulaziz Sulaiman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

The last Ordinary General Assembly took place on the 4th of June 2020.

### 2: The Executive Committee

During the year 2020, the Executive Committee has held 10 meetings as follows:

Board Members	20 Jan	2 Mar	7 April	20 April	8 June	21 July	17 Aug	21 Oct	14 Dec	30 Dec
Eng. Abdulaziz bin Fahd Al Khayyal – Head of Committee	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ali Mohammed Al Saflan	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Raed Abdullah Al Hogail	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mohammed Hamad Al Kathiri	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Attending Board members invited by the Committee:										
Ahmed Abdulrahman Al Mohsen		✓								
Baker Abdulrahman Al Muhanna		✓								
Mohammed Nazal Al Khaldi			✓							

### 3: The Nomination and Remuneration Committee

During the year 2020, the Nomination and Remuneration Committee held 9 meetings as follows:

Members	20 Jan	2 Mar	15 April	9 June	18 Aug	9 Sept	15 Sept	14 Oct	24 Dec
Mohammed Nazal Al Khaldi – Head of Committee	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ali Mohammed Al Saflan	✓	✓	✓	✓	✓	✓	✓	✓	✓
Baker Abdulrahman Al Muhanna	✓	✓	✓	✓	✓	✓	X	✓	✓
Raed Abdullah Al Hogail	✓	✓	✓	✓	✓	✓	✓	✓	✓

### 4: The Investment Committee

The Investment Committee held 4 meetings during the year as follows:

Members	27 January	18 June	28 September	1 December
Baker Abdulrahman Al Muhanna – Head of Committee	✓	✓	✓	✓
Eng. Abdulaziz bin Fahd Al Khayyal	✓	✓	✓	✓
Ahmed Abdulrahman Al Mohsen	✓	✓	✓	✓
Abdulrahman Abdulaziz Sulaiman	✓	Membership expired on 27 January		

### 5: The Audit Committee

The Audit Committee held 18 meetings during the year, as follows:

Board Members	3 Feb	5 Feb	11 Feb	17 Mar	21 Mar	26 Mar	6 May	13 May	20 May	2 June	26 June	19 Aug	23 Aug	25 Aug	8 Sept	16 Sept	4 Nov	9 Nov
Ahmed Abdulrahman Al Mohsen – Head of Committee	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Raed Abdullah Al Tamimi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ahmed Abdullah Al Munif	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mousa Abdullah Al Mousa	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

The Extraordinary General Assembly, convened on the 27th of January 2020, has enacted the creation of the Audit Committee for a new term starting from the General Assembly date and lasting for three years, as well as its duties and controls, and the remuneration of its following members:

- Ahmed bin Abdulrahman Abdulaziz Al Mohsen
- Raed bin Abdullah bin Saleh Al Tamimi
- Dr. Ahmed bin Abdullah bin Ali Al Munif
- Mousa bin Abdullah bin Hamad Al Mousa

## 6: The Risk Management Committee

The Risk Management Committee held two meetings during the year, as follows:

Board Members	25 June	1 November
Raed Abdullah Al Tamimi – Head of Committee	✓	✓
Mohammed Bin Nazal Al Khaldi	✓	✓
Abdulrahman Abdulaziz Sulaiman	✓	✓
Abdulaziz Mohammed Ababteen	-	✓

### The Executive Management:

The Board of Directors shall establish the Executive Management of the Company, organize its operations, control it, and supervise it, and ensure its performance of assigned tasks. The Executive Management shall be responsible for executing the plans, policies, strategies and the main goals of the Company, in order to meet its objectives, all while taking into account the Board mandates. Below are the main tasks and functions of the Executive Management:

1. Implementing the policies and the internal regulations enacted by the Board;
2. Proposing the Company's overall strategy as well as long-term and short-term plans, policies and procedures of investments, financing, and risk management, and plans and action plan to face unforeseen developments.
3. Managing the daily activities and tasks of the Company, as well as managing its resources in the most ideal manner and in line with the Company's goals and strategy.
4. Implementing internal control and risk management systems, ensuring their effectiveness and adequacy, and ensuring compliance with the level of risks established by the Board of Directors.
5. Effective implementation of the Company's corporate governance standards and the policies and procedures that ensure the Company's compliance with rules and regulations and its commitment to disclose important information to shareholders and stakeholders.
6. Preparing periodic financial and non-financial reports on the Company's progress considering its strategic plans and objectives and submitting these reports to the Board of Directors.

### Senior Executives' Biographies:

#### • Eng. Abdul Hadi bin Ayed Al Qahtani - Executive Vice President for Control and Business Development

##### Qualifications:

Holder of an Executive Master's degree in Business Administration and a bachelor's degree in Electrical Engineering from King Fahd University of Petroleum and Minerals.

##### Current Positions:

Executive Vice President for Control and Business Development

##### Experience and Previous Positions:

He has more than 22 years of professional experience during which he has held the position of Executive Director of Sales and Business Development at "Elm" Company, Operations Director at "Al Mazoon Group", and Director of Technical Services at "Advanced Electronics Company".

#### • Eng. Raed Bin Nasser Al Haidari - Executive Vice President of Operations

##### Qualifications:

Holder of an Executive Master's degree in Business Administration from Al-Yamamah University, a master's degree in Business Administration from INSEEC University, and a Bachelor's degree in mechanical engineering from King Saud University, and additionally he has several project management certificates.

