

Environmental, Social and Governance

4.1 Luberef's Approach to Sustainability

Luberef's Approach to Sustainability

Positively Impacting People and the Planet

Luberef leverages its dominant competitive positioning and leadership in downstream business to drive sustainable business growth, stakeholder value creation and profitability. Led by its commitment to creating a better world, Luberef focuses on integrating Environmental, Social and Governance (ESG) considerations into its operational fabric and strategic framework. Luberef strives for excellence in everything it does and believes that its approach to ESG goes beyond individual initiatives. Embedding sustainability principles and practices across its business and value chain enables Luberef to operate responsibly, stay

accountable and enhance value creation for all its stakeholders, including shareholders.

Luberef recognises the importance and supports the Kingdom's Vision 2030, which places sustainability at the heart of everything the Kingdom does. As a business and a responsible corporate citizen, Luberef believes it can make a meaningful difference to the Kingdom of Saudi Arabia and its people. Whether fostering its talented and diverse workforce or driving the industry forward and ensuring that sustainability is central to its purpose, in line with Saudi Vision 2030, Luberef prides itself on taking steps to make that vision a reality.

By linking its actions to the holistic and sustainable well-being of people and the planet, Luberef is strengthening the foundations of its long-term future-ready evolution. Luberef aims to maintain its reputation of being a responsible business with accountability for its decisions and a comprehensive evaluation of their long-term implications. Luberef is in the process of developing a robust ESG framework, which will help integrate sustainability principles and practices into its business at every level.

Luberef's Philosophy on Environment, Health and Safety

Luberef's enterprise-wide focus on environment, health and safety supports its goal of protecting its workforce, preventing property losses and avoiding business interruptions, while adapting to market and operating conditions. This involves Company standards that focus on a continuous improvement approach commonly used throughout the industry.

Luberef's robust standards reflect low risk tolerance with rigorously applied operational safety procedures. This is complemented by procedures for crisis management and business continuity designed to provide operational resilience and respond to internal or external

incidents by restoring operations in an orderly manner.

Luberef has in place an environmental policy that outlines environmental goals, actions and a performance and monitoring and measurement framework. Luberef's stand on environmental issues also relies on its relationship with Saudi Aramco. Luberef is in the process of developing a strategy that aims to achieve net zero emissions by 2050.

Luberef is diligently working on developing a sustainability framework focused on the environment and the health and safety of its employees and the community. Luberef's initiatives include tracking performance to minimize emissions and

flaring. Total flaring and energy efficiency form key components of Luberef's environmental index KPI (Key Performance Indicator), which is part of Luberef's broader corporate KPIs.

Luberef's total flaring targets are reviewed and set annually based on the technical feasibility and historical performance of the respective facility.

The 70% reduction was achieved 2022 was realized by improving the existing monitoring and troubleshooting program. Luberef is also exploring newer opportunities and collaborations for green hydrogen and ways of reducing sulfur content.



Environmental Stewardship

Luberef delivered a 70% reduction in flaring in 2022, as compared to 2021.

Luberef collaborated with KAUST to target up to 85% reduction in sulfur content of its fuel oil and base oils.

As part of Luberef's sustainability efforts, Luberef strives to meet industry standards and is certified for the ISO 14001:2015 Environmental Management Systems, and ISO 50001:2018 Standard for Energy Management Systems.

The testing laboratories at both Yanbu and Jeddah facilities are accredited by the American Association for Laboratory Accreditation (A2LA) for technical compliance in chemical testing (ISO/IEC 17025:2017).

Luberef acknowledges its responsibility in helping achieve this goal, and is committed to playing its part in addressing climate change. Luberef will continue to monitor and report on its progress going forward to reduce its impact on the environment.

Safety, talent management and social initiatives

Luberef's Safety Management System (SMS) has been established since 2011 based on the Dupont Sustainable Solutions program and is focused on safe operations. The systems "Safety First" approach covers all aspects of Luberef's business activities, which help establish a safety culture that has resulted in a TRIR (Total Recordable Incident Rate) of 0.0 for the third successive year in 2022.

Talent engagement and development

Luberef has a comprehensive incentive structure and training programmes to attract and retain talent, motivate its employees and create an empowered workplace that

respects diversity of experiences, experiences and capabilities. Luberef has a home ownership programme for its Saudi employees enabling them to own suitable housing units and another initiative that assists employees in financial savings and investments.

The other key highlights are as follows;

- Programmes on workers' safety such as E-Learning, Safety Orientation and Training Plan
- Regular investment in employee training and development related initiatives
- Other monetary and non-monetary support for educational activities such as Certification fee reimbursement and Exam leave



Saudization Requirements and Nitaqat

Like all companies in the Kingdom, Luberef is subject to Saudization requirements. Saudization is a government policy of the KSA that encourages companies to preferentially hire Saudi nationals, and the percentage of Saudi nationals employed is calculated for each Company under the Nitaqat system. The Nitaqat system places Luberef, based on its Saudization level, in different zones/classifications, the highest of which is Platinum.

The following data illustrates the compliance level of Luberef with the Saudization requirements and its classification in the Nitaqat programme as of 31st December 2022.

- Classification: Basic Materials
- Saudization Percentage: 83.76% (82.44%, as of 31 December 2021)
- Nitaqat Classification: Platinum

Luberef's Corporate Social Responsibility initiatives for 2022

Sponsorship of Events

Initiative to Support the Education Project in MADAK Academy - LUBEREF supported the MADAK Academy Education Endowment Project in Medina Province, by sponsoring a smart lab project conforming to the highest international standards. The total sponsorship amount was 2,400,000 SAR.

Sponsorship 'Let's Walk Together' Initiative - In collaboration with Al-Aoun Center, Luberef sponsored 'Let's Walk Together' initiative for those with autism. The Initiative aims to highlight the skills and athletic ability of people with disabilities, in order to raise awareness in the society. More than 850 participants from 75 specialized in-house centers attended the event. The event was organized at the Seafront in Jeddah City with total sponsorship amount of 75,000 SAR.

School Bag Initiative - In collaboration with "Waqf Maan", an endowment Association for Society Development, Luberef sponsored the Project 'Al Elm Rafaa' providing 2,000 school bags with all stationery (bag, booklet, notebook, drawing pad, wooden color pens, sharpener, pencils, calculator, book binders, etc.). The intended bags will benefit orphan students, families of inmates, students with disabilities, low-income families from all governorates of the Makkah Province. The total sponsorship amount was 56,000 SAR.

Community Initiatives

Luberef is committed to the development of communities that it operates in. Luberef has initiated several social development initiatives focused on promoting entrepreneurship, supporting housing needs, and facilitating education, including:

- The Tamkeen programme for people with disabilities
- The Easkan programme to support the building of fifteen houses in Yanbu for low-income people with a disability
- The Adaptive Sports programme to support access to sports facilities
- Work customisation and summer training programmes that support talent development of persons with disabilities.

Luberef has done exemplary work supporting the local community in the space of health, education, and safety. During Ramadan, Luberef provided clothing for families in need in Jeddah, and supported the government's efforts in combating COVID-19 by donating SAR 5 million to the Health Waqf Fund. Luberef also assisted the local authorities and schools to facilitate education during the pandemic.





Ramadan Food Bag Initiative

- In collaboration with “Waqf Maan”, an endowment Association for Society Development, Luberef and its employees have been contributing for four consecutive years now to help with distribution of food bags to more than 2500 low-income families, orphan families and people with disabilities in Makkah Region. In addition to donation of Luberef staff, Luberef contributed 50,000 SAR for this activity.

Keswa Alsaida Aisha -

Keswa Alsaida Aisha aims to provide Eid clothing for the needy families, starting with the campaign in the month of Sha’ban. The Initiative is focused on receiving and collecting used and new clothes through the contributions of community members. Luberef has sponsored this program to support our local community in Jeddah. Luberef also provided a volunteering opportunity for our employees and more than ten employees volunteered for this initiative. The total sponsorship amount was 50,000 SAR.



First Aid “IFRC Training”

Project - Luberef sponsored the “IFRC” training to support families of people with disabilities. This was coordinated by the Saudi Red Crescent Authority. The training lasted two days and was attended by 50 people. The total sponsorship amount was 45,000 SAR.

The Saudi National Competition of Equestrians in Yanbu - Luberef has sponsored the Saudi National Competition as part of encouraging community members to engage in equestrian activities, the competition was organized by the Ministry of Sports and held in Yanbu Industrial City. The total sponsorship amount was 30,000 SAR.



