

ANNUAL REPORT

2021



شركة مسيعة  
للبتروكيماويات  
القابضة  
Mesaieed  
Petrochemical  
Holding Company



## Disclaimer

The companies in which Mesaieed Petrochemical Holding Company Q.P.S.C. directly and indirectly owns investments are separate entities. In this annual report, "MPHC" and "the Group" are sometimes used for convenience in reference to Mesaieed Petrochemical Holding Company Q.P.S.C.

This annual report contains forward-looking statements concerning the financial condition, results of operations and businesses of Mesaieed Petrochemical Holding Company Q.P.S.C. All statements other than statements of historical fact are deemed to be forward-looking statements, being statements of future expectations that are based on current expectations and assumptions, and involve known and unknown risks and uncertainties that could cause actual results, operations and business performance or events impacting the Group to differ materially from those expressed or as may be inferred from these statements.

There are a number of factors that could affect the realisation of these forward-looking statements such as: (a) price fluctuations in crude oil and natural gas, (b) changes in demand or market conditions for the Group's products, (c) loss of market share and industry competition, (d) environmental risks and natural disasters, (e) changes in legislative, fiscal and regulatory conditions, (f) changes in economic and financial market conditions and (g) political risks. As such, results could differ substantially from those stated, or as may be inferred from the forward-looking statements contained herein. All forward-looking statements contained in this report are made as of the date of this annual report.

Mesaieed Petrochemical Holding Company Q.P.S.C., its Directors, officers, advisors, contractors and agents shall not be liable in any way for any costs, losses or other detrimental effects resulting or arising from the use of or reliance by any party on any forward-looking statement and / or other material contained herein. Mesaieed Petrochemical Holding Company Q.P.S.C., its joint ventures are further in no way obliged to update or publish revisions to any forward-looking statement or any other material contained herein which may or may not be known to have changed or to be inaccurate as a result of new information, future events or any reason whatsoever. Mesaieed Petrochemical Holding Company Q.P.S.C. does not guarantee the accuracy of the historical statements contained herein.

Mesaieed Petrochemical Holding Company Q.P.S.C.


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*“While operational excellence remained central, constructive macroeconomic drivers resulted in a strong performance”*

**Mission:** To maximize the value of the Group portfolio and expand it to capture the value of the available feedstock in the State of Qatar.

**Vision:** To be a world-class producer of petrochemical products, known for our safety and environmental standards and to grow our assets profitably to maximize shareholder value.



# Content



# Content

Board of Directors .....	<b>9</b>
Letter from the Chairman .....	<b>11</b>
Board of Directors' Review .....	<b>14</b>
Board of Directors' Segments Review .....	<b>18</b>
MPHC Group at a Glance .....	<b>22</b>
MPHC Segments at a Glance .....	<b>26</b>
Independent External Auditor's Report .....	<b>31</b>
Financial Statements .....	<b>45</b>
2021 Corporate Governance Report .....	<b>50</b>



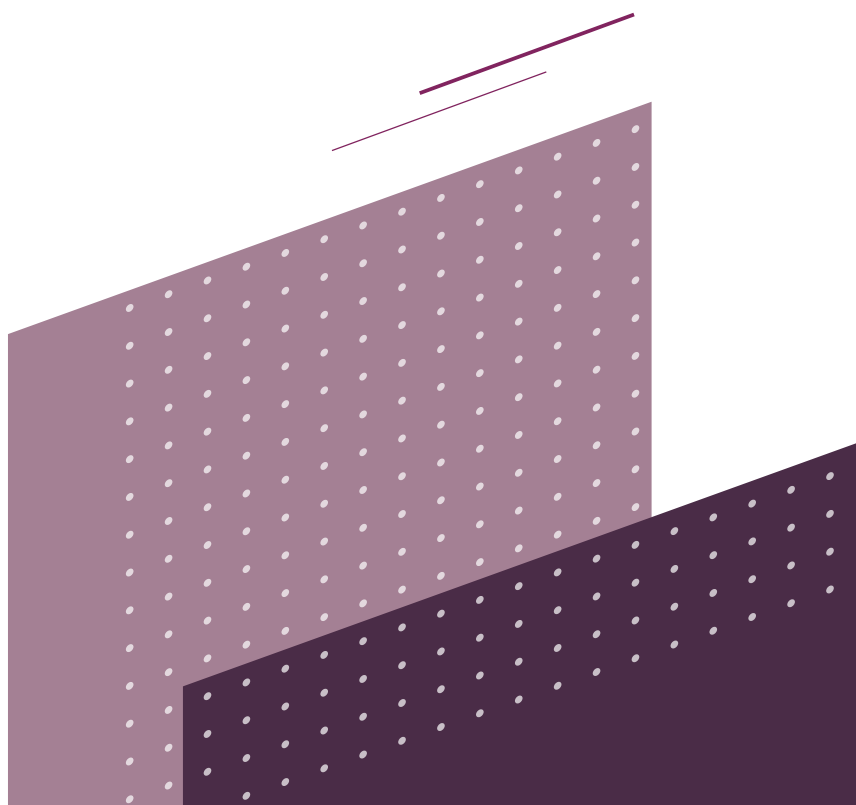
His Highness  
**Sheikh Tamim bin Hamad Al Thani**  
The Amir of the State of Qatar