##### Current Positions:

Executive Vice President of Operations.

##### Experience and Previous Positions:

He has more than 13 years of professional experience during which he has held the position of Vice President for Business Execution in a technology company, and he has assumed leading positions in the private and semi-governmental sectors.

## • Fahd bin Sulaiman Al Juraish - Executive Vice President of Technology and Digital Transformation

### Qualifications:

Holder of a bachelor's degree in Information Systems from King Saud University, and a Diploma in Business Administration from the University of Leicester, UK.

### Current Positions:

Executive Vice President of Technology and Digital Transformation.

### Experience and Previous Positions:

He has more than 24 years of professional experience during which he has held the position of Executive Director of Information Technology in the National Water Company, in addition to other administrative positions in some national companies such as "SABIC", Saudi Telecom Company and Bank Al Bilad.

## • Nasser bin Abdulaziz Al Maawi - Executive Vice President of Trading

### Qualifications:

Holds two master's degrees in Management and Supply Chain Management and Logistics Services from the University of Windsor, Canada, and a Bachelor's degree in Marketing and International Business from the University of Northern British Columbia in Canada.

### Current Positions:

Executive Vice President of Trading.

### Experience and Previous Positions:

He has more than 10 years of professional experience during which he has assumed the position of the Director of Distribution and Solutions Department at the Gas Company, Director of Logistics at STC and Director of Supply Chain Management at "Al-Motaheda Company". He also worked as a supply chain specialist in Heligen International Trade in Canada.

## • Ibrahim bin Suleiman Al Ateeq - Executive Vice President of Human Resources

### Qualifications:

Holds an Executive Master's degree in International Management and Leadership from Al Yamamah University, an MBA from IN-SEEC University in France, a Diploma in Entrepreneurship from Washington State University, and a bachelor's degree in Business Administration from Imam Muhammad Ibn Saud University.

### Current Positions:

Executive Vice President of Human Resources.

### Experience and Previous Positions:

He has more than 19 years of experience during which he has held the position of Senior Vice President of Operations at Najm Company for Insurance Services, and Director of Human Resources in both the Arabian Centers Company and the Saudi Railways Company (SR).

## Changes to Senior Executives' Positions in 2020:

Name	Type of change	Date of change
Eng. Abdulrahman Abdulaziz bin Sulaiman	Appointed as CEO	01/01/2020
Dr. Saleh bin Mufleh Al Saqr	Appointed as Executive Vice President for Corporate Affairs	03/06/2020
Dr. Saleh bin Mufleh Al Saqr	Resigned as Executive Vice President for Corporate Affairs	24/09/2020
Eng. Hisham bin Abdullah Al Hussain	Resigned as Executive Vice President for Commercial Affairs	05/10/2020
Nasser bin Abdulaziz Al Maawi	Assigned as Executive Vice President for Commercial Affairs	05/10/2020
Eng. Abdelhadi bin Ayed Al Qahtani	Assigned as Executive Vice President for Corporate Affairs	10/10/2020
Ibrahim bin Sulaiman Al Ateeq	Appointed as Executive Vice President for Human Capital and Support Services	25/10/2020
Eng. Raid bin Nasser Al Haidary	Appointed as Executive Vice President for Operations	01/12/2020
Walead bin Khaled Al Rebdi	Resigned as Executive Vice President for Financial Affairs	10/12/2020



## Remunerations of Board, Committee, and Executive Members:

GASCO pays remunerations, expenses, and attendance fees for Board and Committee members on the basis of the provisions stated in the Ministry of Commerce and Investment Companies Law and its implementing regulations, the Company's bylaws, and the Capital Market Law (Capital Market Authority) and its implementing regulations. The Company also pays the salaries, remunerations, and compensation fees of the executive administration members as per their contracts.

### • Main Criteria for Remunerations:

The Nomination and Remuneration Committee shall be responsible for making recommendations to the Board of Directors, Committees, and Executives, while abiding with the following

- Remunerations shall be consistent with the Company's activity and the skill required to perform it and with the Company's strategy and objectives.
- The Board and Executive members shall be urged to work towards the long-term success and development of the Company.
- Remunerations shall be determined based on the employee's job level, duties and responsibilities, academic qualifications, work experience, skills, and performance level.
- Remunerations shall be compatible with the Company's risks in nature, size, and level.
- The practices of other companies shall be taken into consideration in determining remunerations, while avoiding the unjustified increase in remunerations and compensations that may result from that.
- Remunerations shall aim to attract, maintain, and motivate competent staff without exaggeration.
- Remunerations shall be discontinued or refunded if it appears that they were decided based on inaccurate information provided by a Board or Executive member, in order to prevent exploitation of the employment status to obtain undue rewards.
- If the General Assembly decides to terminate the Board membership of an absentee after 3 consecutive unjustified nonattendances of 3 respective meetings, this Board Member shall not be entitled to any remuneration for the period following the last attended meeting. All previously earned remunerations within this period will have to be returned to the Company.
- In all cases; the total yearly amount of remunerations and financial or in-kind benefits granted to a Board Member are not to exceed five-hundred thousand SR.
- Remuneration-related policies, mechanisms for determining remunerations, and amounts and financial and in-kind benefits granted to each Board member for any executive, technical, administrative, or advisory functions or position shall be disclosed in the Board's annual report.
- Remunerations shall be discontinued or refunded if it appears

### • Remunerations of Board Members:

In accordance with Article (21) of the Company's bylaws, the remuneration of Board members shall be a specific sum, attendance allowance for sessions, in-kind benefits, or a certain percentage of the net profits. If the remuneration consists of a certain percentage of the net profits, the provisions of Paragraph (5) of Article (45) of the Company's bylaws must be observed. It is permissible to combine two or more of these benefits in compliance with the Companies' Law or any other supplemental regulations. Remunerations also include travel, residence, and accommodation expenses for each session for non-resident Board members as per the Board's decision and in accordance with the regulations, decisions, and instructions established in the Kingdom and issued by the competent authorities.