Awards and Recognition

Most Improved in Maintenance and Reliability Excellence Award

P&CEO, Saudi Aramco 2022

Luberef's Corporate Social Responsibility Initiatives for 2022

The Initiative for Research & Development with King Abdul Aziz University

This is an ongoing project as Luberef has conducted several meetings with King Abdulaziz University Chemical Engineering College in order to initiate the R&D within our Corporate Social Responsibility (CSR) initiatives. After visiting the university and checking the labs there, we have discovered their need for Liquid - Liquid Extracton Pilot Plant and currently, their ab scale measurement are done using pilot plants. The Luberef team and King Abdul Aziz University Faculty are doing research on the Liquid - Liquid Extraction Pilot Plant and also it will be used as well for students' research and projects.

In 2022, Luberef concluded an agreement with King Abdul Aziz University with the following aims:

- To support eligible King Abdulaziz University students in engineering and chemistry field
- To conduct research through collaboration between Luberef and the University
- To sponsor the chemical engineering lab
- To support graduation projects and training
- To organize visits and trips to Luberef Refinery

Other activities

International Women's Day Event – To celebrate International Women's Day, which was held on March 8, the Public Relations team organized a celebration of women's achievements. Luberef also offered a 15% discount on various salons in both Jeddah and Yanbu to all company employees and their families. A workshop for female employees at Crown Plaza was also arranged to create a stronger bond between the employees.

Governance

Luberef is committed to the principles of good corporate governance and adheres to global standards of corporate governance. The current Board is composed of six members with diverse backgrounds, and includes two independent members as per the Corporate Governance Regulations - one of whom is a female director. The

Board's diverse backgrounds and experiences play an important role in Luberef's governance as it cultivates a wide range of opinions and views in the boardroom and facilitates productive and enhanced decision-making.

Luberef strives to operate its business adhering to the highest ethical standards and practices.

Luberef's Professional Conduct Policy guides its business, providing a framework for ethical conduct and integrity throughout the operation of the business. Luberef encourages and expects employees to directly report suspected violations of Luberef's Code of Conduct through appropriate channels.



6. Corporate Governance

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Board of Directors



Luberef is currently managed by a Board consisting of six Directors who were appointed by the Conversion Assembly of shareholders on 14/08/2022, for a period of five years. The Board have the broadest powers to manage Luberef to achieve its objectives. The Board of Directors of Luberef provides leadership guidance and support to the senior management and helps with inputs on strategic leadership and guidance, along with a continuous assessment of market environment, opportunities and risk management framework of Luberef. The Board also oversees Luberef’s governance, risk and compliance functions.

Mr. Ibrahim Q. Al buainain,
Chairperson
(Non-executive Director)

Mr. Ibrahim Q. Al Buainain, 55, was appointed Chairperson of Luberef in August 2022. He is currently Senior Vice President of Sales, Trading & Supply Planning at Saudi Aramco, having previously served as President and CEO of Aramco Trading Company for six years from 2016. An oil & gas industry veteran with a 30-year portfolio of leadership and management experience, Mr. Al Buainain also serves on a number of other boards including National Shipping Company of Saudi Arabia and Aramco Trading Company. Mr. Al Buainain holds a B.S. degree in Mechanical Engineering, an MBA in Global Management, and a master’s degree in Innovation and Global Leadership from the Massachusetts Institute of Technology (MIT).

Other Current Positions:

- Since 2016, a board member in Aramco Trading Company, a limited liability company, operating in oil and gas.
- Since 2018, chairman of Aramco Trading Singapore Pte. Ltd., a limited liability company operating in oil and gas.
- Since 2019, chairman of Aramco Trading Fujairah FZE, a private corporation with share capital operating in oil and gas.
- Since 2019, chairman of Aramco Trading Limited (London), a UAE limited liability company operating in oil and gas.

- Since 2019, chairman of Rabigh Refining & Petrochemical Company (Petro Rabigh), a listed joint stock company operating in petrochemicals.
- Since 2016, director in National Shipping Company of Saudi Arabia, a listed joint stock company operating in marine transport.
- Since 2019, a director in National Chemicals Carriers Company of Saudi Arabia, a limited liability company operating in marine transport.
- Since 2019, a board member in Petredec, a private limited liability company operating in oil and gas services.
- Since 2022, chairman of Aramco Services Company, private stock corporation, operating in oil and gas services.
- Since 2022, chairman of Saudi Aramco Asia Company, Ltd., a limited liability company operating in oil and gas services.
- Since 2022, chairman of Saudi Petroleum International, Inc., a private stock corporation operating in oil and gas services.
- Since 2022, chairman of Saudi Petroleum Overseas, Ltd., a private limited company operating in oil and gas services.
- Since 2022, Senior vice president of sales, trading and supply planning, in Saudi Aramco.

Selected Previous Positions:

- From 2019 to 2022, a director in Hyundai Oil, a closed joint stock company operating in oil and gas.
- From 2016 to 2022, chief executive officer at Aramco Trading Company, a limited liability company operating in oil and gas.
- From 2014 to 2015, chief executive officer at Saudi Aramco Asia Company, Ltd., a limited liability company operating in oil and gas.
- From 2011 to 2013, chief executive officer at Saudi Aramco Energy Venture Company, a limited liability company operating in oil and gas.



Mr. Abdulatif Saleh A. Al Shami,

Vice Chairperson

(Non-executive Director)

Mr. Abdulatif Saleh A. Al Shami, 60, was appointed Vice Chairperson at Luberef in 2022. He was Yanbu refinery manager at Saudi Aramco, a position he has held from 2017 until December 31, 2022. Prior to taking on this role, Al Shami held a number of other roles at Saudi Aramco, including heading major projects and holding a number of positions at various Saudi Aramco gas plants. Al Shami holds a Bachelor of Science degree in Electrical Engineering from the University of North Carolina and a master's degree in Human Resource Development from the University of Minnesota.

Other Current Positions:

- Since 2021, a board director at Luberef.

Selected Previous Positions:

- From 2017 to 2022, a Yanbu refinery Manager at Saudi Aramco.
- From 2017 to 2021, a member of the board of directors on Saudi Aramco Mobil Refinery Company, a limited liability company operating in the refinery sector.
- In 2016, Yanbu NGL Fractionation Plant manager at Saudi Aramco.
- From 2014 to 2015, technical support and planning manager at Saudi Aramco.
- From 2014 to 2015, Hawiyah NGL plant manager at Saudi Aramco.
- From 2011 to 2013, Uthmaniyah gas plant at Saudi Aramco.
- From 2009 to 2010, Berri gas plant at Jubail at Saudi Aramco.
- From 2007 to 2008, heading grass root karan gas mega projects head, at Saudi Aramco.



Mr. Andrew S. Katz

(Non-executive Director)

Mr. Andrew Katz, 53, was appointed Director at Luberef in August 2022. Mr. Andrew Katz is currently the Manager of Downstream Business Development at Saudi Aramco. He joined Saudi Aramco in 2015 and prior to joining Saudi Aramco, Mr. Katz was a Managing Director and Global Head of Refining and Chemicals at Standard Chartered Bank in Singapore for nine years. He was previously a chemicals industry investment banker with other notable firms based in London and New York. Mr. Katz began his career as a refinery process engineer in the US in 1991. Mr. Katz holds a Bachelor's degree in Chemical Engineering from the Stevens Institute of Technology and an MBA in Finance and Operations Research from the New York University Stern School of Business.

Other Current Positions:

- Since 2021, Manager and Department Head of Downstream Business Development in Saudi Aramco.

Selected Previous Positions:

- From 2019 to 2021, Manager of the Capital Markets and Relations Department at Saudi Aramco.
- From 2018 to 2019, the Manager of the Transaction Execution Department for the acquisition of SABIC at Saudi Aramco.
- In 2018, the Manager of the Transaction and Portfolio Management Department at Saudi Aramco.
- From 2017 to 2018, the Manager of the Downstream Transaction Services Department at Saudi Aramco.
- From 2015 to 2016, the Manager of the Chemicals Business Strategy and Development Department at Saudi Aramco.
- In 2015, a board director at TSRC Corporation, a Taiwan based listed joint stock company, operating in manufacturing and selling synthetic rubber products.
- From 2005 to 2014, Managing Director and Global Head of Chemicals and Refining at Standard Chartered Bank, a limited liability company operating in the banking sector.



