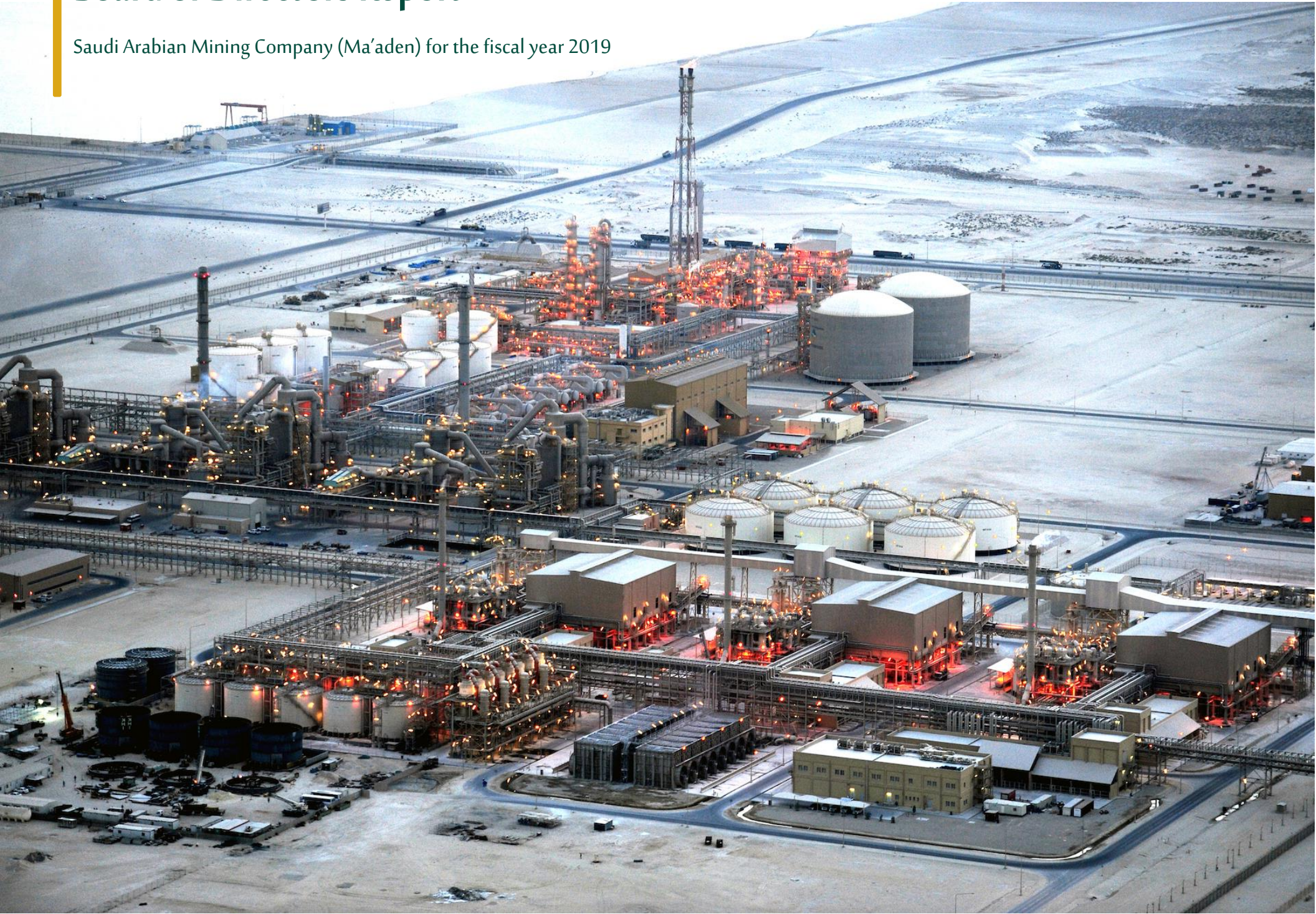


# Board of Directors Report

Saudi Arabian Mining Company (Ma'aden) for the fiscal year 2019





Ma'aden's Board of Directors is pleased to present this report for the financial year ended 31 December 2019 to the shareholders General Assembly.

The report was prepared in accordance with the requirements of the Companies Law, the Corporate Governance Regulations, Capital Market Law and the Guidance issued by the Saudi Capital Market Authority.

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

Ma'aden is also publishing detailed information on activities and businesses related to its operational and financial performance in its 2019 annual report which contains the annual financial statements for the year ended 31 December 2019, to enhance Ma'aden's communications with its shareholders and other stakeholders.

# Saudi Arabian Mining Company (Ma'aden)

Board of Director Report for the financial year ended 31 December 2019.

## 1. Implemented and non-implemented provisions of the Corporate Governance Regulations, and justifications therefor.

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

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

The Board of Directors also entrusted the Audit Committee to include on its review of the internal Audit system what is related to compliance, risks and governance, and to present the Board its recommendations, accordingly the Audit Committee carries out the tasks and functions of the Governance and Risk committees, as shown in its charter approved by the General Assembly.

Regarding Article 54, Paragraph (B), which stipulates that the Chairman of the Audit Committee must be an independent member, the Board after reviewing Article (36) of the company Articles of Associations considers the importance of the Chairman of the Audit Committee being a member of the Board of Directors, who holds the necessary qualifications to carry out the tasks and functions of the Committee. Considering that the independent members make up 75% out of the committee's overall members, in which the independency required by law is met.

## 2. Names, qualifications, and experience of the Board and committee members and Executive Management.

### A. Board of Directors

Name	Current positions	Previous positions	Qualifications	Experience
HE. Yaser bin Othman Al-Rumayyan*	Governor of the Public Investments Fund	Fransi Capital CEO	Bachelor's in Accounting from King Faisal university in Kingdom of Saudi Arabia.	Held several leadership positions, the last was Fransi Capital CEO, and Saudi

Name	Current positions	Previous positions	Qualifications	Experience
			Public Administration Program from Harvard Business School in United States	Stock Exchange (Tadawul) Board of Directors member 2014-2015.
HE. Suliman bin Abdulrahman Al-Gwaiz	Governor of the General Organization for Social Insurance	Held several leadership roles in the Saudi banking industry	Bachelor of Business Administration from the University of Portland, USA Vocational qualification in Banking Operations Management, Citibank Institute, Greece Vocational qualification in Corporate Financial Management, Citibank Institute, USA	Held several leadership roles in the Saudi banking (1981-2013) industry
HE. Eng. Abdallah bin Ibrahim Al-Saadon	President of the Royal Commission for Jubail and Yanbu	Held several leadership roles in Saudi Arabian Oil Company (Aramco), most recently senior VP for Finance, Strategy and Development	Bachelor's in Chemical Engineering, King Fahd University of Petroleum and Minerals, KSA Master's in chemical Engineering, University of Louisiana, USA MBA from the Massachusetts Institute of Technology (MIT), USA	Held several leadership roles the last was Senior Vice President for Finance, Strategy and Development, Saudi Arabian Oil Company (Aramco)
HE. Eng. Khalid bin Saleh Al-Mudaifer	Deputy Minister of Energy, Industry and Mineral Resources for Mining Affairs	President and CEO of the Saudi Arabian Mining Company (Ma'aden)	Bachelor's in Civil Engineering MBA, King Fahad University of Petroleum and Minerals, KSA International Business Diploma from Oxford University	Held the position of Vice President of Industrial Affairs at the Saudi Arabian Mining Company (Ma'aden) (2006) Vice President of Phosphate and New Business Development SBU at the Saudi Arabian Mining Company (Ma'aden) until 2011 and then President and CEO of the Saudi Arabian Mining Company (Ma'aden) (2011-2018).
Dr. Klaus Kleinfeld	Advisor to the Chairman of the Board of Directors, NEOM	NEOM CEO	MBA, University of Göttingen, Germany	CEO and Chairman, Arconic (2016 – 2017) following split of Alcoa Before, Chairman and