His Highness  
**Sheikh Hamad bin Khalifa Al Thani**  
The Father Amir



# Board of Directors





# Board of Directors



**Mr. Ahmad Saif Al-Sulaiti**  
Chairman



**Mr. Mohamed Salem Al-Marri**  
Vice Chairman



**Mr. Abdulrahman Ahmad Al-Shaibi**  
Board member



**Mr. Abdulaziz Jassim Al-Muftah**  
Board member



**Mr. Abdulaziz Mohammed Al-Mannai**  
Board member



**Mr. Mohammed Essa Al-Mannai**  
Board member



**Mr. Ali Nasser Telfat**  
Board member



# Letter from the Chairman

# Letter from the Chairman



*“MPHC continued to build strength through operational excellence, growth and sustainability, while benefitting from a macro upcycle”*

## Dear Shareholders,

It gives me immense pleasure to present the Annual Report of Mesaieed Petrochemical Holding Company Q.P.S.C. (MPHC or the Group) for the year-ended 31 December 2021, one of our region's premier diversified petrochemical conglomerates.

I thank and congratulate my fellow Board members and senior management of the Group companies for their dedication, hard work and commitment in delivering a strong performance. I would also like to specially thank our shareholders for their continuous trust and support.

## Macroeconomic environment

One of the main highlight of 2021 for MPHC was a sequential macroeconomic recovery, which led to a solid demand for our products. On the other hand, supply constraints and logistical bottlenecks remained evident throughout the year. These supply-demand imbalances allowed a strong price recovery for most of the commodities in comparison to last year's troughs.

## MPHC's core objectives and strategies

While macroeconomic sentiments remained positive, MPHC continued to focus on operational excellence, growth and sustainability. Operational

excellence was mainly driven by continuous optimization of our processes, improved reliability and enhanced asset integrity. On sustainability front, we continued to limit the environmental impacts of our businesses, while enhancing energy efficiency and conservation measures.

Going forward, the Group will remain focused on its five-year strategic plan and is poised to strengthen its market position, while relentlessly working to enhance shareholder value. As we follow a strategy towards being a first-quartile petrochemicals producer known for operational excellence, higher safety and environmental standards remains a key to our success.

## Financial performance

MPHC's financial performance for the financial year 2021 showed a strong recovery from the previous year, underpinned by improved macroeconomic environment and supply constraints responsible for ongoing sequential product price recovery and resulted in a solid bottom-line growth.

MPHC reported a net profit of QR 1.9 billion for the year ended 31 December 2021, up by 250%, compared to last year and recorded an earnings per share (EPS) of QR 0.148 for the year ended 31 December 2021, as compared to QR 0.042 for the last year.

# Letter from the Chairman

## Creating shareholder value

Given the current short- to medium-term market outlook coupled with our CAPEX programs planned for the upcoming years, the Board of Directors propose to pay a total annual dividend distribution for the year ended 31 December 2021 of QR 1.38 billion, equivalent to a payout of QR 0.11 per share, representing a payout ratio of 74% of net earnings.

## Conclusion

On behalf of the Board of Directors, I express my deep gratitude to His Highness the Amir, Sheikh Tamim Bin Hamad Al-Thani, for his inspired leadership and unwavering efforts to support, guide and promote Qatar's energy sector. His Highness has been the driving force behind Qatar's growth into a modern, advanced society dedicated to sustainable social, economic and

environmental development. As a proud Qatari company, MPHC is fully committed to supporting Qatar National Vision.

Finally, I am confident that my fellow Board members and the senior management of the Group's companies are well poised for the year ahead. No doubt there will be new opportunities and challenges, and much work will be required towards realizing our strategic targets, but together we look forward to ensure MPHC plays a vital role in Qatar's economic growth.



*“Economic momentum and supply constraints led to price recoveries and resulted in an improved set of financial results, while operational excellence remained a core priority for future value creation”*

# Board of Directors’ Review



# Board of Directors' Review

The Board of Directors is pleased to present its annual review of the financial and operational performance of MPHC for the year ended 31 December 2021.

## Our strategy

MPHC's base case business strategy focuses on market development through productivity and efficiency gains enabled via optimization and operational excellence programs. Additionally, we aim to selectively invest in capital projects that increase our competitive positioning and create long term shareholder value.

## Macroeconomic conditions

Economic momentum carried from the latter part of last year, on the back of satisfactory vaccination drive and easing out of lockdowns in major markets, led to a sequential recovery in demand for petrochemicals and chlor-alkali products, and positively reflected on our product prices. Industry-wide supply constraints marked by extreme weather calamities and global logistical bottlenecks also played a part in keeping the product prices favorable. Also, heightened energy prices coupled with power rationing measures in key markets, played a role in keeping downstream product prices elevated.

## Competitive strengths

All MPHC Group companies are strategically placed with competitively priced and assured feedstock supplies; solid liquidity foundations with an ability to generate strong cash flows. Key relationships with reputable, globally recognized joint venture (JV) partners providing MPHC with a competitive edge over its peers.