**Mr. Khalid Dawood
Y. Al Faddagh**

(Independent Non-
Executive Director)

Mr. Khalid Dawood Al faddagh, 67, was appointed Director at Luberef in August 2022. He is currently a member of several Boards, including Vision Invest. Since 2018, he has served as an advisory board member and chairman of the audit and risk committee at Eastern Health Cluster, a government entity operating in the medical care sector. He was previously Saudi Aramco’s General Auditor, from 2010-2015. Alfaddagh holds a Bachelor of Science degree in Mechanical Engineering from the University of Technology Baghdad, a master’s degree in Mechanical Engineering from the University of Manchester and a PhD in Mechanical Engineering from Imperial College, London.

Other Current Positions

- Since 2018, an advisory board member and chairman audit and risk committee at Eastern Health Cluster, a government entity operating in the medical care sector.
- Since 2018, a board member and chair of the audit and risk committee at Vision International Investment Company (Vision Invest), a closed joint stock company operating as a holding company in the industrial development sector.
- Since 2019, a member of the risk committee at the Public Investment Fund (PIF), a sovereign wealth fund operating in investments in the Kingdom.

- Since 2019, a member of the audit committee at the Saudi Pharmaceutical Industries and Medical Appliances Corporation (SIPMACO), a listed joint stock company operating in the pharmaceuticals sector.
- Since 2021, a member of the risk committee at the General Organization of Social Insurance (GOSI), a social insurance and retirement government fund.
- Since 2022, a member of the audit committee of Banque Saudi Fransi, a listed joint stock company operating in the banking sector.

Selected Previous Positions

- From 2016 to 2019, a member of the audit committee at Saudi Telecom Company (STC), a listed joint stock company operating in the telecom sector.
- From 2017 to 2022, the chairman of the risk and compliance committee at ACWA Power Company, a listed joint stock company operating in energy and water.
- From 2017 to 2022, a member of the audit committee at the Saudi Basic Industries Corporation (SABIC), a listed joint stock company operating in the chemicals sector.

- Since 2019 to 2022, a chairman of the risk committee at Bupa Arabia for Cooperative Insurance Company, a listed joint stock company operating in health insurance.
- From 2017 to 2019, the chairman of the audit committee of Saudi District Cooling Company, a closed joint stock company operating in district cooling sector.
- From 2010 to 2015, General Auditor in Saudi Aramco.
- From 1983 to 2015, various positions in oil and refinery operations, project management and quality control, strategic planning, internal audit and fraud investigation in Saudi Aramco.



Ms. Nabelah Al Tunisi

(Independent Non-Executive Director)

Ms. Nabelah AlTunisi, 63, was appointed Director at Luberef in August 2022. She is currently a board member at Saudi Arabian Mining Company (Ma’aden) and Dar Al-Hekma University, a private university in Jeddah. She was previously the Executive Director of the energy and water sector at NEOM. Prior to this, she was the Chief Engineer for Saudi Aramco, responsible for engineering for all above surface oil and gas facilities. She has more than 25 years of experience with Saudi Aramco, where she has held various technical and management positions for multiple organisations, including central engineering, project management, and supply chain management. AlTunisi holds a Bachelor of Science degree in Electrical Engineering from the University of Portland and a Master of Science in Electrical Engineering from Oregon State University.

Other Current Positions

- Since 2020, an independent board member at Saudi Arabian Mining Company (Maaden), a listed joint stock company operating in the mining sector.
- Since 2019, a trustee at Dar Al Hekma University a private university operating in the education sector.
- Since 2019, an executive director of programs at a government entity operating in project management.

Selected Previous Positions

- From 2018 to 2021, a board member on the Saudi Council of Engineers board, a scientific vocational council.
- From 2018 to 2019, an executive director at NEOM, a closed joint stock company operating in the development sector.
- From 2015 to 2018, a chief engineer at Saudi Aramco.

- From 2012 to 2016, a board member at Saudi Aramco Total Refining and Petrochemical Company (SATORP), a limited liability company operating in refining and petrochemicals.
- From 2012 to 2015, a general manager responsible for oil and gas projects at Saudi Aramco.
- From 2010 to 2012, a manager of materials planning and system department at Saudi Aramco.
- From 2009 to 2010, a technology service department head at Saudi Aramco.
- From 2006 to 2009, a director of FEED for SADARA project at Saudi Aramco.
- From 2006 to 2008, a board member at the Petron Corporation a closed joint stock company located in the Philippines operating in the petroleum sector.
- From 2002 to 2006, a manager of the project management office at Saudi Aramco.
- From 1999 to 2002, a technology division head of the process control system department at Saudi Aramco.
- From 1996 to 1999, facilities planning department at Saudi Aramco.
- From 1984 to 1996, engineering project management division at Saudi Aramco.
- From 1982 to 1984, an engineer in several departments at Saudi Aramco, a listed joint stock company operating in the energy.



Mr. Mohammed Faiz S. AlAhmari

(Non-Executive Director)

Mr. Mohammed Faiz S. AlAhmari, 56, was appointed Director at Luberef in August 2022. He currently serves as the manager of downstream finance at Saudi Aramco. AlAhmari previously held a number of other roles at Saudi Aramco, including as manager of affiliates support, an administrator in financial reporting and tax compliance and as leader of the finance team of the acquisition of SABIC. He holds a bachelor's degree in Accounting from King Fahd University of Petroleum and Minerals and a master's degree in Accounting from the University of Denver.

Other Current Positions

- Since 2021, manager of downstream finance and planning at the Saudi Aramco.

Selected Previous Positions

- From 2011 to 2016, a non-executive board member in Saudi Aramco Jubail Refinery, a limited liability company operating in the oil and gas sector.
- From 2017 to 2021, a manager of affiliates support and financial consulting at Saudi Aramco.
- From 2017 to 2021, a board member in Saudi Aramco Entrepreneurship Investment Ltd (Wa'ed), a limited liability company operating in the investment sector.

- From 2017 to 2021, the vice president of finance at Vela Company, a limited liability company operating in maritime sector.
- From 2019 to 2020, a leader of the finance team of SABIC's acquisition at Saudi Aramco.
- From 2015 to 2020, a board member in Saudi Aramco Power Company, a limited liability company operating in the power sector.
- From 2015 to 2017, an administrator financial reporting and tax compliance at Saudi Aramco.
- From 2005 to 2015, an administrator planning and budgeting at Saudi Aramco.
- From 2008 to 2009, an administrator cash management – treasury at Saudi Aramco.
- From 2004 to 2008, an administrator of projects division at Saudi Aramco.

Senior Executives

Luberef’s experienced management team has decades of expertise across the Petroleum sector and Base Oil value chain and is committed to foster operational excellence and innovation. The senior management team has over 170 years of combined experience across operational and financial areas.



Mr. Tareq Alnuaim,
President & CEO

Mr. Tareq Alnuaim, 50, joined Luberef in 2018 as CEO. Prior to this, Alnuaim was the manager of planning and performance management at Saudi Aramco. He has previously held several senior roles at Saudi Aramco, including as the Strategic Transformation Officer and project manager of the Rabigh 2 Project. He holds a bachelor’s degree in engineering from Colorado School of Mines, USA, an MBA from King Fahad University of Petroleum and Minerals, and a master’s degree in engineering from Massachusetts Institute of Technology (MIT).

Selected Previous Positions

- From 2017 to 2018, the manager of planning and performance management in Saudi Aramco.
- From 2014 to 2017, the vice president of engineering and projects in Rabigh Refining and Petrochemical Company, a listed joint stock company operating in the petrochemicals sector.
- From 2011 to 2014, strategic transformation officer in Saudi Aramco.
- From 2009 to 2011, a project manager at Rabigh 2 Project in Saudi Aramco.
- From 2008 to 2009, assistant to the vice president of engineering services in Saudi Aramco.



Mr. Mohammed AlNafea,
CFO

Mr. Mohammed AlNafea, 41, became CFO of Luberef in 2021. AlNafea has previously held senior finance roles at Saudi Aramco, in the accounting, and planning and forecasting divisions. He holds a bachelor’s degree in accounting from Imam Mohammad bin Saud Islamic University and an MBA from Missouri State University.

Selected Previous Positions

- From 2020 to 2021, the head of the general ledger accounting division at Saudi Aramco.
- From 2019 to 2020, the head of the planning and forecasting division at Saudi Aramco.