The report of the Board to the Ordinary General Assembly shall include a comprehensive statement of all salaries, attendance allowances, expenses, and other benefits received by members of the Board during the financial year. The report shall also include a statement of all amounts received by Board members as employees or administrators or received by them in return for any technical or administrative work or consultations previously approved by the Ordinary General Assembly.

- Remunerations of independent Board members shall not be a percentage of the Company's profits or be based directly or indirectly on the Company's profitability.
- Remunerations of Board members shall be proportional to the number of sessions attended by each member.
- Board members shall be entitled to remunerations for the period from the date of appointment in the Board and in accordance with the term of membership.
- The recommendation of the Board on members remunerations for the ended financial year is presented in a separate clause in the General Assembly, and Board members may not vote on it.
- Remunerations of Board members shall be disbursed upon the approval of the General Assembly.
- Allowances for attending Board sessions shall be disbursed at the end of each calendar quarter.



- **Remunerations of Board Committees:**

- Remunerations of Committee members shall be an annual bonus (a lump sum) for the membership in each committee, an attendance allowance for sessions, or both, in addition to travel, residence, and accommodation expenses for each session for non-resident Committee members as per the Board's decision and in accordance with the regulations, decisions, and instructions established in the Kingdom and issued by the competent authorities.
- Committee members shall be entitled for remunerations for the period from the date of appointment in a committee and in accordance with the term of membership.
- Remunerations of Committee members and attendance allowances shall be disbursed at the end of each calendar quarter.

Based on the foregoing, the Board has set a specific amount for the remuneration of each member for 2020 in accordance with the above policy. Remunerations have also been set for Company representatives' membership in the boards of directors of associate and subsidiary companies, with each remuneration not exceeding a hundred thousand riyals (SR 100,000) for members who do not receive remunerations from those companies or whose remunerations from those companies do not amount to hundred thousand riyals (SR 100,000). In this case, the remuneration shall be paid in full or as a complement. However, in all cases, the sum of remunerations and financial or in-kind benefits received by a Board member shall not exceed the amount of five hundred thousand riyals (SR 500,000) annually – excluding the remunerations and allowances of the Audit Committee. These bonuses shall be disbursed upon the approval of the Company's General Assembly.

The attendance allowance for Board and Committee members was set at three thousand riyals (SR 3,000) per session, while the remuneration for each Committee member was set at fifty thousand riyals (SR 50,000), except for Audit Committee members whose remuneration was set at hundred thousand riyals (SR 100,000) for each member. Allowances and remunerations shall be disbursed at the end of each calendar quarter.

- **Remunerations of the Chairman and Managing Director:**

- The remunerations of the Chairman and Managing Director – if any – shall be an annual bonus (a lump sum) in addition to travel, residence, and accommodation expenses and whatever supports the satisfaction of the Board's terms of reference, as per the Board's decision and in accordance with the regulations, decisions, and instructions established in the Kingdom and issued by the competent authorities.
- Remunerations of the Chairman and Managing Director – if any – shall be disbursed at the end of each calendar quarter.

- **Executive Management Remuneration Policy:**

Remunerations of the Executive Management shall consist of:

- Fixed remunerations including basic salaries – paid on a monthly basis at the end of each calendar month –, allowances (housing allowances, transportation allowances, etc.), and other benefits (medical insurance, social insurance contributions paid in accordance with the regulations, annual leaves, etc.).
- Variable remunerations – if any – including periodic remunerations, profits, short and long-term incentive plans, and stock grants.
- End-of-service benefits.

Based on the recommendation of the Nomination and Remuneration Committee, the Board shall be responsible for approving the remuneration structure for various employment levels at the Company. Accordingly, there is no substantial deviation between the granted remunerations and the applicable policies.

Details of remunerations, salaries, and expenses paid to the Company's Board members and Senior Executives, including the Company's CEO and Financial Director, in 2020:

Board Members:

Members	Amount	Attendance allowance for Board sessions	Total Attendance Allowance for Committee Sessions	Remuneration for Company Representation in the Membership of the Boards of Directors of Associate and Subsidiary Companies	Total	Expenses Allowance
<b>Independent Members</b>						
Eng. Abdulaziz bin Fahd Al Khayyal – Chairman of the Board	328,000	30,000	42,000	0	400,000	9300
Dr. Raed Abdullah Al Hogail	263,000	30,000	57,000	0	350,000	
Mohammed Hamad Al Kathiri	290,000	30,000	30,000	100,000	450,000	
Mohammed Bin Nazal Al Khaldi	284,124.60	30,000	36,000	72,677.60	422,802.20	
<b>Total</b>	<b>1,165,124.60</b>	<b>120,000</b>	<b>165,000</b>	<b>172,677.60</b>	<b>1,622,802.20</b>	