In addition, our partnership with Muntajat, a global leader in the marketing and distribution of chemical products, gives us greater access to global markets, especially, providing relentless

support in steering the Group entities through the current supply chain crunch that global market are currently enduring.

These competitive strengths aided the Group to ensure operational excellence, while building geographical footprints, with a robust cash position over the years. Going forward, we will continue to explore further use of our cutting-edge technology to further shape MPHC's competitive strengths.

## HSE achievements

MPHC's Health, Safety and Environment (HSE) performance in 2021 was again exemplary, reflecting its importance as a critical part of MPHC's core values. In 2021, MPHC's key HSE achievements included receiving certification to multiple international standards; further improving process safety; and completing more than a decade without a single recordable incident of heat stress illness at several facilities.

Going forward, we will continue to pursue excellence and greater efficiencies in these areas, which will continue to enhance our existing HSE standards and working towards becoming a leading organization in HSE in the region, in line with global standards.

## Cost efficiencies and output optimization: Towards operational excellence

MPHC places great emphasis on operational efficiency and cost competitiveness to maintain its position as a leading low-cost operator. As part of our latest initiatives implemented last year, the Group reviewed its operating expenditures across

# Board of Directors' Review

all segments and identified expenses which are not critical in the current circumstances. During the optimization exercise, the Group companies also reviewed their capital expenditure programs in order to optimize CAPEX programs further, without compromising on HSE standards and ensuring that it remained buoyant.

These optimization related measures have resulted in improvement in Group's variable and fixed operating cost structures as we entered into 2021, and supported our key vertical of maintaining our competitiveness by being one of the lowest cost producer.

On overall basis, Group's production levels showed positive growth with lesser number of shutdowns were carried out during the year. The production was also slightly impacted by unplanned shutdowns, where these shutdowns were quickly addressed and provided valuable information to avert future shutdowns and maximize efficiency.

Continuous efforts on account of quality improvement remained central to Group companies. During the year, one of our petrochemical joint ventures, Q-Chem, received CPCHEM President's Operational Excellence Award for Large Petrochemical Manufacturing Facilities for the year 2020. This was the third consecutive year Q-Chem has received this award.

## Financial performance

MPHC reported a net profit of QR 1.9 billion for the year ended 31 December 2021, up by 250% compared to last year. The increase was largely attributed to constructive macroeconomic drivers coupled with supply shortages, which positively affected the price trajectory for MPHC's products and improved Group's financial performance.

The operational performance for the current year, remained buoyant with lesser number of

preventive maintenance shutdowns at MPHC's joint venture facilities, and led to a production volume growth of 9% as compared to last year, to reach 1,135 thousand MT.

At the Group level, the blended selling prices increased by 52% during 2021, contributing to an increase in Group's net earnings by QR 1.3 billion, compared to last year. Group sales volumes also inclined by 7% on a year-on-year basis and contributed to an increase of QR 191 million in Group's earnings.

The liquidity of the Group remained robust throughout the year. Cash held by MPHC (including proportionate share of cash and bank balances held by joint ventures) at the end of financial year 2021 amounted to QR 3.9 billion, with total assets of QR 17.4 billion as at 31 December 2021.

## Capex Updates

Capital expenditure for 2021 amounted to QR 257 million (MPHC share).

In 2019, Q-Chem shareholders agreed to support expanding JV's ethylene production facilities at Mesaieed Industrial City. When completed in 2023, the Sixth Furnace project will provide a sustained increase of ethylene production, increasing the utilization of Q-Chem's existing derivatives production capacity. At an estimated cost of USD 93.3 million, this investment is predicated on positive capital returns. Currently, the project is in a construction phase, with total spend to date of USD 39.5 million.

Going forward, the Group will continue to consider CAPEX investments to enhance capacity, reliability, efficiency and HSE performance, with a total budgeted outlay of QR 1.5 billion (MPHC share) over a period of five years from 2022 till 2026.

# Board of Directors' Review

## Proposed dividend distribution

Since incorporation of MPHC in 2013, a total dividend of QR 6.8 billion has been distributed. This is a clear evidence of the Board's commitment to create shareholder value, while maintaining necessary liquidity for future investments, debt obligations and any unexpected adversities.

With these considerations coupled with a macroeconomic forecast linking to business outlook, the Board of Directors proposes a total annual dividend distribution for the year ended 31 December 2021 of QR 1.38 billion, equivalent to a payout of QR 0.11 per share, representing a payout ratio of 74% of net earnings. This indicates the Group's ability to generate strong cash flows, while ensuring adequate cash is preserved for future precautionary and investing needs.

## Conclusion

The Board of Directors expresses its gratitude to His Highness Sheikh Tamim bin Hamad Al Thani, the Amir of the State of Qatar, for his wise guidance and strategic vision. Our gratitude is also extended to H.E. Mr. Saad Sherida Al-Kaabi, Minister of State for Energy Affairs, for his vision and leadership, and to the management and employees of Group companies for their hard work, commitment and dedication. We would also like to thank our esteemed shareholders for their great trust placed in us.