Mr. Ibrahim Al Faqeeh,

Vice President of
Manufacturing

Mr. Ibrahim Al Faqeeh, 56, has been the Vice President of Manufacturing at Luberef since 2011. Prior to this, AlFaqeeh held a number of roles at the Yanbu refinery from 1996, including technical manager, production planning manager and manager of the refinery. He holds a bachelor's degree in chemical engineering from King Abdulaziz University and a master's in mechanical engineering from King Abdulaziz University.

Other Current Positions

- Since 2018, a partner in Safety Dimensions Engineering Consultant, operating in engineering consultancy and safety consultancy.
- Since 2021, a partner in Aman & Asas Contracting Company, a limited liability company, operating in installations of gas line residential.

Selected Previous Positions

- From 2012 to 2019, the vice president of manufacturing, engineering, and project at Luberef.
- From 2013 to 2018, the expansion project asset executive at Luberef.
- From 2008 to 2012, the project manager expansion project scope definition Pre-FEED Phase.
- From 2003 to 2008, the manager of the Yanbu refiner at Luberef
- From 2001 to 2002, the production planning manager at Luberef.
- From 1996 to 1999, the technical manager of the Yanbu refinery at Luberef.



Mr. Fahad A. Al Therwi,

Vice President of
Engineering & Projects

Mr. Fahad A. Al Therwi, 54, has been the Vice President of Engineering & Projects at Luberef since 2019. Prior to assuming his current position, AlTherwi was the operations division head at the Jazan refinery at Saudi Aramco. He holds a bachelor's degree in Chemical Engineering from King Fahad University of Petroleum and Minerals.

Selected Previous Positions

- From 2016 to 2019, the operations division head in Jazan refinery at Saudi Aramco.



Mr. Waleed M. Murad,

Director of Sales & Marketing

Mr. Waleed M. Murad, 52, has been the Director of Sales & Marketing at Luberef since 2020. Prior to taking on his current role, Murad was the head of the Aramco Base Oil Alliance at Saudi Aramco and has previously served as head of the Aramco Base Oils strategy execution team. He currently serves as a national base oils and lubricants committee member in the council for Saudi chambers of commerce and industry. Murad holds a bachelor’s degree in Mechanical Engineering from King Fahad University of Petroleum and Minerals and a master’s degree in Construction Engineering Management from King Fahad University of Petroleum and Minerals.

Other Current Positions

- Since 2021, a national base oils and lubricants committee member in the council for Saudi chambers of commerce and industry
- Since 2020, a Saudi Aramco base oils steering committee member in Saudi Aramco.

Selected Previous Positions

- From 2019 to 2020, head of the Aramco Base Oil Alliance in Saudi Aramco.
- From 2015 to 2019, head of Aramco base oils strategy execution team in Saudi Aramco.

- From 2013 to 2015, head of Aramco Affiliate division in Saudi Aramco.
- From 2012 to 2013, Aramco trading affiliate manager in Saudi Aramco.
- From 2011 to 2012, Luberef affiliate manager in Saudi Aramco.
- From 2009 to 2011, Rabigh project II development project in Saudi Aramco.
- From 2008 to 2009, Petro Rabigh affiliate manager in Saudi Aramco.
- In 2007, Riyadh refinery facility coordinator in Saudi Aramco.
- From 2003 to 2006, business development coordinator in Saudi Aramco.
- From 2001 to 2003, strategy and balanced score card execution coordinator in Saudi Aramco.
- From 1999 to 2001, quality coordinator in Saudi Aramco.
- From 1993 to 1999, fleet manager in Saudi Aramco.



Mr. Saeed Badghaish,
Head of Administration

Mr. Saeed Badghaish, 59, has been the Head of Administration at Luberef since 2021. Prior to this, he was a refinery manager at Luberef from 2009. He holds a bachelor’s degree in Mechanical engineering from King Fahad University of Petroleum and Minerals and a master’s degree in production engineering from King Abdulaziz University.

Selected Previous Positions

- From 2009 to 2021, refinery manager at Luberef.



Mr. Aasem S. Jamjoom,
Board Secretary and
Business Transformation &
Risk Manager

Aasem S. Jamjoom, 56, has been the Manager of Business Transformation & Risk since 2020. In addition to this role, he is also the Board Secretary. Jamjoom joined Luberef in 1991, initially as a process engineer and has served as a planning supervisor in a number of roles. He holds a bachelor’s degree in Chemical Engineering from King Fahad University of Petroleum and Minerals and an MBA from the University of Business and Technology.

Other Current Positions

- Since 2020, Manager of Corporate Planning ERM at Luberef.
- Since 2020, a company secretary at Luberef.
- Since 2020, board audit committee secretary at Luberef.
- Since 2020, board compensation committee secretary at Luberef.

Selected Previous Positions

- From 2008 to 2020, a business planning supervisor – corporate planning department at Luberef.
- From 2007 to 2007, a turnaround planning superintendent Yanbu – Maintenance department at Luberef.
- From 2005 to 2007, a turnaround planning superintendent Jeddah – Maintenance department at Luberef.
- From 2004 to 2005, an operations superintendent – operation department at Luberef.
- From 1996 to 2004, maintenance planning supervisor – maintenance department at Luberef.
- From 1991 to 1996, process engineer – central at Luberef.
- From 1990 to 1991, production engineer in Petrokemya Arabian Petrochemical Company, a limited liability company.



Mr. Abdulrahman H. Alaseeri,

General Auditor

Mr. Abdulrahman Hussein Saeed Alaseeri, 37, had been the General Auditor since April 2021. Mr. Alaseeri is a Certified Fraud Examiner and he has Bachelor's degree of science in accounting, from King Fahd University of Petroleum and Minerals.

Selected Previous Positions

- From 2020 to 2021, a supervisor of revenue account receivables section at Luberef.
- From 2018 to 2019, assistant supervisor for general ledger at Luberef.
- From 2017 to 2019, a member of the claim review committee at Luberef.
- From 2017 to 2018, a senior accountant – treasury section at Luberef.
- In 2014, 2015 and 2018, a member of the bid review committee at Luberef.
- From 2013 to 2016, accounting and finance representative – Luberef expansion program at Luberef.
- From 2013 to 2016, a business administrator for Luberef expansion program control function at Luberef.
- From 2010 to 2012, Accounting and finance representative – Luberef expansion project feed phase at Luberef.
- From 2009 to 2010, an auditor at Deloitte Touche Tohmatsu, a partnership, operating in auditing.
- In 2008, an Associate Auditor at PwC, a partnership, operating in auditing.



Mr. Hassan Z. Khan,

Corporate Legal Counsel, and acting Chief Compliance Officer

Mr. Hassan Zeb Khan, 35, has been the Corporate Legal Counsel, and acting Chief Compliance Officer since December 2020. Mr. Khan has Bar Admission from Khyber Pakhtunkhwa Bar Council, Pakistan. He also has Postgraduate Diploma in Law from University of Oxford and Oxford Brookes University, United Kingdom. He completed his Bachelor's degree in law (Hons) from University of Wales, United Kingdom.