Members	Amount	Attendance allowance for Board sessions	Total Attendance Allowance for Committee Sessions	Remuneration for Company Representation in the Membership of the Boards of Directors of Associate and Subsidiary Companies	Total	Expenses Allowance
<b>Non-Executive Members</b>						
Ali Mohammed Al Saflan – Vice-Chairman	263,000	30,000	57,000	0	350,000	12900
Ahmad Abdulrahman Al Mohsen	305,000	30,000	69,000	0	404,000	
Baker Abdulrahman Al Muhanna	278,000	27,000	39,000	0	344,000	
Turki Abdullah Al Jawini	288,000	27,000	0	3770.49	318,770.49	
Raed Abdullah Al Tamimi	314,124.60	30,000	60,000	55,342.47	459,467.07	
<b>Total</b>	<b>1,448,124.60</b>	<b>144,000</b>	<b>225,000</b>	<b>59,112.96</b>	<b>1,876,237.56</b>	

Members	Amount	Attendance allowance for Board sessions	Total Attendance Allowance for Committee Sessions	Remuneration for Company Representation in the Membership of the Boards of Directors of Associate and Subsidiary Companies	Total	Expenses Allowance
<b>Executive Members</b>						
Eng. Abdulrahman Abdulaziz bin Sulaiman	311,124.61	30,000	9,000	118,989.07	469,113.68	

\* Remunerations and attendance allowances for Public Investment Fund representatives' membership in the Board are paid to the Fund since it is the legal entity being represented.

· Committee Members:

Committee Members	Fixed Remunerations (excluding attendance allowance)	Attendance Allowance for Committee Sessions	Total
<b>Audit Committee</b>			
Ahmad Abdulrahman Al Mohsen	92,777.78	54,000	146,777.78
Raed Abdullah Al Tamimi	92,777.78	54,000	146,777.78
Dr. Ahmed bin Abdullah bin Ali Al Munif	92,777.78	54,000	146,777.78
Mousa bin Abdullah bin Hamad Al Mousa	92,777.78	54,000	146,777.78
<b>Total</b>	<b>371,111.12</b>	<b>216,000</b>	<b>587,111.12</b>
<b>Executive Committee</b>			
Eng. Abdulaziz bin Fahd Al Khayyal – Head	50,000	30,000	80,000
Ali Mohammed Al Saflan	50,000	30,000	80,000
Dr. Mohammed Hamad Al Kathiri	50,000	30,000	80,000
Dr. Raed Abdullah Al Hogail	50,000	30,000	80,000
<b>Members from outside the Committee that attended the Committee Meetings</b>			
Ahmad Abdulrahman Al Mohsen	0	3,000	3,000
Bakr Abdulrahman Al Muhanna	0	3,000	3,000
Mohammed Bin Nazal Al Khaldi	0	3,000	3,000
<b>Total</b>	<b>200,000</b>	<b>129,000</b>	<b>329,000</b>
<b>Nomination and Remuneration Committee</b>			
Mohammed Bin Nazal Al Khaldi – Head	50,000	27,000	77,000
Ali Mohammed Al Saflan	50,000	27,000	77,000
Baker Abdulrahman Al Muhanna	50,000	24,000	74,000
Dr. Raed Abdullah Al Hogail	50,000	27,000	77,000
<b>Total</b>	<b>200,000</b>	<b>105,000</b>	<b>305,000</b>
<b>Investment Committee</b>			
Baker Abdulrahman Al Muhanna – Head	50,000	12,000	62,000
Eng. Abdulaziz bin Fahd Al Khayyal	50,000	12,000	62,000
Ahmad Abdulrahman Al Mohsen	50,000	12,000	62,000
Eng. Abdulrahman Abdulaziz bin Sulaiman	3,688.52	3,000	6,688.52
<b>Total</b>	<b>153,688.52</b>	<b>39,000</b>	<b>192,688.52</b>
<b>Risk Committee</b>			
Raed Abdullah Al Tamimi – Head	27,197.80	6,000	33,197.80
Mohammed Bin Nazal Al Khaldi	27,197.80	6,000	33,197.80
Eng. Abdulrahman Abdulaziz bin Sulaiman	27,197.80	6,000	33,197.80
Abdulaziz Mohammed Abdullah Ababteen	48,913.04	3,000	51,913.04
<b>Total</b>	<b>130,506.44</b>	<b>21,000</b>	<b>151,506.44</b>

## Senior Executives

Name	Rewards for senior executives								
	Fixed Remunerations								
	Senior Executives Positions	Basic Salary (Monthly)	Total Allowances (Monthly)	Total Disbursed Salaries (In 2020)	Total Disbursed Allowances (In 2020)	Cash Benefits (2020)	Total	End-of-Service Remuneration	Grand Total
Abdulrahman Abdulaziz bin Sulaiman	Chief Executive Officer	130,000.00	45,500.00	1,560,000.00	546,000.00	27,958.00	2,133,958.00	-	2,133,958.00
Waleed Khaled Abdullah Al Rebdi	Chief Financial Officer	66,973.00	20,543.25	759,027.33	232,823.50	18,364.00	1,010,214.83	-	1,010,214.83
Fahad Sulaiman Ibrahim Al Juraish	Executive VP for Joint Services	76,725.00	37,981.25	920,700.00	511,017.00	32,755.00	1,464,472.00	-	1,464,472.00
Eng. Hisham Abdullah Sulaiman Alhussayen	Executive VP for Commercial Sector	76,725.00	24,562.65	703,312.50	225,157.63	50,221.00	978,691.13	34,343.27	1,013,034.40
* Saleh Mufleh Al-Sager, PHD	Executive VP for Institutional Affairs	-	-	648,529.41	31,407.75	-	679,937.16	137,649.02	817,586.18

\* All financial dues of Dr. Saleh were directly settled to King Saud University in accordance with a loan agreement signed between the university and GASCO.