# Board of Directors' Segments Review

# Board of Directors' Segments Review

## Petrochemicals

### Strategy and key achievements

Producing entities within the segment continue to maintain their status as a safe, quality-reliable, efficient and integrated facilities by following the guiding principles of their overall strategy. A strategy based on fundamental pillars of 'Business Excellence', 'Sustainability' and 'Growth' which are firmly supported by a foundation provided by a talented and a well-prepared organization.

With an objective to continue to execute successfully against its major strategic initiatives, the producing entities within the segment continually seeking opportunities for efficiency gains, responsible growth and a commitment to social and environmental responsibility.

During the year, achievements for the petrochemicals segment stand-out as Q-Chem was awarded '2020 Chevron Phillips President's Operational Excellence Award' for large petrochemical manufacturing facilities. This was a third consecutive year that Q-Chem has received this award. In addition, RLOC received Total 2020 Award for an outstanding safety performance. Also, third party assessments were carried out against established standards to maintain Responsible Care and ISO certifications.

### Macroeconomic updates

Macroeconomic environment remained constructive on the back of successful ongoing vaccination campaign which improved the product demand for the segment. On the other side, supply remained curtailed through major part of the year, in part due to extreme weather conditions affecting operating rates for major producers, mainly in the US. Also, unprecedented supply chain bottlenecks remained evident throughout the year, coupled with depressed inventory levels across markets. Moreover, throughout the year prices for crude oil and natural gas trended higher and positively affected prices for downstream commodities.

## HSE achievements

The segment continued to improve and enhance its HSE activities. In the process, new safety records were set and various certifications from global associations were renewed. Some notable performance statistics included:

- Zero Tier 1 and Tier 2 process safety events;
- Successfully completed 1,300+ days without a Tier 1 or Tier 2 event;
- Reported 14<sup>th</sup> consecutive year without a heat related recordable incident, which is a testament to a successful annual summer safety campaign highlighting heat-related risks and mitigations;
- Process Safety Event Rate (PSER) was Zero during the year.

## Achieving cost efficiencies

The producing entities within the segment remained committed to a cost-efficient operating model that balances cost prudence with the need to maintain assets in a manner that ensures their safe and reliable operation.

A cornerstone for entities' efficiency efforts was their Operational Performance Excellence (OPE) initiative. This initiative seeks to identify both cost savings opportunities and opportunities to increase overall productivity. The ultimate goal of OPE is to counter inherent inflationary factors and deliver a competitive unit costs. OPE program ranks and prioritizes opportunities based on a number of factors. The program is currently focused on quick win opportunities that can be managed internally. In addition, OPE team is in a review phase of an initiative to transform entities' contracts and procurement activities that should result in lower cost, lower materials inventory and lower warehouse requirements.

# Board of Directors' Segments Review

The entities are also actively engaged in a benchmarking effort that will provide insight into their cost structures relative to their peers. In addition, the benchmarking exercise will provide further information regarding areas of opportunity for the entities' future efficiency efforts. Going forward, the producing entities within the petrochemicals segment are committed to maintain a highly competitive cost structure relative to its peers.

## Output optimization

Q-Chem and Q-Chem II set various production records during 2021 resulting from an efficient operations:

- Q-Chem and Q-Chem II Combined Derivatives – annual production record;
- Q-Chem II (RLOC) Ethylene - annual production record;
- Q-Chem 1-Hexene – annual production record;
- Q-Chem II Polyethylene – annual production record.

In 2021, Q-Chem continued its best in class quality performance in areas of off-spec polyethylene production.

## Financial performance

The segment reported a net profit of QR 1.4 billion for the current year, up by 201% versus last year. This notable increase in profitability was primarily driven by improved product prices owing to macroeconomic tailwinds and supply shortages.

Sales volumes also increased by 11%, compared to last year, against a backdrop of higher operating days in the current period versus last year. Growth in product prices coupled with improved sales volumes led to an overall rise in revenue by 60% within the segment, to reach QR 2.9 billion for the current year.

Production volumes increased by 14% versus last year, as the segment had a planned periodic turnaround of Q-Chem II facilities during Q1-20, which affected overall operating rates for last year.

## CAPEX updates

During 2021, the segmental CAPEX incurred amounted to QR 157 million. Three primary projects in Q-Chem accounted for majority of spend; Sixth Furnace Project; Dock Jetty Enhancement Project; and 2022 Turnaround.

Sixth Furnace Project will increase production capacity and ensure more consistent consumption of allocated ethane volumes, and is progressing as planned. Currently, the project is in the construction phase, with commissioning anticipated in Q4-22. Future CAPEX requirements include major environmental compliance projects, including enhancement and expansion of tank capacity.

## Chlor-Alkali

### Strategy and key achievements

Chlor-Alkali segment's business strategy has been built on key pillars of enhanced achievements of production targets, reductions in controllable costs, improved product development & innovation, coupled with better employee engagement and satisfaction.

As part of segment's main achievement during the year, the segment completed a challenging maintenance shutdown during latter part of 2021, without an incident.