Other Current Positions

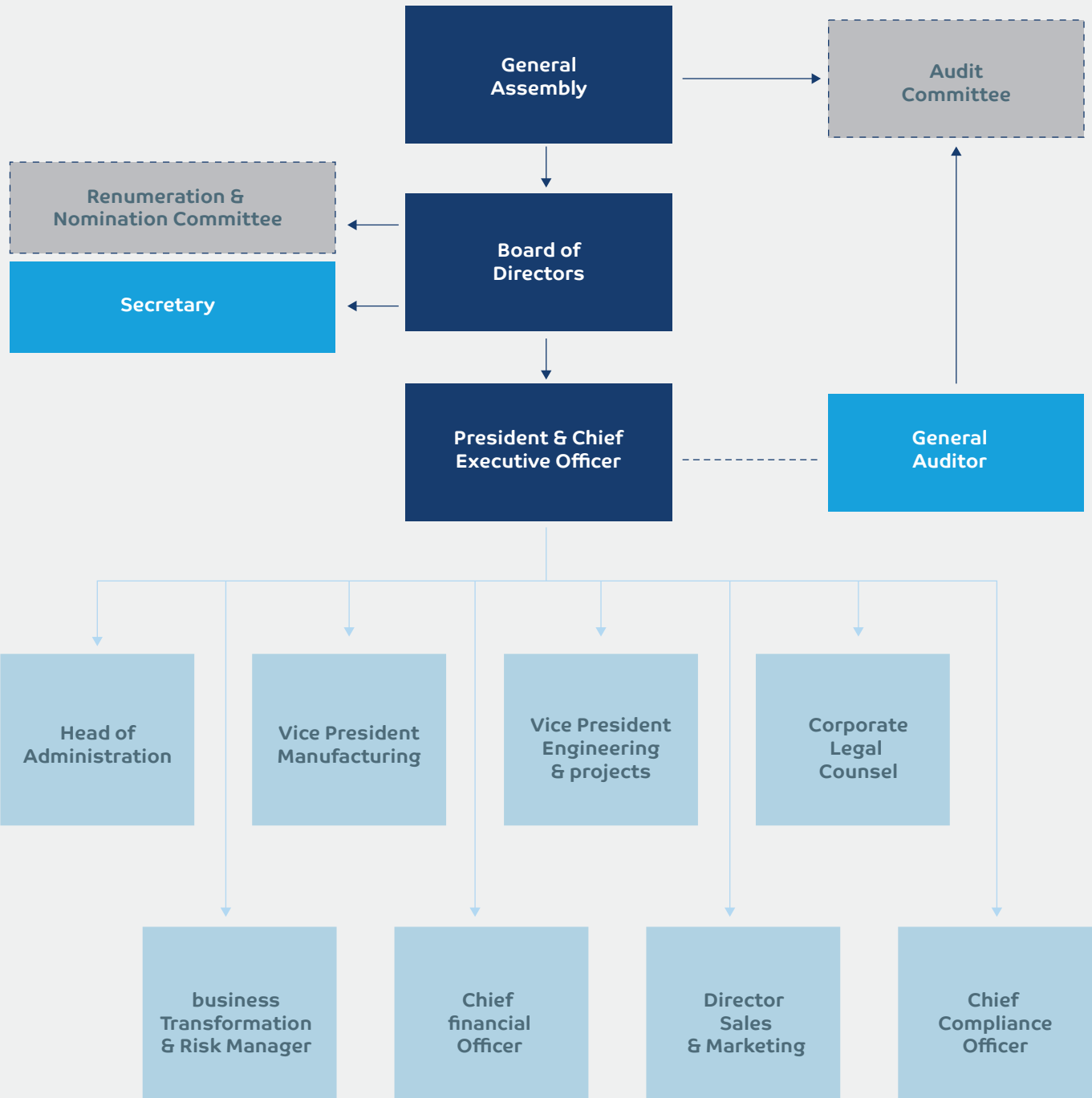
- Since 2020, a member of Luberef's credit committee.
- Since 2017, a member of several claim review teams at Luberef.

Selected Previous Positions

- From 2015 to 2020, a legal advisor at Luberef.
- From 2017 to 2018, a member of the special audit committee at Luberef.
- From 2012 to 2015, a joint venture and regulatory affairs officer at Oil and Gas Development Company Ltd (OGDCL), Pakistan, a listed public company operating in the oil and gas sector.

Board Structure

The following chart shows Luberef’s organizational structure, including the Board, committees and the functions of the Senior Executives.



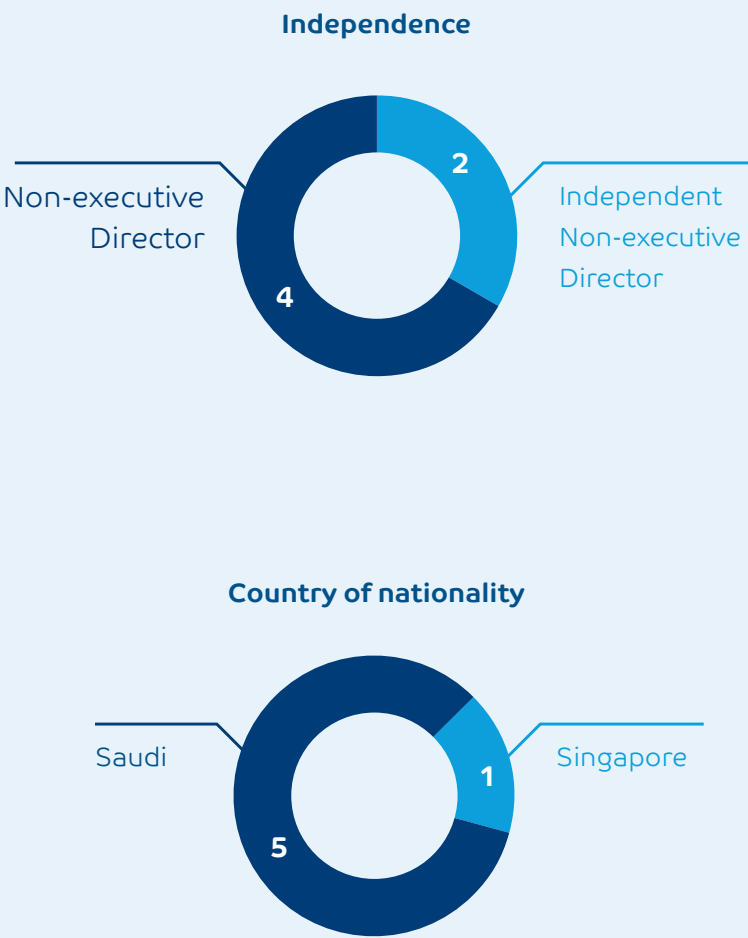
Board of Directors

The Board of Directors has the broadest powers and authorities to manage Luberef and its affairs and carry out all actions and deeds to achieve Luberef’s objectives, subject to any restrictions imposed by the provisions of the Companies Law or the Bylaws. The Board may delegate any of the Board’s powers - within the limits of its authorities - to one or more of the Board members, managers, officers, employees, or third parties to take any action or conduct or perform specific work or actions on behalf of Luberef, and revoke such delegation in part or in whole, as well as grant the delegate the right to delegate others.

Board Committees

Luberef has an Audit Committee, which was formed by the General Assembly and a Remuneration and Nomination Committee established by the Board of Directors. Each Committee meets regularly, reports its actions and recommendations to the Board and receives reports from management. The responsibilities of each Committee are summarized in the next sections.

Overview of the Board



Board evaluations

Luberef’s board has a robust and systematic process for conducting self-assessment and incorporating the learnings in Luberef’s systems and processes. Our Board, upon the recommendation of the Remuneration and Nomination Committee, defines the ongoing development program for members. The program is based on the annual review of the required skills and abilities, identified weaknesses and strengths of the Board, proposed remedies taking into consideration the changes in the external market environment, contemporary relevant issues and economic developments, in line with Luberef’s business interest.

Whereas, our Remuneration and Nomination Committee Charter stipulates that the Committee shall review and evaluate its performance on a regular basis against performance indicators, such as the Committee’s effectiveness in carrying out its prescribed duties and responsibilities and reporting to the Board on the results of the evaluation and, where deemed appropriate by the Remuneration and Nomination Committee, proposing improvements in line with Luberef’s interest.

With regard to the independent directors, the Board has the authority to interpret and implement the independence

provisions stipulated in CMA’s rules including the definition and negating factors, such as specifying any materiality threshold for dealings that would trigger negating factors. However, it is the Remuneration and Nomination Committee’s duty and responsibility to verify, annually, the independence of the independent directors and absence of conflict of interest in case the member is also a member of the Board of another company and where such member is a nominee of Saudi Aramco, upon consultation with Saudi Aramco in accordance with the Management Agreement.

Luberef Board meeting dates and attendees for 2022

S#	Name	Position	Capacity	BOD Meeting			
				LLC BOD #121 April 19, 2022	JSC BOD # 1 Aug 31, 2022	JSC BOD # 2 Sept. 7, 2022	JSC BOD # 3 Dec. 28, 2022
1	Ibrahim Q. Al-Buainain	Chairperson	Non-independent	✓	✓	✓	✓
2	Abdulatif S. Al-Shami	Vice Chairperson	Non-independent	✓	✓	✓	✓
3	Mohammed Al-Ahmari	Director	Non-independent	✓	✓	✓	✓
4	Andrew Steven Katz	Director	Non-independent	✗	✓	✓	✗
5	Khalid Dawood Y. Alfaddagh	Director	Independent	✗	✓	✓	✓
6	Nabelah Mohammad M. Al Tunisi	Director	Independent	✗	✓	✓	✓
7	Tariq Z. Al-Sudairy	Director (LLC)	Non-independent	✓	✗	✗	✗
8	Khalid A. Al-Zamil	Director (LLC)	Non-independent	✓	✗	✗	✗

Note: Mr. Khalid Al-Zamil is not a member of the Board of Directors after the reconfiguration.
Note: Mr. Tariq Al-Sudairy is not a member of the Board of Directors after the reconfiguration.