### Disclosure of any arrangement or agreement whereby a Board member or a Senior Executive waived any remuneration

- No arrangement or agreement has been made whereby a Board member or a Senior Executive waived any remuneration.

Disclosure of the number of shares owned by Board members and Senior Executives and changes to those shares during 2020, in addition to the description of any interest, contractual securities, and subscription rights belonging to Board members, Senior Executives, and their relatives in the shares or debt instruments of the Company or any of its subsidiaries and any changes to that interest or those rights during the last financial year.

### Board Members:

Name of Stakeholder	Start of Year		End of Year		Net Change	Percentage of Change
	Number of Shares	Debit Instruments	Number of Shares	Debit Instruments		
Eng. Abdulaziz bin Fahd Al Khayyal	-	-	-	-	-	-
Ali Mohammed Al Saflan	1,000	-	1,000	-	-	-
Ahmad Abdulrahman Al Mohsen	170	-	170	-	-	-
Baker Abdulrahman Al Muhanna	-	-	-	-	-	-
Turki Abdullah Al Jawini	-	-	-	-	-	-
Raed Abdullah Al Tamimi	-	-	-	-	-	-
Dr. Raed Abdullah Al Hogail	1,000	-	1,000	-	-	-
Dr. Mohammed Hamad Al Kathiri	-	-	-	-	-	-
Mohammed Bin Nazal Al Khaldi	-	-	-	-	-	-
Eng. Abdulrahman Abdulaziz bin Sulaiman	-	-	-	-	-	-

There are no interests, contractual securities, or subscription rights belonging to Board members or their relatives in the shares or debt instruments of the Subsidiary Company. There has been no change in that interest or those rights during the last financial year.

• Senior Executives

Name of Stakeholder	Start of Year		End of Year		Net Change	Percentage of Change
	Number of Shares	Debit Instruments	Number of Shares	Debit Instruments		
Eng. Abdulrahman Abdulaziz bin Sulaiman	-	-	-	-	-	-
Fahad bin Sulaiman Al Juraish	-	-	-	-	-	-
Dr. Saleh bin Mufleh Al Saqr	-	-	Resigned on 24-09-2020			
Hisham bin Abdullah Al Hussain	-	-	Resigned on 05-10-2020			
Walead bin Khaled Al Rebdi	-	-	Resigned on 10-12-2020			
Nasser bin Abdulaziz Al Maawi	Assigned on 05-10-2020		-	-	-	-
Eng. Abdelhadi bin Ayed Al Qahtani	Assigned on 10-10-2020		-	-	-	-
Ibrahim bin Sulaiman Al Ateeq	Appointed on 25-10-2020		-	-	-	-
Eng. Raid bin Nasser Al Haidary	Appointed on 01-12-2020		-	-	-	-

There are no interests, contractual securities, or subscription rights belonging to Senior Executives or their relatives in the shares or debt instruments of the Subsidiary Company. There has been no change in that interest or those rights during the last financial year.

**Actions taken by the Board to inform its members – especially the non-executives – of shareholders' proposals and remarks regarding the Company and its performance:**

During 2020, the Company did not receive any proposals or remarks from shareholders regarding the Company and its performance, except for the discussions held during the assemblies throughout the year, in addition to responding to shareholders' inquiries and remarks in a timely manner and in the presence of Board members or informing them of the minutes of the assembly meetings.

**Sanctions, penalties, precautionary procedures, or reserve provisions imposed on the Company by the Capital Market Authority or any other supervisory, regulatory, or judicial authority:**

No sanctions, penalties, precautionary procedures, or reserve provisions were imposed on the Company in 2020 by the Capital Market Authority or any other supervisory, regulatory, or judicial authority

Results of the annual audit of the effectiveness of internal control procedures, and the Audit Committee's opinion regarding the adequacy of the Company's internal control system:

The Audit Committee examined and discussed the quarterly and end-of-year financial statements for 2020 to ensure the integrity, reliability, and compliance of the financial reports to the commonly applied accounting standards before submitting recommendations to the Board of Directors in this regard.