# Board of Directors' Segments Review

## Macro-economic updates

Economic momentum carried forward from the tail end of last year on the back of ongoing vaccination campaign and easing of lockdowns in major markets, allowed sequential recovery and led to a stronger consumer demand complemented by renewed demand for end products including PVC, alumina, paper/pulp and polymers. In addition, industry supply constraints and global logistical bottlenecks remained evident throughout the year across industrial sectors. These macro imbalances enabled positive price trajectory for chlor-alkali products and led to margin improvements.

## HSE achievements

The segment focused to enhance the level of existing HSE standards, while pursuing global standards that leads to operational excellence. The health and safety of workers remained a key priority for segment's efforts in 2021, as steps were taken to improve the level of process safety and awareness. The segment continued to efficiently act on process safety project, namely SALAMAH, during the year. Strict COVID-19 linked preventive controls implemented since last year remained in place during major part of the year, including thermal screening, hygiene protocols and social distancing protocols.

## Achieving cost efficiencies

Efficiency and cost competitiveness are prerequisites for the segment retaining its position as a low-cost, efficient operator. In 2021, the segment continue to look for opportunities in order to contain cost, while ensuring optimal production levels, without compromising on quality or safety.

## Output optimization

In terms of output optimization, the segment sought to achieve optimal production levels without compromising on the quality and safety standards. The planned maintenance shutdown for QVC facilities during 2021 was completed on schedule and was in line with the Group's commitment to enhance the health and safety standards, plant life, asset quality and reliability.

## Financial performance updates

Chlor-alkali segment reported a net profit of QR 476 million for 2021, increased significantly by 281% compared to last year. This notable growth was primarily driven by a significant improvement in blended average selling prices, which increased by 71% versus last year, complemented by renewed demand of end products and supply shortages. Sales volumes marginally declined by 1% compared to last year. Production volumes increased by 2%, despite a turnaround carried out during fourth quarter of 2021. Segmental revenue increased by 70% to reach QR 1.0 billion, mainly on account of improved selling prices, partially offset by decline in sales volumes.

## CAPEX updates

During 2021, CAPEX was mainly restricted to HSE and reliability related projects, with a total outlay of QR 94 million (MPHC share).

Going forward, some of the capex projects will include ongoing power plant upgrade, shared costs of electrical network revamping & upgrade, vinyl plant turnaround, new EDC tank, caustic storage tank's bottom replacement and modification for improvement. In the long run, these projects will improve plant reliability and ensure reduced emissions at our plants.



# **MPHC Group at a Glance**

# MPHC Group at a Glance

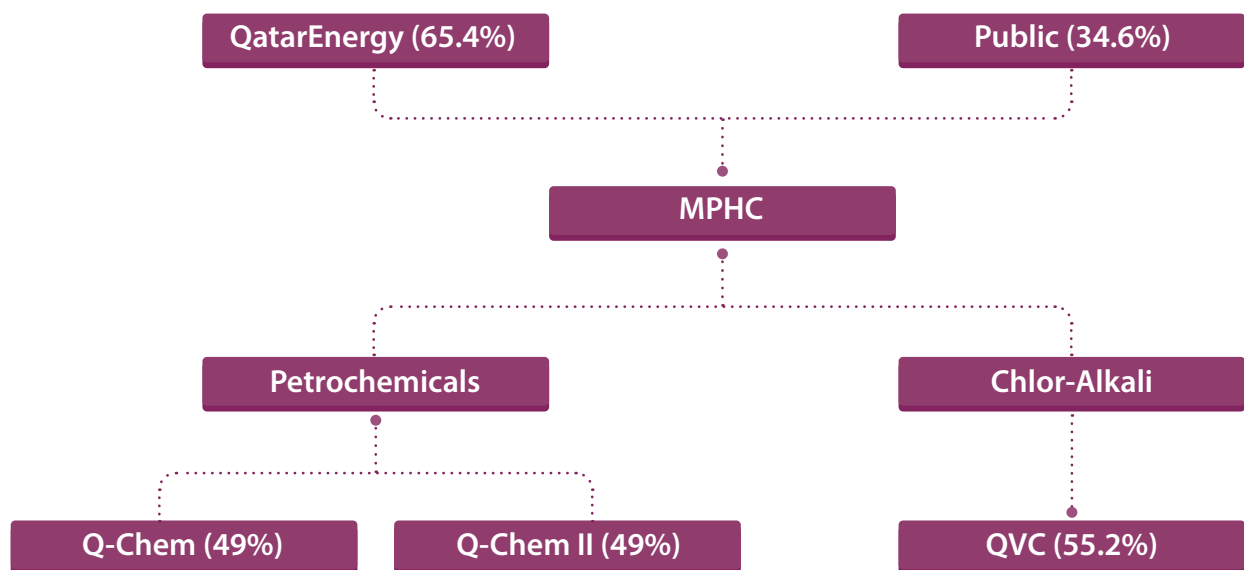
## Overview

Mesaieed Petrochemical Holding Company Q.P.S.C. (MPHC or the Group) was incorporated as a Qatari joint stock company on May 29, 2013. The Group's registered office is P.O. Box 3212, Doha, State of Qatar. Through the Group companies, MPHC operates in two distinct segments: Petrochemicals and Chlor-Alkali.