Annual General Meeting of Shareholders

Luberef accords high priority to have a world-class engagement with all the shareholders, with continuous and open communication. This ensures a healthy environment for sharing updates and discussions to chart future course of action, which is

aligned with Luberef’s strategic priorities and business objectives.

This engagement plays a key role in understanding shareholders’ perspective on key issues and helps the Board of Directors and Executive Management in

their business actions. Luberef’s shareholders play an important and integral role in Luberef’s overall governance framework. These meetings are opportunities for the shareholders to provide their suggestions and remarks to the members of the Board.

Annual General Meeting of Shareholders on April 20, 2022

Luberef held its Annual General Meeting on April 20, 2022 at the Kempinski Al Othman Hotel at Al Kohobar. The following attendees participated in this meeting as company representatives.

Table: Company Representatives at the Annual General Meeting of Shareholders on April 20, 2022

Participant	Designation
Yasser M. Mufti	Partner Representative, Saudi Aramco
Tariq Z. Al-Sudairy	Partner Representative, JIIC
Mr. Ibrahim Qassim K. Al Buainain	Chairman of the Board
Tareq A. Al-Nuaim	President and CEO
Bandar Damdam	Director, Fuel Affiliate Affairs Department
Mohammed A. Alnafea	CFO
Aasem Jamjoom	Company Secretary

Extraordinary General Assembly of Shareholders on September 5, 2022

Luberef held its Extraordinary General Assembly of Shareholders on Monday, 5th September 2022 at the Khoshaim & Associates’ head office in Riyadh at 17th Floor, Tower B, Olaya Towers, Olaya District, P.O. Box 230667, Riyadh 11321, KSA.

Luberef’s applications for the shareholders’ register

During the fiscal year ended on December 31, 2022, Luberef’s requests for the shareholders’ register are as follows:

Application Date	Application rationle
27 December 2022	Shareholder Data Analysis

Audit Committee Report

Luberef has an Audit Committee, which was formed by the General Assembly. The Audit Committee is composed of three members, who were appointed on September 5, 2022

Members of the Audit Committee

- 1- **Khalid Al Faddagh, Chairperson (Independent, Non-Executive Director)**
- 2- **Mohammed Al Ahmari Member (Non-Independent, Non-Executive Director)**
- 3- **Abdulatif Al Shami, Member (Non-Independent, Non-Executive)**

The Audit Committee’s responsibilities include the following:

Financial Reporting

- a- Reviewing Luberef’s interim and annual financial statements before presenting them to the Board and providing its opinion and recommendation thereon to the Board, to ensure their integrity, fairness and transparency.
- b- Providing a technical opinion, upon the request of the Board, on whether the Board report and Luberef’s financial statements are fair, balanced, understandable, and contain information that allows shareholders and investors to assess Luberef’s financial position, performance, business model, and strategy, and whether they have been prepared in accordance with the regulatory requirements for preparing and presenting them.

- c- Analyzing any important or non-familiar issues in the financial statements, and making recommendations thereon, if necessary.
- d- Investigating the matters raised by Luberef’s chief financial officer (or whoever assumes such role), the compliance officer, or the external auditor.
- e- Examining the accounting estimates in respect of significant matters that are contained in the financial reports.

Internal Audit

- a- Supervising and monitoring the performance of the internal audit function, to ensure the availability of the necessary resources and verifying its effectiveness in carrying out its duties and responsibilities.
- b- Examining and reviewing Luberef’s internal and financial control and risk management system.

- c- Analysing and reviewing internal audit’s regular reports and the results of any special investigations, and following up on the implementation of corrective actions pertaining to the issues indicated.
- d- Providing a recommendation to the Board on appointing the manager of the internal audit function or the internal auditor and his/her remuneration.
- e- Enable Saudi Aramco to perform any audit or review of Luberef, and facilitate its work and the work of its employees and advisors.

External Auditor

- a- Recommending to the Board the appointment or dismissal of external auditors and determining their fees, after assessing their performance, independence, scope of work, and terms of engagement.
- b- Verifying the independence of the external auditor and their objectivity, fairness, and effectiveness in the light of the relevant regulations and standards.
- c- Reviewing the external auditor’s plan and work to ensure that they do not provide any technical or administrative work that are beyond its scope of work, and provides its opinion thereon.

- d- Responding to queries of the external auditor and providing the auditor with the support necessary to perform its duties.
- e- Examining the external auditor’s reports and its observations on the financial statements and following up on the actions taken in this respect.

Compliance

- a- Reviewing reports from regulators on Luberef’s compliance with regulatory requirements, and ensuring that necessary actions in their respect are taken.
- b- Ensuring that Luberef complies with relevant laws, regulations, policies, and instructions.
- c- Reviewing related parties’ transactions and providing its opinion thereon to the Board.
- d- Reviewing Luberef’s overall antifraud programs and controls and ensuring that appropriate action is taken against known perpetrators of fraud.
- e- Reporting and recommending to the Board the actions to be taken in matters that the Committee deems necessary.

Whistleblowing

- a- Establishing appropriate procedures for the employees to report violations of internal control systems, including the systems relating to financial statement preparation, and ensuring that the whistle-blowers’ rights are not prejudiced, and elevate such procedures for the Board for approval.

Risk Management

- a- Reviewing major risks identified by management, and associated response plans.
- b- Monitoring development of Luberef’s risk management framework and risk performance.
- c- Monitoring Luberef’s ability to continue as a going concern.
- d- Ensuring the availability of adequate resources that shall be required for risk management and business continuity management.
- e- Reviewing the organizational structure/governance of risk management and making recommendations to the Board for approval of the same.

Audit Committee meeting dates and attendees

S#	Name	Position	Capacity	Audit Committee Meeting			
				Before Board's Reconstitution		After Board's reconstitution	
				Meeting # 50 Apr 10, 2022	Meeting # 1 Sep 7, 2022	Meeting # 2 Oct 23, 2022	Meeting # 3 Dec 27, 2022
1	Khalid Dawood Y. Alfaddagh	Chairperson	independent	✗	✓	✓	✓
2	Abdulatif S. Al-Shami	Member	Non-independent	✓	✓	✓	✓
3	Mohammed Al-Ahmari	Member (after reconstitution) Chairperson (before reconstitution)	Non-independent	✓	✓	✓	✓
4	Tariq Z. Al-Sudairy	Member	Non-independent	✓	✗	✗	✗

Note: Mr. Tariq Z. Al-Sudairy is not a board member after the reconstitution.

Internal Audit and Compliance

The internal control procedures and policies were prepared on sound basis by Luberef as a written policy to regulate conflicts of interest and address any potential cases of conflict, including the misuse of Luberef’s assets and dealing with related parties. In addition, Luberef has ensured that sound financial and operational systems and appropriate control systems for the management of potential risks are in place, as required under the Corporate Governance Regulations.

Based on the reports of the Executive Management and the external auditor, as well as the Internal Audit’s risk-based plan and periodic reports; and considering the matters discussed with the

external auditor and the Executive Management in relation to the adequacy and effectiveness of the internal control systems; the Committee has not identified any matters of significant impact to be stated in this report.

The Audit Committee is of the opinion that Luberef’s Executive Management has maintained effective internal controls, financial and risk management systems capable of providing reasonable assurances; and that the audits outcome together with the Audit Committee discussions with internal and external auditors, have all provided reasonable grounds for formulating this opinion.



Remuneration and Nomination Committee

Members of the Remuneration and Nomination Committee

The Remuneration and Nomination Committee is composed of three members, who were appointed pursuant to a resolution of the Board of Directors on September 7, 2022

- 1- **Nabelah Al Tunisi, Chairperson (Independent, Non-Executive Director)**
- 2- **Abdulatif Al Shami, Member (Non-Independent, Non-Executive Director)**
- 3- **Andrew S. Katz, Member (Non-Independent, Non-Executive Director)**

The Remuneration and Nomination Committee’s responsibilities include the following:

Remuneration

- a- Developing Luberef’s remunerations policy of Board members, Board committee members and senior executives and providing recommendations thereon to the Board for approval by the general assembly.
- b- Reviewing the remuneration policy periodically to, among other items, ensure consistency with any changes in relevant legislation and regulations, Luberef’s strategic objectives, and the skills and qualifications required; and recommending proposed changes to the Board.
- c- Recommending to the Board the remuneration of the members of the Board, Board committees and senior executives in accordance with the approved remuneration policy.
- d- Specifying and clarifying the relation between the paid remuneration and the adopted remuneration policy, and highlighting any material deviation from that policy.