Name	Current positions	Previous positions	Qualifications	Experience
			PhD in Strategic Management, University of Würzburg, Germany	CEO of Alcoa (2008-2016). Furthermore, longstanding career at Siemens with several leadership positions, e.g. CEO Siemens AG.
Mr. Richard O'Brien	Consultant	CFO and CEO, Newmont Mining	Bachelor of Economics, University of Chicago, USA Juris Doctor in Law, Lewis and Clark Law School, USA	Operations Manager Several leadership roles including COO and CFO at PacificCorp (1984 – 2000)
Eng. Abdullah bin Mohammed Al-Issa	CEO, Asilah Investment Company	CEO of MASIC holding Company	Bachelor's in Industrial Engineering Master's in Engineering Management, Southern Methodist University, USA	Chairman, Abdullah Bin Mohammed Al Issa Consulting Engineers since 1981
Ms. Lubna bint Suliman Al-Olayan	CEO and Vice Chairperson, Olayan Finance Company	Assistant to Chairperson, Olayan Finance Company	Bachelor of Science, Cornell University, USA MBA, Indiana University, USA	Assistant to Chairperson, Olayan Finance Company Financial analyst, JPMorgan Group
Eng. Azzam bin Yasser Shalabi**		CEO, industrialization and Energy Services Company, Chairman National Industrial Clusters Development Program	Bachelor's in Civil Engineering, Oklahoma State University, USA MBA, Massachusetts Institute of Technology (MIT), USA	Consultant, Ministry of Petroleum and Mineral Resources (2006 -2007) Worked for Saudi Arabian Oil Company (Aramco) in planning of industrial facilities and utilities, developing new businesses, managing companies involved in oil refining, development of international projects in oil refining and petrochemical production (1981-2006)
HE. Eng. Khalid bin Abdulaziz Al-Faleh***		Minister of Energy, Industry and Mineral Resources, Minister of Health, Chairman of Saudi Arabian Oil Company (Aramco)	Bachelor's in mechanical Engineering, Texas A and M University, USA MBA from the King Fahd University of Petroleum and Minerals, KSA	Held several leadership roles at Saudi Arabian Oil Company (Aramco), the last of which was President and CEO. Minister of Health (2015-2016)

\*Appointed as non-executive Board of Directors member and chairmen on 28 September 2019

\*\*Resigned from the Board of Directors on 19 December 2019.

\*\*\*Resigned from the Board of Directors on 27 September 2019.

## B. Audit Committee members who are not Board members

Name	Current positions	Previous positions	Qualifications	Experience
Eng. Khalid bin Hamad Al-Senani	Consultant	Several administrative and engineering positions, the last of which was consultant and supervisor of gas supply and pricing, Ministry of Energy, Industry and Mineral Resources	Bachelor's in Civil Engineering, St Martin College, UK Master of Civil Engineering, University of Colorado, USA	Held several positions in Engineering Management and Maintenance and Operation departments at Saudi Arabian Oil Company (Aramco)
Mr. Walid Bin Ibrahim Shukri	Consultant	Member of a number of Audit, Risk, and Compliance committees e.g. in the Abdul Mohsen Al Hokair Group for Tourism and Development, the Saudi Mechanical Industries Company, the Kano Group, the Saudi Arabian Mining Company (Ma'aden), Takwen company, Energy company, and Jizan gas project company.	Bachelor's in Industrial Management, King Fahd University of Petroleum and Minerals, KSA. Professional certificate of Accounting and Auditing, Certified Public Accounts Association of the USA (CPA) Professional certificate of Accounting and Auditing, Saudi Organization for Certified Public Accountants (SOCPA)	Member of various audit, risk and compliance committees in numerous companies

## C. Executive management

Name	Current positions	Previous positions	Qualifications	Experience
Mr. Darren Christopher Davis	President and CEO (Acting)	Senior Vice President of Finance and CFO in Ma'aden	Bachelor of Business Administration, University of Aston, UK	Mr. Davis has served in the Middle East since 1999, More than 20 years' experience in banking and finance, primarily in the

Name	Current positions	Previous positions	Qualifications	Experience
				natural resources and energy sector including mergers and acquisitions, strategic advisory, debt raising, project finance and debt restructuring.
Mr. Khalid bin Salem Al-Rowais*	Senior Vice President of Finance and CFO (Acting)	Executive Advisor to Ma'aden	Bachelor's in Accounting, King Saud University, KSA Member of the American Institute of Certified Public Accountants (AICPA)	He started his career in Banking Control Department, Saudi Arabian Monetary Authority (SAMA) in 1984. Finance director, SABIC. Joined Ma'aden as Treasurer in 2002, held several positions, CFO & Senior Vice President Finance & Senior Vice President, Phosphate and Industrial Minerals
Eng. Riyadh bin Sa'ad Al-Nassar	Senior Vice President for Aluminum	Vice President of the Shared Services Vice President of Project Management and Engineering, President of Ma'aden Aluminum and Ma'aden Bauxite & Alumina	Bachelor of Electrical Engineering, King Fahd University of Petroleum and Minerals, KSA	Project engineer, Eastern Petrochemical Company (SHARQ) Project manager, SAFCO Manager of Design and Projects Department at MARAFIQ Director of Planning, Engineering, and Project Management, GCC Interconnection Authority
Eng. Abdulaziz bin Askar Al-Harbi	Senior Vice President for Operation, EHSS and Shared Services	Vice President for Industrial Security and Support Services	Bachelor of Science in Chemical Engineering, King Saud University Riyadh, KSA Advanced Management and Leadership Program, Oxford University, London, UK	Operation and Technical Director General, SAFCO, (2002-2007) Member of the Board of Directors and its executive committee at Ma'aden Bauxite and Alumina company and Ma'aden Aluminum Company Alternate member of the Board of Directors, Ma'aden Rolling Company Chairman of the ERADH Board (Saudi Youth Development and Engagement Programs) and a member of Jubail City Council

Name	Current positions	Previous positions	Qualifications	Experience
Mr. Ibrahim bin Mohammed Al-Amer**	Senior Vice President of Human Capital	Deputy Minister of Commerce & Investment, For Shared Services	Bachelor of Business Administration from Imam Mohammed bin Saud Islamic University 1994, MBA from Hull university in UK.	Held several leaderships the last was Deputy Minister of Commerce & Investment, For Shared Services, Vice President of Human Capital in Medical Group of Dr. Sulaiman Al Habib, Vice President of Human Capital in Al-Othaim holding Company.
Eng. Khaled bin Sulaiman Al-Ohali	Senior Vice President, Corporate Strategic Affairs	Vice President, Aluminum Strategy and Planning	Bachelor's in Mechanical Engineering, King Fahd University of Petroleum and Minerals, KSA	Consultant for the Ministry of Petroleum and Mineral Resources at Saudi Arabian Economic Offset Program President, National Industrial Clusters Development Program President, Charles River Associates International (CRAI) and MD in Saudi Arabia
Eng. Hassan bin Madani Al-Ali	Senior Vice President of Phosphate and Industrial Minerals	President of Ma'aden Phosphate Company (MPC)	Bachelor of Science in Mechanical Engineering (Production), King Abdulaziz University, Jeddah	Director of POLYETHYLENE TEREPHTHALATE (PET) in Sabic, joined Ma'aden as Director of Strategic planning & business development, appointed as President of Ma'aden Phosphate Company 2016, served on several board memberships in Ma'aden Affiliates
Mr. David Schummer	Senior Vice President Gold and Base Metals	Executive Vice President and Chief Operating Officer in Newmont Mining Corporation	Bachelor's in Finance, Regis University, USA	Newmont Mining Corporation
Mr. Ali bin Saeed Al-Qahtani***		Senior Vice President of Finance and CFO (Acting)	Bachelor's in Accounting, King Saud University, KSA Certified Public Accountant (CPA)	Clients' Accounts Manager in Al Rajhi Bank- 1999 Assistant General Manager for Planning and Finance, Qassim Cement Company VP and CFO, Tawuniya Insurance Company for 5 years
Eng. Nabil bin Abdulaziz Al-Furaih****		Senior Vice President of Human Capital	Bachelor of Civil Engineering, King Saud University, KSA	Worked at the Saudi Industrial Development



Name	Current positions	Previous positions	Qualifications	Experience
				Fund in technical and industrial project management Vice Chairman and Managing Director, Al Rajhi Cement Holding Company

\*Held the position in 1 September 2019 in replacement of Mr. Ali bin Saeed Al-Qahtani

\*\*Joined Ma'aden in 1 December 2019.

\*\*\*Resigned from the company on 30 August 2019.

\*\*\*\* Resigned the company on 11 January 2020.