## Head office functions and management structure

QatarEnergy, MPHC's largest shareholder, provides all head office functions for the Group through a service level agreement. The operations of the Group's joint ventures are independently managed by their respective Boards of Directors and senior management teams.

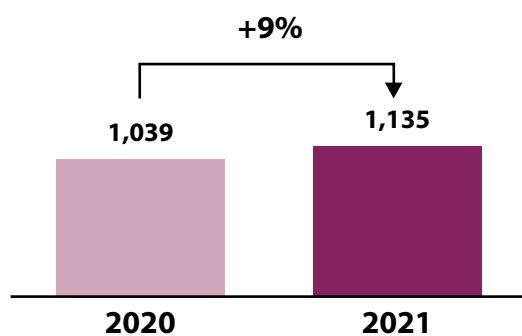
## Ownership structure



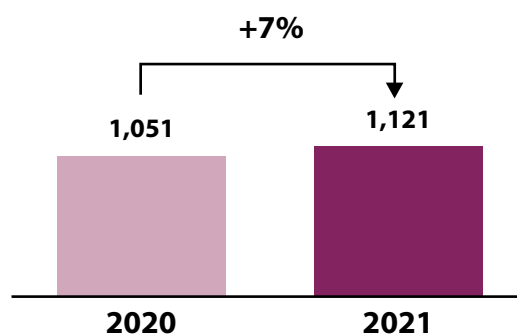
# MPHC Group at a Glance

## MPHC 2021 performance

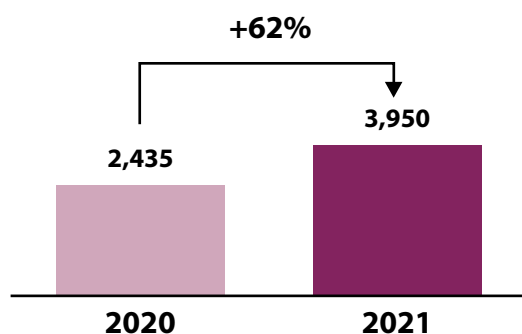
Production (MT' 000)



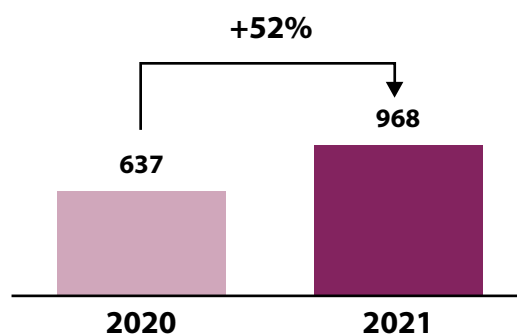
Sales Volumes (MT' 000)



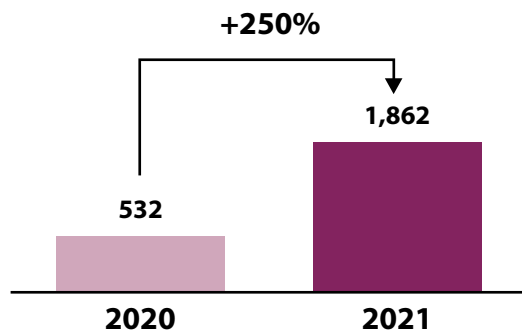
Revenue (QR' million)



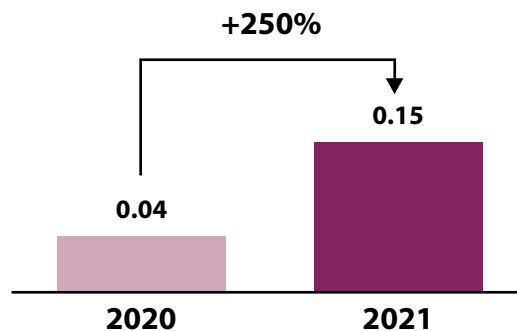
Selling prices (\$/MT)



Net profit (QR' million)