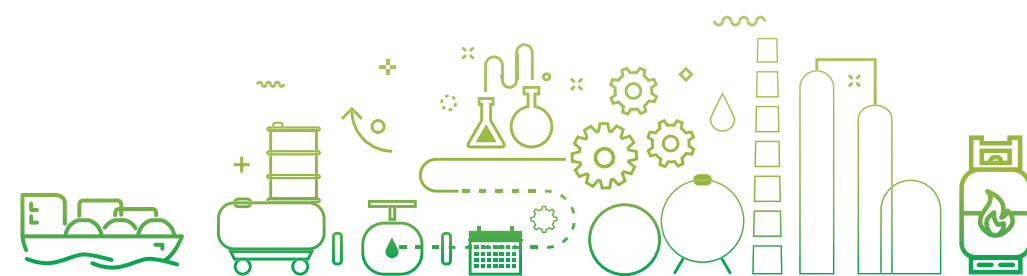
During the financial year 2020, the Committee examined the Company's internal control systems and their effectiveness through the internal reports and notes stipulated in the risk register, in addition to the notes submitted by the Company's external auditor. In light of what has been studied, the committee noted some shortcomings in some of the internal control systems and their integrity, some of which are the following:


1. No development and updating for some of the company's policies, in particular the financial policies related to procurement, sales and marketing. matches and adjustments for some accounts in the company's accounting system and not implementing them in a timely manner.
2. Delays and wrong implementation of bank settlements.
3. Absence of clear segregation of duties for some positions and lack of updates in job descriptions as per the adopted best practices in this regard.
4. Errors in registering some accounting entries or delays in the registration, and the delay in conducting the necessary
5. Delay in matching the balances of clients and suppliers of the company, and failure to implement it continuously and periodically.
6. Remarks on the effectiveness of internal control of the IT accounting system that the Company adopted as of the second quarter of 2019.

In the first quarter of 2020, the Committee submitted a recommendation to the Board of Directors stating the necessity to establish a Risk Management Committee within Company, based on the Corporate Governance Regulation issued by the Capital Market Authority and which urges the establishment of an independent committee to manage the risks faced by the Company. This Committee is of major importance within the Company's current needs and nature of activities resulting in several internal or external risks, as it will contribute to the monitoring and supervision of the Company's compliance at all levels to the framework of operational risks and regulatory requirements. The Audit Committee has also noted some weaknesses in the controls imposed by the Company to avoid these risks or delay their effects. The Board of Directors approved this recommendation, and the Risk Management Committee was established within the Company.

On 1 Dhu al-Hijjah 1441 H (i.e 22 July 2020) the Company found out that an officer in the finance department, as per the preliminary probe, was suspected of embezzlement. The investigation showed that the official was suspected of embezzling SR 34.2 million through cheques and transfers of funds without legal documents to authorities that have no contracts with GASCO for the period between 2017 and Q1 2020. The impact has not yet been disclosed on the Company's condensed results for these periods. The Company hired a law firm to pursue the case in addition to an external certified auditor to review all these transactions and issue a report to be submitted to security agencies to take the adequate measures against the concerned parties. GASCO also hired a firm specialized in internal audit and fraude cases to take part in the investigations and examine all financial transactions performed in the previous years, to ensure that no similar cases had taken place without being addressed. This firm's duty is also to determine the financial impact of these embezzlements and the means to settle them properly in coordination with the external auditor. The firm will also highlight the shortcomings and weaknesses in the financial control system of the Company and issue recommendations to address them and avoid any possible future risks.

Based on the consultant's examinations and report, no other amounts have been spent without justifications nor settled to authorities which have no contracts with the Company, except for the abovementioned SR 34.2 million. The financial impact of this amount has also been settled in the financial statements of the fiscal year ending December 31<sup>st</sup>, 2020.





The Committee ensures that it will hold periodic meetings with the external auditor and internal auditing firm (including the consultant appointed to perform internal audits), along with the executive management. These meetings shall aim to discuss all matters and remarks emphasized by the external or internal auditor. The Committee highlighted the necessity to immediately take the required measures aiming to redress the current situation and implement the recommendations issued in this regard and follow them up periodically with the executive management to ensure proper implementation of all plans to redress the current situation and improve the efficiency and effectiveness of the internal audit systems, and to guarantee the integrity and reliability of the financial reports. The Committee shall issue any further recommendations deemed necessary to the Board.

During 2020, the Board of Directors issued decisions and directives related to improving the quality of internal control systems and raising their effectiveness, and following up their implementation with the executive management, including developing and updating policies and Job descriptions and reviewing them periodically , appointing specialized consultants to identify weaknesses, address gaps and work to improve control regulations and the integration of financial and technical systems.

We would like to point out that the financial auditor plans and executes the audit work and accordingly issued an opinion that the accompanying financial statements present fairly, in all material respects, the financial position of the company as on December 31, 2020, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) approved in the Kingdom of Saudi Arabia, and the other standards and publications approved by the Saudi Organization for Certified Public Accountants (SOCPA), except for the potential impacts of the matter described in the Basis for Qualified Opinion section of the auditor's report, which indicates that the account for expenses payable and other current liabilities includes the balance of the account for amounts collected under settlement ("the account") of (SR 27.4 million). As indicated in Note 6-34 (a) regarding the financial statements, the company's management discovered embezzlements of (SR 25.7 million) by a former employee through this account, and these embezzlements were expressed as of December 31, 2020. There is a difficulty in tracking other transactions within this account, and therefore the correctness of the balance of this account as of December 31, 2020 was not verified due to the lack of adequate evidence, as well as obtaining sufficient audit evidence to reach a conviction regarding the assertions of the existence of this account and the correctness of its register. Consequently, it was not possible to determine the necessary adjustments, if any, to this account and their impact on the financial statements as of December 31, 2020.

The company confirms that it is continuing its efforts in coordination with the auditor to settle this account, and it expects that this settlement will have a positive impact on the company's results in the future.