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

Member Name	Board of Directors membership inside KSA		Board of Directors membership outside KSA	
	Current	Previous	Current	Previous
HE. Yaser bin Othman Al-Rumayyan*	Saudi Arabian Oil Company (Aramco), Saudi Arabian Mining Company (Ma'aden), Public Investment Fund, Saudi Industrial Development Fund, Decision Support Center, the Royal Commission for Makkah City & Holy Sites, NEOM, The Red Sea Development Company, Central Arriyadh Development Company, AMALA, King Abdullah Financial District Development, Community Development Company, Noon investment Company, Qiddiya Investment Company, Sanabil Investment Company, ARM	Fransi Capital, Saudi Capital Exchange (Tadawul).	Soft Bank, Uber	
HE. Suliman bin Abdulrahman Al-Gwaiz	Saudi Industrial Investment Group, Etihad Etisalat (Mobily), Saudi Arabian Mining Company (Ma'aden)	Banque Saudi Fransi, The National Company for Glass Industries (Zoujaj), National Industrialization, royal and sun alliance insurance, AJIL Financial Services company, MasterCard International Inc.		
HE. Eng. Abdallah bin Ibrahim Al-Saadan	Administrative Committee and Central Committee, Aramco Board of Strategies and Organization and Administrative Development Committee, Aramco	Chairman, Aramco Trading Chairman, Saudi Aramco Mobil Refinery Company Ltd. (SAMREF)		Chairman, Johns Hopkins

Member Name	Board of Directors membership inside KSA		Board of Directors membership outside KSA	
	Current	Previous	Current	Previous
	Chairman of the Services Audit Committee, Aramco Chairman of Board of Directors at Yanbu Aramco Sinopec Refining Company Ltd. (YASREF) Board member, Saudi Arabian Mining Company (Ma'aden) Member of the Advisory Committee of the College of Industrial Management, King Fahd University of Petroleum and Minerals S- Oil company			
HE. Eng. Khalid Bin Saleh Al-Mudaifer	Saudi Arabian Mining Company (Ma'aden) SAPTCO	Gulf International Bank B.S.C.		
Dr. Klaus Kleinfeld	Saudi Arabian Mining Company (Ma'aden)		Fero Labs K2Elevation	Bayer AG Morgan Stanley Hewlett Packard
Mr. Richard O'Brien	Saudi Arabian Mining Company (Ma'aden)		Xcel Energy Vulcan Materials Company Pretium Resources, Inc	Newmont Mining Corporation Boart Longyear. Energy Propane LLC
Eng. Abdullah Bin Mohammed Al-Issa	Chairman, Riyadh Bank Chairman, Dur Hospitality SABIC Vice Chairman, Etihad Etisalat (Mobily) Saudi Arabian Mining Company (Ma'aden)	Chairman, Arabian Cement Company Chairman, National Medical Care Chairman, Cement Product Industry Co Ltd JADWA for Investment Saudi Hotels & Resorts Company King Faisal Schools		
Ms. Lubna bint Suliman Al-Olayan	Saudi British Bank (SABB) Chairman Saudi Arabian Mining Company (Ma'aden) Schlumberger	Vice Chairman of Al-Olayan Group, Vice Chairman of Alawwal Bank, Vice Chairman AL-Olayan financial Company		Allianz SE McKinsey and Co. Bank of AmericaMerrill Lynch Akbank, Turkey
Eng. Azzam bin Yasser Shalabi**		Arabian Drilling Company ARCHER Energy Sanjel Energy Services Saudi Arabian Mining Company (Ma'aden)		

Member Name	Board of Directors membership inside KSA		Board of Directors membership outside KSA	
	Current	Previous	Current	Previous
		National Industrial Clusters Development Program		
HE. Eng. Khalid Bin Abdulaziz Al-Falih***		Saudi Arabian Oil Company (Aramco), Saudi Arabian Mining Company (Ma'aden) Royal Commission for Jubail and Yanbu		Asia Business Council JP Morgan International Council World Economic Forum, International Business Council

\*Appointed as non-executive Board of Directors member and chairmen on 28 September 2019

\*\*Resigned from the Board of Directors on 19 December 2019.

\*\*\*Resigned from the Board of Directors on 27 September 2019.

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

Member's name	Membership type
1. HE. Yaser bin Othman Al-Rumayyan*	Non-executive
2. HE. Suliman bin Abdulrahman Al-Gwaiz	Non-executive
3. HE. Eng. Abdallah bin Ibrahim Al-Saadon	Non-executive
4. HE. Eng. Khalid bin Saleh Al-Mudaifer	Non-executive
5. Dr. Klaus Kleinfeld	Non-executive
6. Mr. Richard O'Brien	Non-executive
7. Eng. Abdullah Bin Mohammed Al-Issa	Independent
8. Ms. Lubna Bint Sulaiman Al-Olayan	Independent
9. Eng. Azzam Bin Yasser Shalabi**	Independent
10. HE. Eng. Khalid Bin Abdulaziz Al-Falih***	Non-executive

\*Appointed as non-executive Board of Directors member and chairmen on 28 September 2019

\*\*Resigned from the Board of Directors on 19 December 2019.

\*\*\*Resigned from the Board of Directors on 27 September 2019.

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

The Executive Management provides detailed report on shareholders, stock movement, inquiries, suggestions, and observations about the company and its performance. The Executive Management presents an annual report to the Board of Directors containing the necessary information about the investors' activity and the company's share and movement .

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

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

In accordance with the Governance General Framework, a document approved by the General Assembly, the Board of Directors is obliged to form sub-committees with specific powers in its work list. The following committees are established by the Board of Directors: The Audit Committee, the Nomination and Remuneration Committee, the Executive Committee and the Security and Sustainability Committee. Each committee has its own terms of reference, according to which its tasks, duration, and working methods are determined. Each committee shall report its work to the Board. These committees assist the Board of Directors in effectively fulfilling its functions and responsibilities.



## Audit Committee

Member Name Date	1	2	3	4	5	Total
	22 January 2019	10 March 2019	22 April 2019	22 July 2019	22 October 2019	
H.E Eng. Abdallah bin Ibrahim Al-Saadon (Chairman)	✓	✓	✓	✓	✓	5
Eng. Azzam Bin Yaser Shalabi*	✓	✓	✓	✓	✓	5
Mr. Walid bin Ibrahim Shukri	✓	✓	✓	✓	✓	5
Eng. Khalid bin Mohammed Al-Sanani	✓	✓	✓	✓	✓	5

\*Resigned from the Board of Directors on 19 December 2019.

Mr. Richard O'Brien has been appointed as a member in the committee on 19 December 2019, and the committee did not hold a meeting after his appointment.

### The Audit committee's main tasks:

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

## Nomination and remuneration committee

Member Name	Date	1	2	3	4	Total
		17 February 2019	11 June 2019	10 November 2019	19 December 2019	
Eng. Abdullah Bin Mohammed Al-Issa (Chairman)		✓	✓	✓	✓	4
Dr. Klaus Kleinfeld		✓	✓	✓	✓	4
Ms. Lubna Bint Sulaiman Al-Olayan		✓	✓	✓	✓	4
Eng. Azzam Bin Yasser Shalabi*		✓	✓	✓	-	3

\*Resigned from the Board of Directors on 19 December 2019.

### Nomination and Remuneration Committee's main tasks:

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

## Executive Committee

Member Name	Date	1	2	3	4	Total
		21 January 2019	24 July 2019	10 November 2019	3 December 2019	
HE. Suliman bin Abdulrahman Al-Gwaiz (Chairman)		✓	✓	✓	✓	4
HE. Eng. Abdallah bin Ibrahim Al-Saadan		✓	✓	✓	✓	4
HE. Eng. Khalid bin Saleh Al-Mudaifer		✓	✓	✓	✓	4
Dr. Klaus Kleinfeld		-	✓	✓	✓	3
Mr. Richard O'Brien		✓	✓	✓	✓	4

### Executive Committee's main task:

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

## Safety and Sustainability Committee

Member Name	Date	1	2	3	Total
		6 March 2019	11 June 2019	30 September 2019	
Mr. Richard O'brien (Chairman)		✓	✓	✓	3
HE. Eng. Abdallah bin Ibrahim Al-Saadan		✓	✓	✓	3
HE. Eng. Khalid bin Saleh Al-Mudaifer		✓	✓	✓	3

#### **Safety and Sustainability Committee's main task:**

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

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

The Nomination and Remuneration Committee assigned an independent expert house to conduct an evaluation of the performance of the Board and its committees during the fiscal year 2019, and in view there have been changes in the membership of the Board, resignation and appointment of a number of member of the Board, the Committee considered that the evaluation should be postponed to the beginning of the next fiscal year, so that it would complete the evaluation and raise its recommendations.