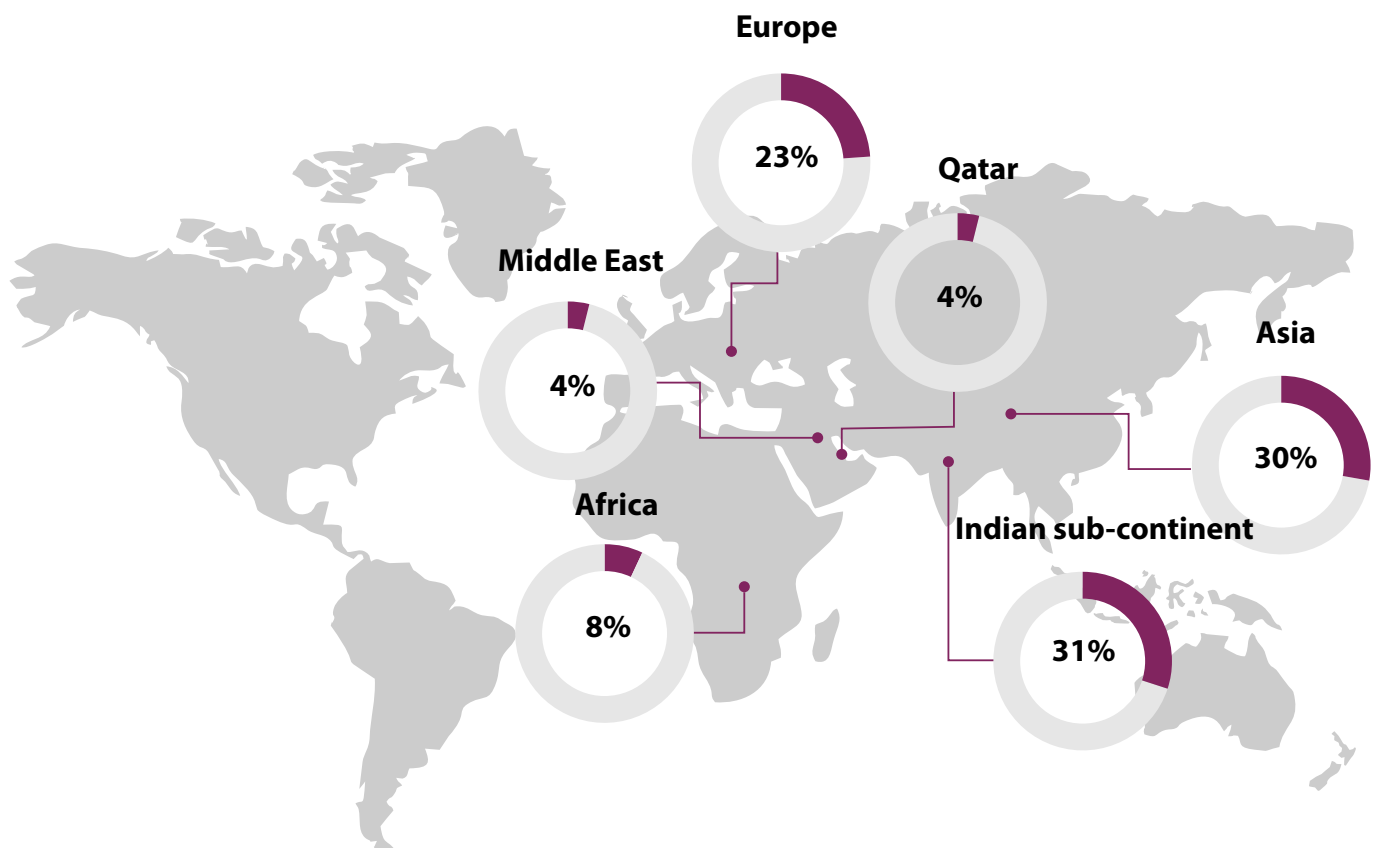


Earnings per share (QR)



# MPHC Group at a Glance

## Revenue by geography (%)







# MPHC Business Segments at a Glance



# MPHC Business Segments at a Glance

MPHC operates through various joint ventures in two business segments: Petrochemicals and Chlor-Alkali. All of our joint ventures are with international partners, directly or indirectly, who bring state-of-the-art technical expertise to the businesses.

## Petrochemicals

### Segment overview

Our petrochemicals business segment is comprised of two joint ventures: Qatar Chemical Company Limited (Q-Chem) and Qatar Chemical Company II Limited (Q-Chem II).

Q-Chem, incorporated as a joint venture in 1998, is currently owned by MPHC (49%), Chevron Phillips Chemical International Qatar Holdings (CPCIQH, 49%) and QatarEnergy (2%). Q-Chem is engaged in the production of ethylene, polyolefins (specifically high density polyethylene or HDPE), 1-hexene and C4+.

Q-Chem II, incorporated as a joint venture in 2005, is currently owned by MPHC (49%), CPCIQH (49%) and QatarEnergy (2%). Q-Chem II is engaged in

the production of polyolefins (specifically HDPE), a full range of normal alpha olefins (NAO).

Q-Chem's and Q-Chem II's normalized design production capacities of key products is as follows:

	Capacity (000' MT)
Ethylene*	1,220
HDPE	810
1-hexene	60
NAO	345

\* Consumed as a feedstock for the finished products.

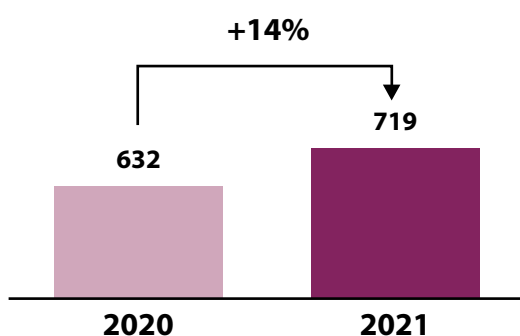
*Note: The capacities reported in the above table represents design production capacities in relation to the producing entities.*