#### Audit Committee recommendations regarding the need to appoint an internal auditor in the Company:

The Company has an Internal Audit Committee and relies on the services of an internal audit company to support in internal audit management to draft the annual audit plan and performed several audits on the different sectors of the Company.

#### Audit Committee recommendations which contradict the decisions of the Board or which the Board refused to take into account regarding appointing and dismissing the Company's auditor, determining his/her fees, and evaluating his/her performance or regarding appointing the internal auditor, in addition to the rationale behind these recommendations and the reasons for not taking them into account:

There are no recommendations from the Audit Committee which contradict the decisions of the Board or which the Board refused to take into account regarding appointing and dismissing the Company's auditor, determining his/her fees, and evaluating his/her performance or regarding appointing the internal auditor. The Committee did not submit any recommendations related to the dismissal of the Company's auditor.

Variations from the accounting standards approved by the Saudi Organization for Certified Public Accountants (SOCPA):

There is no variation from the accounting standards approved by the Saudi Organization for Certified Public Accountants (SOCPA).

Information related to any business or contract in which the Company is involved, or in which a member of the Company's Board, Senior Executives or any related person has an interest, including the names of those involved in the business or contract and the nature, terms, duration, and amount of these businesses or contracts, in addition to whether or not there are such businesses or contracts:

The governance policy of GASCO defines system related-party transactions, whereby any transaction or contract involving conflict of interest is disclosed to any Board member or to the Executive Management and shareholders.

Related-party transactions are limited to dealings with the Saudi Gas Cylinders Factory Company (Enagas) through purchasing cylinders and tanks from the factory, according to the following:

Company Name	Transaction Type	December 31, 2020		December 31, 2019	
		Transaction Amount	Balance (Credited) / Debited	Transaction Amount	Balance (Credited) / Debited
Saudi Gas Cylinder Factory (ENAGAS)	Procurement (purchase of gas cylinders and tanks)	81,616,117	(11,271,802)	62,278,124	0
Cooperative Insurance Company "Tawuniya"	Procurement (purchase of medical insurance services for employees and their families)	21,546,144	346,421	0	0

\*The Company ended its contract with the Cooperative Insurance Company "Tawuniya" at the end of March 2020 due to the term completion of Raed Abdullah Al Tamimi in the Board of Directors of "Tawuniya"

Information related to any loans received by the Company (whether they are payable upon request or otherwise) and disclosure of the total indebtedness of the Company and its subsidiaries, amounts paid by the Company in repayment of loans during 2020, in addition to principal amount, name of donor, duration, and balance of each loan:

Name of Company/Subsidiary Company	Name of Donor	Principal Amount of Loan	Loan Duration	Amounts Repaid during the Year	Loan Balance	Total Indebtedness of the Company and its Subsidiaries
National Gas & Ind. Company	SIDF	203,000,000	6 years	15,000,000	188,000,000	-
SGCF – Enagas (Ownership 37.57%)	-	-	-	-	-	-
Natural Gas Distribution Company (Ownership 35%)	SIDF	20,500,000	5 years	10,528,875	9,971,125	-
National Industrial Gases Company (GAS)	SIDF	651,000,000	8 سنوات	651,000,000	-	-
East Gas (Ownership 35%)	-	-	-	-	-	-

On January 2, 2020, the Company received the first installment of the Saudi Industrial Development Fund (SIDF) loan in the amount of (SR 85,300,000), which represents 50% of the total amount of the loan, after deducting the advice, evaluation, and feasibility study costs of (SR 16,200,000).

Categories and numbers of any convertible debt instruments or any contractual securities, memorandums of subscription rights, or similar rights issued or granted by the Company during the financial year, indicating any compensation received by the Company therefrom:

There are no categories and numbers of any convertible debt instruments or any contractual securities, memorandums of subscription rights, or similar rights issued or granted by the Company during the financial year, or any compensation received by the Company therefrom.

**Transfer or subscription rights under convertible debt instruments, contractual monetary securities, memorandums of subscription rights, or similar rights issued or granted by the Company:**

There are no transfer or subscription rights under convertible debt instruments, contractual securities, memorandums of subscription rights, or similar rights issued or granted by the Company.

**Redemption, purchase, or cancellation of any redeemable debt instruments and of the remaining monetary of securities, with a distinction between the listed securities purchased by the Company and those purchased by its subsidiaries:**

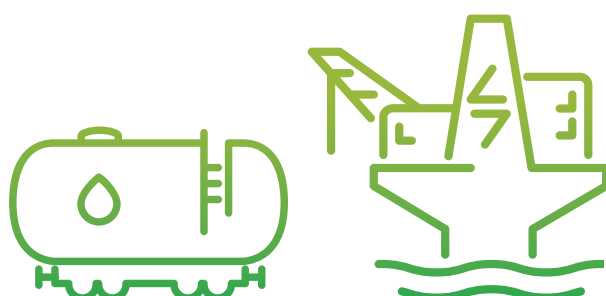
There is no redemption, purchase, or cancellation of any redeemable debt instruments and of the remaining monetary securities.