### **8. Disclose the remuneration of the Board members and Executive Management as stated in Article (93) of Corporate Governance Regulations**

#### **A. Board members' compensation policy**

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



## **B. Board committees' compensation policy**

### **Remuneration of Audit Committee members**

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

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

### **Remuneration of Nomination and Remuneration Committee members**

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

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

### **Remuneration of Executive Committee members**

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

1. Each member of the committee is entitled of the following compensation:
  - a. annual fees for attending each meeting and
  - b. annual compensation.

2. The Board of Directors' report to the Ordinary General Assembly meeting must include a comprehensive statement of all remunerations and other amounts paid to the committee members.

**Remuneration of Safety and Sustainability Committee members:**

On 24 September 2010, the Board of Directors approved the Charter of the Safety and Sustainability Committee, which identified the compensation paid to the members as per the below

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

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

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

Remunerations and compensations paid to Board members of Ma'aden during the financial year ended 31 December 2019 (SAR)

	Fixed Remuneration							Variable Remuneration								
	Specific amount	Allowance for attending Board meetings	Total Allowance for attending committee meetings	In-kind benefits	Remunerations for technical, managerial and consultative work	Remunerations of the chairman, Managing Director or Secretary, if a member	Total	Percentage of the profits	Periodic remunerations	Short-term incentive plans	Long-term incentive plans	Granted shares (insert the value)	Total	End-of-service award	Aggregate Amount	Expenses Allowance
1.Independent Members																
Eng. Abdullah bin Mohammed Al-Issa	250,000	21,000	12,000	-	-	-	283,000	-	-	-	-	-	-	-	-	-
Ms. Lubna bint Suliman Al-Olayan	250,000	21,000	12,000	-	-	-	283,000	-	-	-	-	-	-	-	-	-
Eng. Azzam bin Yasser Shalabi	250,000	21,000	24,000	-	-	-	295,000	-	-	-	-	-	-	-	-	-
Total	750,000	63,000	48,000	-	-	-	861,000	-	-	-	-	-	-	-	-	-
2.Non – Executive members																
HE. Eng. Yaser bin Othamn Al-Rumayyan	65,000	6,000	-	-	-	52,000	123,000	-	-	-	-	-	-	-	-	-
HE. Eng. Khalid bin Abdulaziz Al-Faleh	185,000	12,000	-	-	-	148,000	345,000	-	-	-	-	-	-	-	-	-
HE. Suliman bin Abdulrahman Al-Gwaiz	250,000	21,000	12,000	-	-	-	283,000	-	-	-	-	-	-	-	-	-
HE. Eng. Abdallah bin Ibrahim Al-Saadan	250,000	15,000	36,000	-	-	-	301,000	-	-	-	-	-	-	-	-	-
HE. Eng. Khalid bin Saleh Al-Mudaifer	250,000	21,000	21,000	-	-	-	292,000	-	-	-	-	-	-	-	-	-
Dr. Klaus Kleinfeld	375,000	18,000	21,000	-	-	-	414,000	-	-	-	-	-	-	-	-	-
Mr. Richard O'Brien	375,000	21,000	21,000	-	-	-	417,000	-	-	-	-	-	-	-	-	-
Total	1,750,000	114,000	111,000	-	-	200,000	2,175,000	-	-	-	-	-	-	-	-	-

## Allowances for attending committees' meetings

	Fixed Remuneration (Except for the allowance for attending Board meetings)	Allowance for attending Board meetings	Total
<b>Audit Committee</b>			
HE. Eng. Abdallah bin Ibrahim Al-Saadon	200,000	15,000	215,000
Eng. Azzam bin Yaser Shalabi	200,000	15,000	215,000
Mr. Walid bin Ibrahim Shukri	100,000	15,000	115,000
Eng. Khalid bin Mohammed Al -Sanani	100,000	15,000	115,000
<b>Total</b>	<b>600,000</b>	<b>60,000</b>	<b>660,000</b>
<b>Nomination &amp; Remuneration Committee</b>			
Eng. Abdullah bin Mohammed Al-Issa	200,000	12,000	212,000
Dr. Klaus Kleinfeld	-	12,000	12,000
Ms. Lubna bint Suliman Al-Olayan	200,000	12,000	212,000
Eng Azzam bin Yaser Shalabi	*	9,000	9,000
<b>Total</b>	<b>400,000</b>	<b>45,000</b>	<b>445,000</b>
<b>Executive Committee</b>			
H.E. Suliman bin Abdulrahman Al-Gwaiz	200,000	12,000	212,000
H.E Eng. Abdallah bin Ibrahim Al-Saadon	*	12,000	12,000
H.E Eng. Khalid bin Saleh Al-Mudaifer	200,000	12,000	212,000
Dr. Klaus Kleinfeld	-	9,000	9,000
Mr. Richard O'Brien	-	12,000	12,000
<b>Total</b>	<b>400,000</b>	<b>57,000</b>	<b>457,000</b>
<b>Safety &amp; Sustainability</b>			
Mr. Richard O'Brien	-	9,000	9,000
H.E Eng. Abdallah bin Ibrahim Al-Saadon	*	9,000	9,000
H.E Eng. Khalid bin Saleh Al-Mudaifer	*	9,000	9,000
<b>Total</b>	<b>*</b>	<b>27,000</b>	<b>27,000</b>
<b>Total Amount</b>	<b>1,400,000</b>	<b>189,000</b>	<b>1,589,000</b>

\*the Board member receives an amount of 200,000 for his/her membership in the committees, regardless of the number of memberships in those committees.

The total remuneration and compensation due to the members of the Board of Directors and the Committees amounted to SAR 4,465,000, considering that the total amount received by the member does not exceed the amount specified in the Companies Law, The General Assembly shall approve these payments of at its first meeting.



### C. Executive Compensation policy

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

The Human Capital Management calculates the bonus based on company's set policy and sends it to the Remuneration and Nomination committee which approves these bonuses as per budget and it is stated in the Board's report. Remuneration and compensation paid to the top five senior executives, based on the policies adopted, including the CEO and CFO.

Fixed remunerations				Variable remunerations							
Salaries	Allowances	In-kind benefits	Total	Periodic remunerations	Profits	Short-term incentive plans	Long-term incentive plans	Granted shares	Total	End-of service award	Grand Total
8,430,740	3,220,425	-	11,651,165	1,118,354	-	4,237,800	757,221	-	6,113,375	1,611,261	19,375,801

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

No penalty, punishment, precautionary measure or preventive restriction is imposed on the Company by the Capital Market Authority or any supervisory, regulatory, or judicial body.

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

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

During the fiscal year 2019, the Group Internal Audit implemented approximately 85 audits, in accordance with the approved annual audit plan approved by the Audit Committee.

The main objectives of Group Internal Audit activities are as follows:

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

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

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

Based on the performance provided during 2019, and consistent with the scope of work of the audit plan approved by the Audit Committee, and through the results and reports submitted to the Audit Committee, it is possible to give positive assurance of the systems and effectiveness of the internal control systems in the company and its applications, as it is not possible to give absolute assurance of any system of internal control and scrutiny.

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

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

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

There are no disagreements between the Audit Committee recommendations and the Board resolutions.

### 13. Details of the Company's social contributions.

Ma'aden is in a continues pursue to focus its social contributions on the remote communities surrounding its operations. The vast majority of the social contributions are in the education and employability in addition to other development causes.

Since the inception of the Ma'aden Higher Community Initiative Committee back in 2015, around 144 initiatives have been approved with total budget around SAR 250 million and actual spend of around SAR 100 million.

In 2019, Ma'aden has spent more than SAR 8 million over 29 different initiative while education cause account for more than 80%.