Board of Directors

- a- Developing the board membership policy, and recommending the policy to the Board for approval by the general assembly.
- b- Recommending to the Board nominees for Board membership according to the approved Board membership policy. Elevating the names of nominees put forward by Saudi Aramco, immediately, for so long as Saudi Aramco remains a shareholder (directly or through an affiliate) except if the nomination materially violates the approved Board membership policy.
- c- Conducting an annual review of the required skills and expertise for the Board membership and updating, if needed, a description of the required capabilities and qualifications.
- d- Examining the size and composition of the Board and recommending, if deemed appropriate, possible changes.
- e- Establishing, if not addressed in existing policies or charters, procedures to address vacancies of the Board and Board committees and making recommendations to the Board thereon.
- f- Providing recommendations to the Board on performance measures to evaluate the Board’s activities, members, and Board committees.
- g- Evaluating the Board and the Board’s committees against the performance measures and reporting to the Board on the results of the evaluation and, where deemed appropriate by the Committee, proposing improvements in line with Luberef’s interest.

Luberef has a Remuneration and Nomination Committee established by the Board of Directors.

Board Members

- a- Determining the amount of time that the Board member shall allocate for performing Board duties.
- b- Verifying, annually, the independence of the independent directors and absence of conflict of interest in case the member is also a member of the Board of another company; upon consultation with Saudi Aramco in accordance with the Management Agreement.
- c- Developing job descriptions of executive, non-executive, and independent directors.
- d- Recommending to the Board the re-nomination or dismissal of Board and committee members.

Orientation Program to New Board Members

- a- Recommending to the Board an orientation program for new Board members, addressing, among other items, Luberef’s activity, nature of its business, and its financial and legal aspects.

Senior Executives

- a- Recommending to the Board appropriate policies and standards for the appointment of senior executives and identifying the required capabilities and skills; and reviewing such policies and standards regularly to ensure their consistency with changes in Luberef’s strategic objectives and the required skills and qualifications to achieve them.

- b- Developing job descriptions for senior executives, reviewing Luberef’s organizational structure, and making recommendations to the Board on possible changes.
- c- Developing succession planning processes for senior executive positions and making recommendations to the Board thereon.
- d- Conducting an annual review of the skills and expertise required from the Senior Executives.
- e- Oversight of management’s implementation, compliance with and facilitation of the implementation of the Management Agreement with Saudi Aramco.

Name	Position	Capacity	RNC Meeting # 1 Dec. 27, 2022
Nabelah Mohammad M. Al Tunisi	Chairperson	Independent	✓
Abdulatif S. Al-Shami	Member	Non-independent	✓
Andrew Steven Katz	Member	Non-independent	✗



Compensation and Other Interests

Remuneration of Directors

Luberef has a policy which aims to ensure that its Directors and Executives are paid in a fair, justified and competitive manner. This approach is integral to promote a conducive environment for business performance and our long-term objectives. This policy is aligned with interest of Luberef and its shareholders, while attracting, retaining, and motivating the talent.

Table: Board Remuneration

Amount in SAR	Fixed Remuneration							Variable Remuneration								
	Specific Amount	Allowance for attending Board of Directors meeting	Total allowance for attending committee meetings	In-kind Benefits	Remuneration for technical, managerial and consultative work	Remuneration of the Chairman, Managing Director, or Secretary, if member	Total	Percentage of profits	Periodic Remuneration	Short-term incentive plans	Long-term incentive plans	Granted shares (value)	Total	End-of-service Award	Aggregate amount	Expenses Allowance
Independent Directors																
Mr. Khalid Dawood Al Faddagh	-	191,780	56,250	-	-	-	248,030	-	-	-	-	-	-	-	248,030	-
Ms. Nabelah Mohammad Al Tunisi	-	191,780	18,750	-	-	-	210,530	-	-	-	-	-	-	-	210,530	-
Total	-	383,560	75,000	-	-	-	458,560	-	-	-	-	-	-	-	458,560	-
Non-executive Directors																
Mr. Ibrahim Qassim K. Al Buainain	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Abdulatif Saleh A. AlShami	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Andrew S Katz	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Mohammed AlAhmari	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	383,560	75,000	-	-	-	458,560	-	-	-	-	-	-	-	458,560	-

Remuneration of Senior Management Team

The remuneration of Luberef's senior executives during the financial years 2021 and 2022 is as follows;

	2022	2021	% change
5 Senior Executives (including the CEO and CFO)*	9,457,274	7,093,577	33%

* The remuneration of the Senior Executives seconded from Saudi Aramco was calculated based on the amount paid by the Company to Saudi Aramco for the secondment arrangement, and the Company does not pay any other remuneration for the seconded Senior Executives.

Shareholding of Directors

	Beginning of the year	End of the year	Net change
	Number of Shares	Number of Shares	Number of Shares
Ibrahim Qassim K. Al Buainain	-	-	-
Abdulatif Saleh A. AlShami	-	-	-
Andrew S Katz	-	-	-
Mohammed AlAhmari	-	-	-
Khalid Dawood Y. Alfaddagh	-	-	-
Nabelah Mohammad M. Al Tunisi	-	-	-

Shareholding of Senior Management Team

	Beginning of the year	End of the year	Net change
	Number of Shares	Number of Shares	Number of Shares
Tareq A. AlNuaim	-	-	-
Mohammed A. Alnafea	-	-	-
Waleed M. Murad	-	-	-
Fahad A. Al Therwi	-	-	-
Ibrahim A. Al Faqeeh	-	150*	150
Saeed A. Badghaish	-	150*	150
Aasem S. Jamjoom	-	150*	150
Abdulrahman H. Alaseeri	-	150*	150
Hassan Z. Khan	-	150*	150

* On 28/12/2022, Luberef granted 150 shares as IPO celebratory grant to all its employees [including employed executives], and such shares will be vested after a 1-year vesting period according to the grant's conditions.

Governance, Risk and Compliance

Corporate Governance

Luberef has developed a governance system in accordance with the Corporate Governance Regulations (CGRs) issued by the CMA. The CGRs prescribe the rules and standards for the management of Luberef, and ensures that Luberef’s governance standards are in line with best practices. The CGRs also regulate the various relationships between the Board, Senior Executives, Shareholders and other stakeholders, by establishing clear rules and procedures to facilitate decision making processes, with the objective of protecting the rights of Shareholders and other stakeholders and promoting the values of credibility, fairness, competitiveness and transparency. Furthermore, the CGRs ensure that the Board acts in the best interest of the Shareholders and that it presents a clear and fair view of the financial condition of Luberef and the results of its operations at all times. The provisions of the CGRs are mandatory, except for those provisions referred to as guiding provisions.

In addition to the CGRs issued by the CMA, the Board has also approved the adoption of Saudi Aramco’s global compliance and ethics program, and implementation of the same

on a gradual basis. These Saudi Aramco policies, which are subject to modification as they are implemented, impose additional requirements on Luberef which are not required under Saudi law but meet international investors’ expectations.

Key Corporate Governance Requirements

The key corporate governance requirements that Luberef complies with are set out in the Corporate Governance Regulations. These cover the following broad areas:

- 1- General shareholder rights (Articles 4 to 9);
- 2- Rights relating to General Assembly Meetings (Articles 10 to 15);
- 3- The Board of Directors: formation, responsibilities, competencies, procedures and training (Articles 16 to 41);
- 4- Conflicts of interest (Articles 42 to 49);
- 5- Company committees (Articles 50 to 72); and
- 6- Internal controls, external auditors, company reports and policies, and various other matters (Articles 73 to 98).