**Disbursed and Outstanding Regular Payments for 2020:**

Item	Disbursed Payments	Outstanding Payments (for the Company)	Description	Reasons
Zakat	10,237,251	12,558,797	Amount paid or carried forward to the next fiscal year in accordance with the Zakat provisions and rules	Government Requirement
VAT	59,400,170	(12,345,593)	Amount paid or carried forward to the next fiscal year in accordance with the VAT provisions and rules	Government Requirement
Tax from Suppliers with no offices in KSA (Withholding Tax)	53,471	51,617	Amount paid or carried forward to the next fiscal year in accordance with the Income Tax System	Government Requirement
General Organization for Social Insurance	34,038,051	2,533,438	Amount paid or carried forward to the next fiscal year in accordance with the Labor Law	Government Requirement
Costs of visas, passports, government fines, and work permit (Maktab Amal) fees	7,031,597	0	Amount paid throughout the year such as visa and passport fees in accordance with the relevant laws	Government Requirement

**Acknowledgments:**

1. The account records have been properly prepared.
2. The internal control system has been prepared according to sound bases and effectively implemented.
3. There is no significant doubt concerning the Company's ability to continue its activity.



· Reservations of the auditor on the annual financial statements:

**Qualified Audit Opinion:**

Included in the accrued expenses and other current liabilities is an unapplied collection account (“the unapplied account”) of SR 27.4 million (2019: SR 27.4 million). As detailed in note 34.6(a) of the financial statements; the Company discovered that certain transactions totaling SR 25.7 million related to embezzlement transactions committed by a former employee, were routed through this account. These transactions were reversed as at 31 December 2020. Other transactions in this account could not be completely traced and the closing balance could not be reconciled due to lack of audit trail. We were unable to satisfy ourselves with respect to the existence and completeness of this account. Accordingly, we are unable to determine if, any, adjustments are required to this account and the related impact on these financial statements.

**Other Matters;**

The financial statements of the Company for the year ended 31 December 2019 have been audited by another auditor who expressed an unmodified opinion on those financial statements on 8 Sha’aban 1441H (corresponding to 1 April 2020)

· Board recommendation on the replacement of the auditor before the expiry of his/her term:

In 2020, the Board did not make any recommendation to replace the chartered accountant.

**Implementation of the provisions of the Corporate Governance Regulations:**

The Company is committed to implementing all provisions of the Corporate Governance Regulations issued by the Capital Market Authority, except the provisions listed below:

Number of Article /Paragraph	Content of Article/paragraph	Reasons for non-application
Article 41	Assessment	Guiding article
Article 54 / B	The Head of the Audit Committee must be an independent member.	Guiding article
Article 85	Employee Incentives	Guiding article
Article 87	Social Responsibility	Guiding article
Article 88	Social Initiatives	Guiding article
Article 95	Forming the Corporate Governance Committee	Guiding article

**Information disclosed by the Company on the Saudi Stock Exchange (Tadawul) website:**

GASCO is committed to providing all necessary information to keep shareholders and the public informed of the Company’s significant developments and strategic events and decisions. Accordingly, the most important events and developments during this year have been announced as follows:

Date of Announcement	Title of Announcement
02/01/2020	National Gas and Industrialization Co. Announces the Latest Developments Regarding its Receipt of the Saudi Industrial Development Fund (SIDF) Loan.
12/01/2020	National Gas and Industrialization Co. announces the Latest Developments in the Lawsuit Filed by the Public Prosecutor against the Company Regarding the Accidental Explosion of the Gas Leaked from Gas Tanker.
28/01/2020	National Gas and Industrialization Co. Announces the Results of the Extraordinary General Assembly Meeting (Second Meeting).
13/02/2020	National Gas and Industrialization Co. Announces Signing an Agreement with the Cooperative Insurance Company (Related Party).
31/03/2020	National Gas and Industrialization Co. Announces its Annual Financial Results for the Period Ending on 31-12-2019.
28/04/2020	National Gas and Industrialization Co. Announces Invites for its Shareholders to Attend the (First Meeting) Ordinary General Assembly Meeting.
04/06/2020	National Gas and Industrialization Co. Announces its Interim Financial Results for the Period Ending on 31-03-2020 (Three Months).
07/06/2020	National Gas and Industrialization Co. Announces the Results of the Ordinary General Assembly Meeting (First Meeting).
25/08/2020	National Gas and Industrialization Co. Announces its Interim Financial Results for the Period Ending on 30-06-2020 (Six Months).
30/08/2020	National Gas and Industrialization Co. Announces the Latest Developments in the Memorandum of Understanding Signed with the National Gas Company (Oman).
25/10/2020	National Gas and Industrialization Co. Announces the Latest Developments in the Lawsuit Filed by the Ministry of Transport against the Company.
10/11/2020	National Gas and Industrialization Co. Announces its Interim Financial Results for the Period Ending on 30-09-2020 (Nine Months).
11/11/2020	Corrective Announcement from the National Gas and Industrialization Co. Regarding Results of the Current Period and Corresponding Period of the Previous Year Announced in the Interim Financial Results for the Period Ending on 30-09-2020 (Nine Months).
15/11/2020	Appended Announcement from the National Gas and Industrialization Co. Regarding the Earnings Per Share for the Corresponding Period of the Previous Year Announced in the Interim Financial Results for the Period Ending on 30-09-2020 (Nine Months).
06/12/2020	National Gas and Industrialization Co. Announces the Latest Developments in the Lawsuit Filed by the Ministry of Transport against the Company.
28/12/2020	National Gas and Industrialization Co. Announces the Approval of the Board of Directors of an Investee Company on the Distribution of Cash Dividends.

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