#### Social Contributions 2019

Initiative Category	Number	Amount (SAR)
Education and Training	2	7,089,819
Infrastructure	3	56,480
Community development	3	180,000
Public Private Partnership (PPP) & Sponsorship	17	971,725
Other social investment or charitable giving	4	229,424
Health & welfare; water & sanitation		-
Sports, arts, culture & heritage		-
Environment, energy & climate change		-
<b>Total</b>	<b>29</b>	<b>8,527,448</b>

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

#### General Assembly Meetings Attendance

Member's name	6 <sup>th</sup> Extraordinary General Assembly on 10\03\2019	7 <sup>th</sup> Extraordinary General Assembly on 04\11\2019
HE. Mr. Yaser bin Othman Al-Rumayyan*	-	-
HE. Sulaiman bin Abdulrahman Al-Gwaiz	✓	✓
HE. Eng. Abdullah bin Ibrahim Al-Saadon	-	✓
HE. Eng. Khalid bin Saleh Al-Mudaifer	✓	-
Dr. Klaus Kleinfeld	-	-
Mr. Richard O'Brien	✓	-

Eng. Abdullah bin Mohammed Al-Issa	✓	✓
Ms. Lubna bint Sulaiman Al-Olayan	-	-
Eng. Azzam bin Yasser Shalabi**	✓	-
HE. Eng. Khalid bin Abdulaziz Al-Falih***	-	-

\*Appointed as Chairman of the board on 28 September 2019.

\*\* Resigned from the board on 19 December 2019.

\*\*\*Resigned from the board on 27 September 2019.

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

Segment	2019		2018		Variance%	
	Sales (SAR)	Contribution%	Sales (SAR)	Contribution%	Sales (SAR)	Contribution%
Phosphate and Industrial minerals SBU	8,250,311,335	46%	6,526,171,154	46%	1,724,140,181	48%
Aluminum SBU	7,399,762,355	42%	5,668,251,288	40%	1,731,511,067	49%
Gold and Base metals SBU	2,086,204,896	12%	1,976,337,478	14%	109,867,418	3%
<b>Total sales</b>	<b>17,736,278,586</b>	<b>100%</b>	<b>14,170,759,920</b>	<b>100%</b>	<b>3,565,518,666</b>	<b>100%</b>

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

### Strategy and business plan

In June 2019, Ma'aden reviewed and revalidated its 2025 strategy, which is designed to enhance the company's ability to take advantage of opportunities and manage challenges. We also adopted detailed five-year plan for the period 2020-24.

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

- Operational, commercial and capital excellence,
- Role as a national mining champion providing leadership for the Kingdom's mining sector and
- Operations global expansion.

A number of strategic initiatives were implemented in 2019 taking Ma'aden closer to its vision of becoming a "sustainable mining champion with global presence".

### Focus on excellence

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



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

We have well defined plans for operational, commercial and capital excellence and to develop our investments portfolio over the coming years.

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

We studied and will continue studying strategic investments in sales and global distribution chains to match our increasing production especially in Phosphate. Based on those activities, the company's subsidiary Ma'aden Marketing and Distribution Company acquired a fertilizer distributor in South East Africa that would help positioning the company as a competitive long-term supplier for the region.

### **Global aspirations**

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

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

### **Main risks facing Ma'aden**

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

### **Commodity price fluctuations**

Ma'aden cannot control the market prices for its products and significant shifts in commodity prices will directly affect revenues. This effect can be positive during times of rising commodity prices or negative when commodity prices fall, leading to a significant impact on profitability and cash flows. Ma'aden generally does not hedge its market price exposure and instead seeks to mitigate this risk by leveraging its capability as a low-cost producer. In times of surplus supply and declining prices higher cost marginal players will tend to be driven out of the market whilst the lower cost producers are better positioned to continue producing with a positive cash margin.

### **Cyber security**

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

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

## Projects

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

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

## Railway services

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

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

## Power interruption

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

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

## Feedstock availability and prices

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

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

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

### **Environment, Health, Safety and Security (EHSS)**

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

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

### **Liquidity**

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

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

### **Cost of funding**

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

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

### **Environmental incidents**

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

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

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

### **Capabilities and skills shortage**

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

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

### **Changes in laws, regulations and regulatory requirements**

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

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

### **Exploration licences**

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

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

### **Water supplies**

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

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

### **Grade erosion and depletion**

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

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

### **Social licence to operate**

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

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

### Currency fluctuations

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

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

### Consolidated statement of financial position for the last 5 years

(In SAR millions)	IFRS			SOCPA	
	2019	2018	2017	2016	2015
<b>Assets</b>					
Non-current assets	81,855	82,208	82,933	82,580	79,008
Current assets	15,803	15,930	12,184	11,563	10,370
<b>Total assets</b>	<b>97,658</b>	<b>98,138</b>	<b>95,117</b>	<b>94,143</b>	<b>89,378</b>
<b>Equity</b>					
Equity attributable to shareholders` of the parent company	30,656	27,903	26,098	25,342	27,298
Non-controlling Interest	7,737	8,791	8,432	7,794	8,097
<b>Total equity</b>	<b>38,393</b>	<b>36,694</b>	<b>34,530</b>	<b>33,136</b>	<b>35,395</b>
<b>Liabilities</b>					
Non-current liabilities	50,705	53,547	52,864	53,296	45,441
Current liabilities	8,560	7,897	7,723	7,711	8,542
<b>Total liabilities</b>	<b>59,265</b>	<b>61,444</b>	<b>60,587</b>	<b>61,007</b>	<b>53,983</b>
<b>Total liabilities and equity</b>	<b>97,658</b>	<b>98,138</b>	<b>95,117</b>	<b>94,143</b>	<b>89,378</b>

### Consolidated statement of profit or loss and other comprehensive income for the last 5 years

(In SAR millions)	IFRS			SOCPA	
	2019	2018	2017	2016	2015
<b>Sales</b>	17,736	14,171	12,086	9,464	10,956
Cost of sales	(15,432)	(9,284)	(8,152)	(7,443)	(8,517)
<b>Gross profit</b>	<b>2,304</b>	<b>4,887</b>	<b>3,934</b>	<b>2,021</b>	<b>2,439</b>

### Consolidated statement of profit or loss and other comprehensive income for the last 5 years

(In SAR millions)	IFRS			SOCPA	
	2019	2018	2017	2016	2015
Selling, marketing and logistic expenses	(641)	(351)	(531)	(410)	(532)
General and administrative expenses	(562)	(463)	(382)	(325)	(448)
Exploration and technical services expenses	(180)	(95)	(62)	(49)	(144)
(impairment) / Reversal of impairment of non-current assets, net	(35)	46	(522)	(566)	-
<b>Operating income</b>	<b>886</b>	<b>4,024</b>	<b>2,437</b>	<b>613</b>	<b>1,305</b>
Income from time deposits	205	123	77	151	36
Finance cost	(2,401)	(1,753)	(1,616)	(890)	(451)
Other income /(expenses), net	87	(3)	(66)	33	56
Share in net income of joint ventures that have been equity accounted	112	143	101	4	(92)
<b>(Loss) / profit before zakat and income tax</b>	<b>(1,111)</b>	<b>2,534</b>	<b>933</b>	<b>(89)</b>	<b>854</b>
Income tax	(168)	(72)	(57)	19	-
Zakat expense	(249)	(216)	(92)	(78)	(46)
<b>Profit / (loss) for the year</b>	<b>(1,528)</b>	<b>2,246</b>	<b>784</b>	<b>(148)</b>	<b>808</b>
Other comprehensive (loss) / income	(229)	(51)	46	2	-
<b>Total comprehensive (loss) / income for the year</b>	<b>(1,757)</b>	<b>2,195</b>	<b>830</b>	<b>(146)</b>	<b>-</b>
Net income attributable to shareholders of the parent company	(739)	1,848	715	(11)	605
Non-controlling interest's share of year's net income in subsidiaries	(789)	398	69	(137)	203
<b>Profit/ (loss) for the year</b>	<b>(1,528)</b>	<b>2,246</b>	<b>784</b>	<b>(148)</b>	<b>808</b>
<b>Basic and diluted earnings per share (SAR)</b>	<b>(0.62)</b>	<b>1.58</b>	<b>0.61</b>	<b>(0.01)</b>	<b>0.52</b>
Weighted average number of ordinary shares in issue during the year (in millions)	1,178	1,168	1,168	1,168	1,168
Gross profit percentage	13%	34%	33%	21%	22%
EBITDA	5,557	7,170	5,808	3,697	3,644