Corporate Governance Manual and Internal Policies

Luberef’s governance system comprises of the following charters and internal policies related to Luberef’s governance:

- 1- Audit Committee Charter, which was approved by a resolution of Luberef’s general assembly on 05/09/2022
- 2- Remuneration and Nomination Committee Charter, which was approved by a resolution of Luberef’s general assembly on 05/09/2022
- 3- Competition Standards, which were approved by a resolution of Luberef’s general assembly on 05/09/2022
- 4- Remuneration Policy, which was approved by a resolution of Luberef’s general assembly on 05/09/2022
- 5- Board Membership Policy, which was approved by a resolution of Luberef’s general assembly on 05/09/2022
- 6- Professional Conduct Policy, which was approved by a resolution of the Board on 31/08/2022
- 7- Disclosure Policy and Procedures, which was approved by a resolution of the Board on 31/08/2022
- 8- Dividend Policy, which was approved by a resolution of the Board on 31/08/2022
- 9- Board Policy Procedures, which was approved by a resolution of the Board on 31/08/2022
- 10- Conflict of Interest Policy, which was approved by a resolution of the Board on 31/08/2022
- 11- General Assembly Procedures, which was approved by a resolution of the Board on 31/08/2022
- 12- Reporting Violations/ Whistleblowing Policy, which was approved by a resolution of the Board on 31/08/2022
- 13- Stakeholder Management Policy, which was approved by a resolution of the Board 31/08/2022

Luberef has adopted corporate governance policies and procedures in accordance with the Corporate Governance Regulations and regularly evaluates additional policies and procedures that are suitable. Additionally, Luberef has implemented a Code of Business Conduct that provides guidelines on several areas, including health, safety, environmental protection, competition and antitrust, anti-bribery and anti-corruption, insider trading, and compliance with applicable laws.

Risk Assessment and Management

The Board regularly assesses potential risks that could impact Luberef’s business model and future performance. Luberef’s risk management framework and risk factors are detailed in the previous section of this Annual Report.

Corporate Governance Compliance

As at the date of this Annual Report, the Board of Directors declares that Luberef is compliant in all material respects with the mandatory provisions of the Corporate Governance Regulations. Furthermore, the Board of Directors declare that Luberef will comply with the mandatory provisions of the Corporate Governance Regulations in relation to disclosures, notifications, and filings to the CMA, the Saudi Exchange, and/or the public that will apply to Luberef after Listing, including but not limited to:

- Article (14)(c) which provides that the shareholders shall be allowed through Luberef’s website and the Saudi Exchange’s website to obtain the information related to the items of the General Assembly’s agenda, and to obtain the information related to the items of the General Assembly’s agenda, particularly the reports of the Board of Directors and the external auditor, the financial statements and the Audit Committee’s report.
- Article (15)(d) in relation to providing the CMA with a copy of the minutes of the General Assembly meeting.
- Article (15)(e) which provides that Luberef shall announce to the public and inform the CMA and the Saudi Exchange of the results of a General Assembly meeting immediately following its conclusion.
- Article (19)(b) which provides that upon the termination of the membership of a Board member, Luberef shall promptly notify the CMA and the Saudi Exchange and shall specify the reasons for such termination.
- Article 90 in relation to the items to be covered under the Board report.
- Article 91(b) in relation to publishing the Audit Committee’s report on the Saudi Exchange’s website.



Dividend Distribution Policy

Luberef’s dividend policy is subject to change from time to time. In addition, the Board of Directors may, after obtaining an authorization from the Ordinary General Assembly renewable annually, distribute interim dividends to Luberef’s Shareholders on a semi-annual or quarterly basis, in accordance with the regulations set by the CMA.

Luberef is under no obligation to declare and distribute any dividends and any decision to do so will depend on, amongst other things, Luberef’s historic and anticipated profitability and cash flows, financing and capital requirements, general economic and market conditions, Luberef’s Zakat and tax position, as well

as other legal and regulatory considerations including any undertakings under the financing agreements to which Luberef is subject. Accordingly, there are no guarantees of actual distribution of dividends, nor is there any guarantee as to the amounts to be paid in any year or period.

Dividend Distribution Policy: Luberef’s annual net profits are distributed, after deducting all general expenses and other costs, as follows:

- a-

Ten percent (10%) of net profits must be set aside to form a statutory reserve for Luberef. Such setting aside may be discontinued by the Ordinary General Assembly when the said reserve reaches thirty percent (30%) of the paid capital.
- b-

The Ordinary General Assembly may resolve to create other reserves in such an amount as to ensure continued prosperity for Luberef or the payment of a steady dividends as much as possible to the shareholders. The said assembly may also withhold certain amounts from the net profits for the establishment of social organizations for the employees of Luberef, or for supporting such organizations as may already be in existence.
- c-

The Shareholder is entitled to his share in the dividends in accordance with a resolution adopted in this regard by the General Assembly. Such resolution shall set out the eligibility date and distribution date. The eligibility for dividends shall be for Shareholders registered in the Shareholders’ records at the end of the day on the eligibility date.
- d-

The Board may distribute a specific percentage of balance in accordance with Luberef’s dividends distribution policy.

Dividends declared and distributed (SAR Mn)

Description	2022	2021
Net profit/loss before other comprehensive income	1,978.1	1,502.5
Dividends paid after zakat and tax deduction	1,125.0	937.5

Financial Statements - Note 15-2

Related Party Transactions

Luberef is deeply integrated within the Saudi Aramco’s system and as part of its normal course of business, Luberef enters into various related party contracts and transactions. These principally include sales and purchases, and providing and receiving services. Such transactions are made on specific terms within the relevant regulatory framework in the Kingdom. There are no transactions in which any of Luberef’s Directors or

Senior Executives or an immediate family member thereof had or will have a direct or indirect interest or were not entered into on an arm’s length basis. For compensation-related transactions with Luberef’s Directors and Senior Executives, the details are provided separately in this Annual Report. For more information on Luberef’s related party transactions, see Consolidated Financial Statements — Note 23.



Declarations based on Corporate Governance Regulations

Board of Directors Declarations

The Board of Directors confirm the following:

- a- Records of accounts have been properly prepared.
- b- Internal control system is built on sound basis and is effectively implemented.
- c- There are no significant doubts concerning Luberef’s ability to continue carrying out its activity

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

Article/Paragraph No.	Article/Paragraph Text	Reason for Non-Implementation
Article 67: Composition of the Risk Management Committee	Luberef’s Board shall, by resolution therefrom, form a committee to be named the “Risk Management Committee”.	Guiding article * Audit Committee is currently carrying out the competencies of Risk Committee as provided for in its Regulations adopted by the General Assembly
Article 68: Competencies of the Risk Management Committee	The competencies of the risk management committee shall include the following: (as provided for in Article 71 of the Regulations).	Guiding article * Audit Committee is currently carrying out the competencies of Risk Committee as provided for in its Regulations adopted by the General Assembly
Article 69: Meetings of the Risk Management Committee	The risk management committee shall convene periodically at least once every six months, an as may be necessary.	Guiding Article
Article 92: Formation of a Corporate Governance Committee	If the Board forms a corporate governance committee, it shall assign to it the competences stipulated in Article (92) of these Regulations. Such committee shall oversee any matters relating to the implementation of governance, and shall provide the Board with its reports and recommendations at least annually.	Guiding Article

- No penalty, punishment, precautionary measure or preventive restriction has been imposed on Luberef by the Capital Market Authority or any supervisory, regulatory, or judicial body.
- No convertible debt instruments, contractual securities, preemptive right or similar rights were issued or granted by Luberef during the fiscal year 2022.
- Luberef has not made any conversion or subscription rights under any convertible debt instruments, contractually based securities, warrants or similar rights issued or granted by Luberef during the fiscal year 2022.
- Luberef has not made any recovery, purchase or cancellation of any redeemable debt instruments during the fiscal year 2022.
- No member of the Board of Directors or senior executives of Luberef has made any waiver of any remuneration.
- No shareholder of Luberef has waived any rights to dividends.
- Luberef did not receive notification of any interests belonging to persons other than Board Members and Senior Executives in regards of shares eligible to vote, or a change in those rights during the year 2022.
- The annual financial statements of Luberef has been prepared in accordance with the International Financial Reporting Standards (IFRS) and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA), as endorsed in the Kingdom of Saudi Arabia for financial reporting.
- The Company has treasury shares of 580 thousand by the end of 2022, with a value of SAR 57,420,000. Financial Statements - Note 15-3
- The Executive Management has presented to the Board of Directors an annual report containing all the necessary information on the activities of the investors. Luberef has also disclosed all the questions of the shareholders and/or the supervisory authorities that they answered during the meeting of the General Assembly, and published it on its website, and there are no suggestions or notes form the shareholders about Luberef and its performance other than what was disclosed.