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

Product	2019		2018		Variance		Countries
	Amount	Quantity	Amount	Quantity	Amount	Quantity	
	Millions	Thousands	Millions	Thousands	Millions	Thousands	
International sales							
Aluminum (tons)	3,206	454	4,188	501	(982)	(47)	Bahrain, Bangladesh, Belgium, Brazil, China, Croatia, Egypt, France, Greece, Hong Kong, Indonesia, Italy, Japan, Jordan, Kuwait, Lebanon, Malaysia, Netherlands, Oman, Singapore, South Korea, Spain, Taiwan, Thailand, Turkey, United Arab Emirates, United States, and Vietnam
Can and auto sheets (tons)	2,486	251	154	15	2,332	236	
Alumina (tons)	454	362	537	311	(83)	51	
DAP/MAP (tons)	6,780	5,084	4,776	3,126	2,004	1,958	
Ammonia (tons)	1,251	1,291	1,603	1,350	(352)	(59)	
Gold (ounces)	2,086	394	1,976	417	110	(23)	Asia and the Pacific, Indian subcontinent, Korea
Industrial minerals (tons)	66	42	103	61	(37)	(19)	Switzerland, Europe, Singapore, Asia
Others	84	-	-	-	84	-	Turkey, Japan, South Africa, Germany, Malaysia, France, Switzerland, India
Sub-total	16,413		13,337		3,076		East of Africa
Domestic sales							
Aluminum (tons)	801	108	765	92	36	16	Kingdom of Saudi Arabia
Can and auto sheets (tons)	452	43	24	2	428	41	Kingdom of Saudi Arabia
Industrial minerals (tons)	69	540	43	308	26	232	Kingdom of Saudi Arabia
Infrastructure services	1	-	2	-	1	-	Kingdom of Saudi Arabia
Sub-total	1,323		834		489		
Total	17,736		14,171		3,565		

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

Clarification of differences of operating results (sales and production) of strategic business units and their products of 2019 and 2018

Product	Unit of measure	2019	2018	change	% of change
<b>Phosphate</b>					
<b>Ammonium phosphate fertilizer</b>					
Sales	Tons	5,083,706	3,125,768	1,957,938	63%
Production	Tons	5,222,847	3,169,521	2,053,326	65%
<b>Ammonia</b>					
Sales	Tons	1,291,420	1,350,247	(58,827)	(4%)
Production - MPC	Tons	1,234,283	1,119,130	115,153	10%
Production - MWSPC	Tons	1,027,247	1,127,042	(99,795)	(9%)
<b>Low grade bauxite</b>					
Sales	Tons	523,819	296,552	227,267	77%
Production	Tons	490,780	282,926	207,854	73%
<b>Caustic calcined\dead burned magnesia and monolithics</b>					
Sales	Tons	57,640	72,229	(14,589)	(20%)
Production	Tons	64,437	69,569	(5,132)	(7%)
<b>Kaolin</b>					
Sales	Tons	71	-		
Production	Tons	148,283	146,305		
<b>Total Sales</b>	<b>Tons</b>	<b>6,956,656</b>	<b>4,844,796</b>	<b>2,111,860</b>	<b>44%</b>
<b>Total production</b>	<b>Tons</b>	<b>8,187,877</b>	<b>5,768,188</b>	<b>2,419,689</b>	<b>42%</b>
<b>Aluminum</b>					
<b>Primary aluminium</b>					
Sales					
Through MAC	Tons	141,046	146,579	(5,533)	(4%)
Through Ma'aden Corporate	Tons	420,730	446,140	(25,410)	(6%)
Production	Tons	966,749	932,209	34,540	4%
<b>Alumina</b>					
Sales	Tons	362,291	310,910	51,381	17%
Production	Tons	1,798,340	1,774,173	24,167	1%

#### Can and autosheet

Sales	Tons	294,909	20,315*	274,594	1352%
Production	Tons	295,562	24,540*	271,022	1104%
<b>Total Sales</b>	<b>Tons</b>	<b>1,218,976</b>	<b>923,944</b>	<b>295,032</b>	<b>32%</b>
<b>Total production</b>	<b>Tons</b>	<b>3,060,651</b>	<b>2,708,922</b>	<b>351,729</b>	<b>13%</b>

#### Gold and base metals

<b>Sales - Gold</b>	<b>Ounce</b>	<b>394,117</b>	<b>417,335</b>	<b>(23,218)</b>	<b>(6%)</b>
<b>Production - Gold</b>	<b>Ounce</b>	<b>399,232</b>	<b>414,966</b>	<b>(15,734)</b>	<b>(4%)</b>

\* The sales and production represent the commercial production that started on December 2, 2018.

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

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

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

Name of the holding company, subsidiaries or jointly controlled entities	Type of company	Capital (SAR)	Ownership percentage		Main scope	Location
Holding Company						
Saudi Arabian Mining Company (Ma’aden)	Joint stock company	12,305,911,460	Public Investment Fund	67.18%	Various projects related to all stages of the mining industry	Riyadh
			Public	32.82%		
			Total	100%		
Wholly owned subsidiaries						
Ma’aden Gold and Base Metals Company	Limited liability company	867,000,000	Ma’aden	100%	Gold Other products: Zinc, copper, silver and lead	Riyadh
Industrial Minerals Company	Limited liability company	344,855,200	Ma’aden	100%	Low grade bauxite, Kaolin, caustic magnesia, caustic calcined magnesia and monolithic	Riyadh

Ma'aden Infrastructure Company	Limited liability company	500,000	Ma'aden	100%	Infrastructure services	Riyadh
Ma'aden Marketing and Distribution Company	Limited liability company	1,000,000	Ma'aden	100%	Selling chemical fertilizer, market research and surveys.	Riyadh
Ma'aden Fertilizer company	Limited liability company	1,000,000	Ma'aden	100%	Natural fertilizers, nitrogenous compounds, phosphate fertilizers, urea and natural phosphate and potassium salts.	Riyadh
Ma'aden Rolling Company*	Limited liability company	2,477,371,807	Ma'aden	100%	Flat rolled aluminum sheets	Riyadh
<b>Other subsidiaries</b>						
Ma'aden Aluminum Company	Limited liability company	6,573,750,000	Ma'aden Alcoa	74.9% 25.1%	Primary aluminum products ie aluminum ingots, T-bars, slabs and billets	Ras Al-khair Industrial City
Ma'aden Bauxite and Alumina Company	Limited liability company	4,828,464,412	Ma'aden AWA	74.9% 25.1%	Bauxite and alumina	Ras Al-khair Industrial City
Ma'aden Phosphate Company	Limited liability company	6,208,480,000	Ma'aden SABIC	70% 30%	Ammonia phosphate fertilizer and ammonia	Ras Al-khair Industrial City
Ma'aden Wa'ad Al Shamal Phosphate Company	Limited liability company	7,942,501,875	Ma'aden Mosaic SABIC	60% 25% 15%	Ammonia phosphate fertilizer and ammonia	Wa'ad Al-Shamal Industrial City
<b>Jointly controlled entities</b>						
Sahara and Ma'aden Petrochemicals Company (SAMAPCO)	Limited liability company	900,000,000	Ma'aden Sahara	50% 50%	Ethylene dichloride, chlorine and caustic soda	Al-Jubail
Ma'aden Barrick Copper Company (MBCC)	Limited liability company	404,965,292	Ma'aden Barrick	50% 50%	Copper concentrate	Al-Madina

\*Alcoa transferred its 25.1% interest in Ma'aden Rolling Company to Ma'aden on 27 June 2019, this brought Ma'aden's ownership in Ma'aden Rolling Company to 100%

Country of incorporation and of operation for all the above companies is Saudi Arabia.

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

Ma'aden Phosphate Company has a Sukuk Facility Agreement with a total value of 3,500 million SAR, as shown in paragraph 27 of this report related to detailed company's total debt.

## 24. A description of the dividends distribution policy.

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

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

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

The Board of Directors has recommended to the General Assembly not to distribute dividends for the current year 2019; in order to continue the completion of building and financing the system of promising projects in accordance with its strategy.

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

The company announced on 05/11/2019 the developments in the company's capital ownership, as the shares of a major shareholder (Public Investment Fund) have become 764,641,453 shares which is equivalent to 67.18% of the total capital of the company.

The company has not received any notice of any interests of, or a change in, the interests of persons other than the members of the Board of Directors and senior executives in the categories of any class of voting shares during 2019.

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

### Board of directors

Member's Name	Beginning of the year	Ownership percentage	End of the year	Ownership percentage	Net change during the year	Percentage change
H.E Mr. Yaser bin Othman Al-Rumayyan*	-	-	-	-	-	-
H.E Sulaiman bin Abdulrahman Al-Gwaiz	-	-	-	-	-	-
H.E Eng. Abdullah bin Ibrahim Al-Saadon	-	-	-	-	-	-
H.E Eng. Khalid bin Saleh Al-Mudaifer	5,579	0.00	5,579	0.00	-	-
Dr. Klaus Kleinfeld	-	-	-	-	-	-
Mr. Richard O'Brien	-	-	-	-	-	-
Eng. Abdullah bin Mohammed Al-Issa	100	0.00	100	0.00	-	-
Ms. Lubna bint Sulaiman Al-Olayan	-	-	-	-	-	-
Eng. Azzam Bin Yasser Shalabi**	6,686	0.00	6,686	0.00	-	-
H.E Eng. Khalid Bin Abdulaziz Al-Falih***	13,198	0.00	13,198	0.00	-	-

\* Appointed as Chairman of the board on 28 September 2019.

\*\* Resigned from the board on 19 December 2019

\*\*\* Resigned from the board on 27 September 2019.

### Executive Management

Name	Beginning of the year	Ownership percentage	End of the year	Ownership percentage	Net change during the year	Percentage change
Darren Davis	-	-	-	-	-	-
Khalid Al-Rowais	-	-	-	-	-	-
Abdulaziz Al Harbi	-	-	-	-	-	-
Nabil Al-Fraih*	-	-	-	-	-	-
Ibrahim Al-Amer**	-	-	-	-	-	-
Riyadh Al-Nassar	-	-	-	-	-	-
David Schummer	-	-	-	-	-	-

Emad Saadawi	-	-	-	-	-	-
Hassan Al-Ali	-	-	-	-	-	-
Ali Saeed Al-Qahtani***	-	-	-	-	-	-

\*left the Company 11 January 2019

\*\*Joined the Company 1 December 2019.

\*\*\*left the company on 30 August 2019.

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

Borrowing Company	Financing Entity	Loan Term	Loan Commitment Amount	Drawdown During the year	Repayment During the year	Balance at year end
<b>Saudi Arabian Mining Company (Ma'aden)</b>	Syndicated Revolving Facility	5 years	7,500	-	-	-
<b>Ma'aden Gold and base metals company</b>	Saudi Industrial Development Fund – As Suq	8 years	179	-	25	96
	Saudi Industrial Development Fund – Ad Duwayhi	9 years	1,200	-	160	760
	<b>Subtotal</b>		<b>1,379</b>	<b>-</b>	<b>185</b>	<b>856</b>
<b>Ma'aden Infrastructure Company</b>	Saudi Riyal Murabaha Facility	10 years	1,000	-	78	727
<b>Ma'aden Phosphate Company</b>	USD Murabaha Facility	7 years	3,188	-	319	2,231
	Saudi Riyal Murabaha Facility	7 years	8,306	-	419	2,932
	Sukuk	8 years	3,500	-	-	3,500
	Working Capital Facility Murabaha	5 years	500	-	-	-
	<b>Subtotal</b>		<b>15,494</b>	<b>-</b>	<b>738</b>	<b>8,663</b>



Borrowing Company	Financing Entity	Loan Term	Loan Commitment Amount	Drawdown During the year	Repayment During the year	Balance at year end
Ma'aden Aluminum Company	Public Investment Fund	14 years	4,275	-	-	4,275
	Saudi Riyal Murabaha Facility	10 years	5,179	-	-	5,179
	USD Conventional Facility	7 years	1,504	-	-	1,504
	<b>Subtotal</b>		<b>10,958</b>	-	-	<b>10,958</b>
Ma'aden Rolling Company	Public Investment Fund*	16 years	3,079	-	2,986	-
	Purecurement Facility	16 years	1,041	-	1,010	-
	Working Capital Facility Murabaha	9 months	375	-	375	-
	<b>Subtotal</b>		<b>4,495</b>	-	<b>4,371</b>	-
	Restricted Facility					
	Saudi Industrial Development Fund	9 years	600	-	150	275
	Saudi Riyal Murabaha Facility	12 years	1,313	1,313	-	1,313
	<b>Subtotal</b>		<b>1,913</b>	<b>1,313</b>	<b>150</b>	<b>1,588</b>
Ma'aden Bauxit and Alumina Company	Working Capital Facility Murabaha	2 years	340	-	340	-
	Restricted Facility					
	Working Capital Facility Murabaha	5 years	750	347	-	347
	Public Investment Fund	13 years	3,506	-	74	3,432
	Saudi Riyal Murabaha Facility – A	13 years	2,370	-	44	2,326
	Saudi Riyal Murabaha Facility – B	13 years	1,655	-	24	1,631
	Wakala Facility	13 years	220	-	3	217
	<b>Subtotal</b>		<b>8,841</b>	<b>347</b>	<b>485</b>	<b>7,953</b>
	Public Investment Fund	16 years	7,500	-	239	6,600
	Convectional Facility	16 years	1,044	-	27	749

Borrowing Company	Financing Entity	Loan Term	Loan Commitment Amount	Drawdown During the year	Repayment During the year	Balance at year end
Ma'aden Wa'ad Al-Shamal Phosphate Company	Saudi Riyal purcurement Faciltiy	16 years	3,814	-	443	2,177
	USD Prcurement Faciltiy	16 years	443	-	11	294
	Wakala Facility	16 years	1,650	-	252	1,236
	Korean Export Development	16 years	4,406	-	154	4,252
	Saudi Industrial Development Fund	10 years	4,000	95	145	3,795
	<b>Subtotal</b>		<b>22,857</b>	<b>95</b>	<b>1,271</b>	<b>19,103</b>
<b>Grand Total</b>			<b>69,942</b>	<b>1,755</b>	<b>7,278</b>	<b>49,848</b>

\*Part of the debt conversion prosses, the loan was transferred from the Public Investments Fund to Ma'den so that Ma'aden became a lender to Ma'aden Rolling Company. For more details please view the published shareholders circular.

Maturity date of long-term loans	31 December 2019	31 December 2018
2019	-	3,162,757,425
2020	2,436,219,781	2,438,872,312
2021	3,814,100,886	4,098,343,546
2022	4,546,568,895	4,862,984,944
2023	5,483,265,997	5,938,367,968
2024	4,043,276,958	4,155,259,835
2025	2,490,663,543	4,155,259,835
2026 through 2030	27,440,981,001	26,560,011,648
<b>Total</b>	<b>50,255,077,061</b>	<b>55,371,857,513</b>

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

The company has issued sixty-two million one hundred and twelve-thousand eight hundred eighty-five (62,112,885) new ordinary shares with a nominal value of ten Saudi Riyals (SAR 10) against the conversion of its debt owed by Public Investment Fund valued at two billion nine hundred eighty-six million three hundred eighty-seven thousand and five hundred Saudi Riyals (SAR 2,986,387,500), into

ordinary shares of the Company and the whole shares was granted to the Public Investment Fund as a debt settlement. The above share issuance price was determined based on the volume-weighted average market price of the Company's shares during the last six trading months before the date of the Extraordinary General Assembly Meeting, held on 4 November 2019

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

The company has issued sixty-two million one hundred and twelve-thousand eight hundred eighty-five (62,112,885) new ordinary shares with a nominal value of ten Saudi Riyals (SAR 10) against the conversion of its debt owed by Public Investment Fund valued at two billion nine hundred eighty-six million three hundred eighty-seven thousand and five hundred Saudi Riyals (SAR 2,986,387,500), into ordinary shares of the Company and the whole shares was granted to the Public Investment Fund as a debt settlement. The above share issuance price was determined based on the volume-weighted average market price of the Company's shares during the last six trading months before the date of the Extraordinary General Assembly Meeting, held on 4 November 2019

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

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

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

Member's Name	1 24\01\2019	2 06\03\2019	3 22\04\2019	4 11\06\2019	5 12\06\2019	6* 26\06\2019	7 30\09\2019	8 19\12\2019	Total
H.E Mr. Yaser bin Othman Al-Rumayyan**	-	-	-	-	-	-	✓	✓	2
H.E Sulaiman bin Abdulrahman Al-Gwaiz	✓	✓	✓	✓	✓	✓	-	✓	7
H.E Eng. Abdullah bin Ibrahim Al-Saadani	-	✓	✓	✓	-	-	✓	✓	5
H.E Eng. Khalid bin Saleh Al-Mudaifer	✓	✓	✓	✓	✓	-	✓	✓	7
Dr. Klaus Kleinfeld	-	✓	✓	✓	✓	-	✓	✓	6
Mr. Richard O'Brien	✓	✓	✓	✓	✓	-	✓	✓	7
Eng. Abdullah bin Mohammed Al-Issa	✓	✓	✓	✓	✓	-	✓	✓	7

Ms. Lubna bint Sulaiman Al-Olayan	-	✓	✓	✓	✓	✓	✓	✓	7
Eng. Azzam bin Yasser Shalabi***	✓	✓	✓	✓	✓	✓	✓	✓	7
H.E Eng. Khalid bin Abdulaziz Al-Falih****	-	✓	✓	✓	✓	-	-	-	4

\*No absence and quorum are complete, because there is a conflict of interest for some members.

\*\*Appointed as Chairman of the board on 28 September 2019.

\*\*\*Resigned from the board on 19 December 2019

\*\*\*\*Resigned from the board on 27 September 2019

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

Date	Request reason.
03 November 2019	Business Needs
03 October 2019	Business Needs
03 July 2019	Business Needs
31 December 2019	Business Needs

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

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

Types of transactions (SAR million)	Year ended 31 December 2919	Year ended 31 December 2918
Sales of MAC to Alcoa Inespal, S.A., in accordance with a shareholders off-take agreement, during the year	957,813,474	1,165,530,810
Sales of MPC through SABIC, in accordance with a marketing agreement, during the year	1,248,751,783	1,647,716,745
Sales of MWSPC through SABIC, in accordance with a marketing agreement – the pre-commercial production DAP sales revenue, net of production cost for the year ended 31 December 2019 amounting to Nil (31 December 2018: SAR 130,299,157) has been credited against capital work-in-progress	463,483,647	258,066,238
Sales of MWSPC through The Mosaic Company, in accordance with a marketing agreement – the pre-commercial production DAP sales revenue, net of production cost for the year ended 31 December 2019 amounting to Nil (31 December 2018: SAR 287,368,760) has been credited against capital work-in-progress	721,644,368	569,153,142
Cost of seconded employees, technology fee and other cost paid to Alcoa Corporation during the year	46,479,947	83,440,308
Cost of seconded employees, technology fee and other cost paid to The Mosaic Company during the year	86,141,068	46,696,420

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

In 2019, Ma'aden acquired the shares of Alcoa Rolling Inverthionies its joint venture partner in Ma'aden Rolling Company and became the sole owner of Maaden Rolling Company.

As part of a financial restructuring post acquisition of the shares, the loan provided to Ma'aden Rolling Company by the Public Investment Fund (the “Fund”) was transferred from the Fund to Ma’aden which as a result became a lender to Ma’aden Rolling Company. In consideration of the loan transfer Ma’aden entered into a loan for the same amount from the Fund. Ma’aden also entered into an agreement with the Fund to convert the debt owed to the Fund under that loan into new shares in Ma’aden, in consideration for settling the Company’s debt owed to the Fund. (the “Transaction”)

The Transaction involved a direct interest of the Fund which is the major shareholder of Ma’aden. and a direct interest for Riyadh bank as it is one of the creditors of Ma’aden Rolling Company.

The members of the board who represent the Fund or are board members of Riyadh bank are as follows:

**PIF Representatives:**

1. H.E Khalid bin Abdulaziz Al-Faleh
2. H.E Abdullah bin Ibrahim Al-Saadon
3. H.E Khalid bin Saleh Al-Mudaifer
4. Dr. Klaus Kleinfeld
5. Mr. Richard O’Brien

**Riyad Bank Chairman:**

1. Eng. Abdullah Bin Mohammed Al-Issa

Accordingly, the members of Ma’aden Board of Directors referred to above did not participate in the discussions nor vote or take any decision in respect of the Transaction in accordance with Article (71) of the Companies Law and Article (44) of the Corporate Governance Regulations,

The remaining members agreed to the Transaction and recommended increasing Ma’aden’s capital to convert the debt of the Fund into shares in Ma’aden as announced on the Saudi Stock Exchange website "Tadawul" on June 26, 2019.

Ma’aden’s capital increase had to be approved by the extraordinary general assembly of Ma’aden pursuant to Article (137) of the Companies Law, Article (11) of the Corporate Governance Regulations, and Article (13) of Ma’aden’s Articles of Association

Accordingly, Ma’aden’s board of Directors called an extraordinary general assembly for November 4, 2019 to vote on the capital increase. The representatives of the Fund did not participate in voting on the capital increase because of the Fund’s direct interest.

The extraordinary general assembly agreed to increase the company's capital from 11,684,782,610 SAR to 12,305,911,460 SAR. The table below shows the resulting change in Fund ownership:

Shareholder	Before Debt Conversion			After Debt Conversion		
	Number of Shares	Par Value of Shares SAR	Shares%	Number of Shares	Par Value of Shares SAR	Shares%
Public Investment Fund	764,641,453	7,646,414,530	65.44%	826,754,338	8,267,543,380	67.18%
Public	403,836,808	4,038,368,080	34.56%	403,836,808	4,038,368,080	32.82%
<b>Total</b>	<b>1,168,478,261</b>	<b>11,684,782,610</b>	<b>100%</b>	<b>1,230,591,146</b>	<b>12,305,911,460</b>	<b>100%</b>

The Board appointed HSBC Saudi Arabia and Riyadh Capital as financial advisors to manage the capital increase process, Ms. Lubna bint Sulaiman Al Olayan did not participate in the discussion or vote on the decision to appoint the financial advisors, as she chairs the Board of Directors of SABB Bank, which owns HSBC Saudi Arabia.

Engineer / Abdullah Mohammad Al-Issa did not participate in the discussion or voting on the decision to appoint the financial advisors, as he chairs the Board of Directors of Riyadh Bank, which owns Riyadh Capital.

For more details, please refer to the company's announcements on the Saudi Stock Exchange website (Tadawul) and view the shareholders circular published on the company's website and the Capital Market Authority website.

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

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

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

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

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

	2019 (SAR)	2018 (SAR)	Change	% of change
Severance fees payable	124,505,948	124,800,448	(294,500)	(0.24%)
Zakat and income tax payable	267,369,819	190,701,571	76,668,248	40%
Withholding tax payable on contracts	11,734,939	2,085,932	9,649,007	463%
Social Insurance	17,688,681	11,808,232	5,880,449	50%
<b>Total</b>	<b>421,299,387</b>	<b>329,396,184</b>	<b>91,903,203</b>	<b>28%</b>



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

#### **Ownership houses program**

Ma'aden pursue help from Financial Institutions to implement the home ownership program for Saudi employees by securing housing loans in accordance with its policies, in order to preserve the distinguished employees, Ma'aden bears the cost of financing for the qualified employees, while the employee bears the principal of the loan, and the balance of the interest amount that the company bears in 31 December 2019 amounted to SAR 11,454,403.

The company also built housing units to give it to Saudi employees working in the city of Ras Al-Khair for Mining Industries, provided that the cost of the housing unit is paid in monthly payments, and the balance as on 31 December 2019 amounted to SAR 930,876,130. Ma'aden also provides, according to its policies, a fixed loan for the purpose of supporting home furnishing for the qualified employees, and as of 31 December 2019 the balance amounted to SAR 16,488,500 million.

#### **Saving program**

Ma'aden continued the "savings" program for the Saudi employees of the company, so that the employee contributes a fixed share of his monthly salary, and the company contributes a proportional share for the employee's interest, and the total amount invested for the employee is by certain conditions compatible with the provisions of Islamic Sharia, and the total investor has reached SAR 84,953,982.

### **39. The Board of Directors Declarations:**

- proper books of account have been maintained;
- the system of internal control is sound in design and has been effectively implemented; and
- there are no significant doubts concerning the company's ability to continue its activity.

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

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

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

The Board of Directors did not recommend replacing the external auditor Price Waterhouse Coopers PWC.