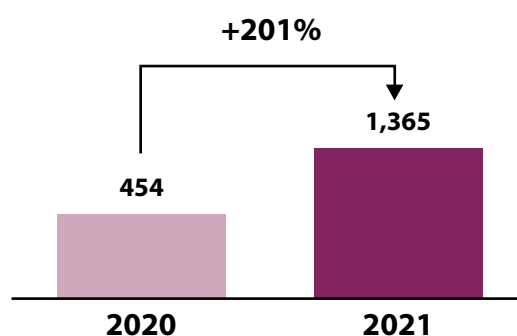
# MPHC Business Segments at a Glance

## 2021 Petrochemicals performance

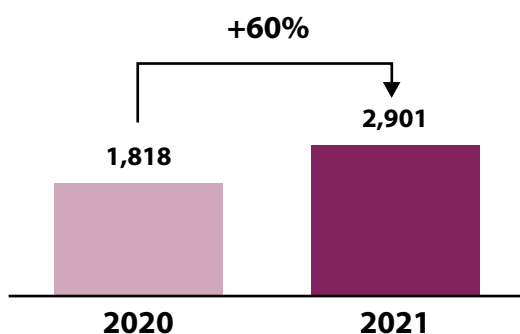
Production (MT' 000)



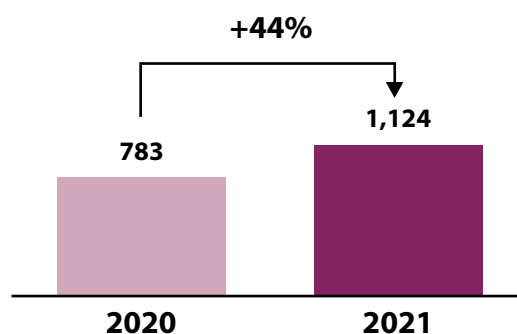
Net profit (QR' million)



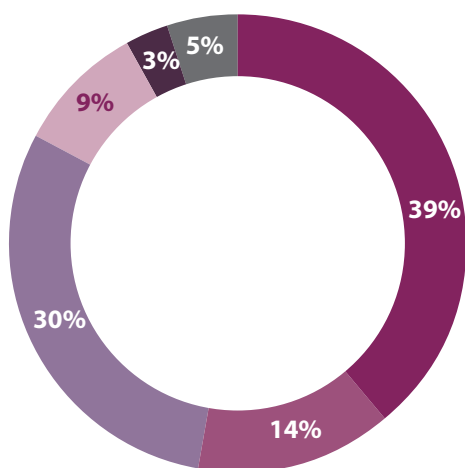
Revenue (QR' million)



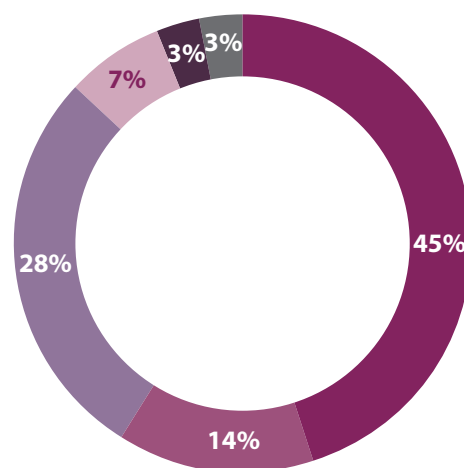
Selling prices (\$/MT)



2021 segment revenue (%)



2020 segment revenue (%)



- Asia
- Indian sub-continent
- Europe
- Africa
- Middle East
- Qatar

# MPHC Business Segments at a Glance

## Chlor-alkali

### Segment overview

Our Chlor-alkali business segment is comprised of a joint venture, Qatar Vinyl Company Limited (QVC).

QVC, incorporated as a joint venture in 1997, is currently owned by MPHC (55.2%), Qatar Petrochemical Company (31.9%) and QatarEnergy (12.9%). QVC is engaged in the production of caustic soda, ethylene dichloride (EDC), vinyl chloride monomer (VCM) and hydrochloric acid (HCL).

QVC's normalized production capacities of key products are as follows:

	Capacity (000' MT)
Caustic Soda	370
EDC	180
VCM	355
HCL	15

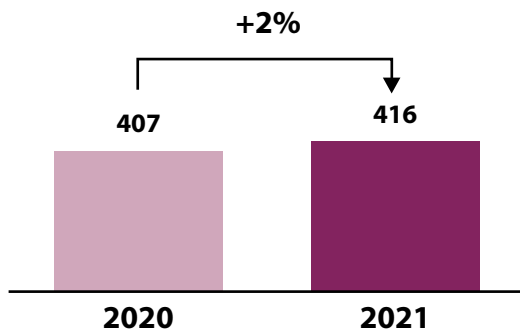
*Note: The capacities reported in the above table represents full production capacities in relation to the producing entity.*



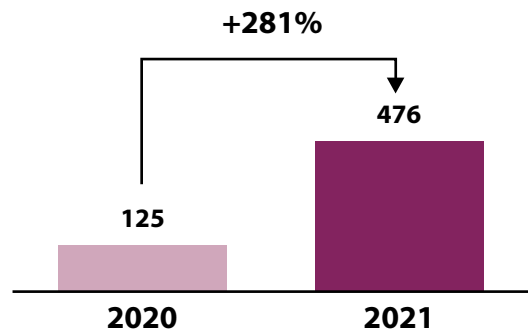
# MPHC Business Segments at a Glance

## 2021 Chlor-Alkali performance

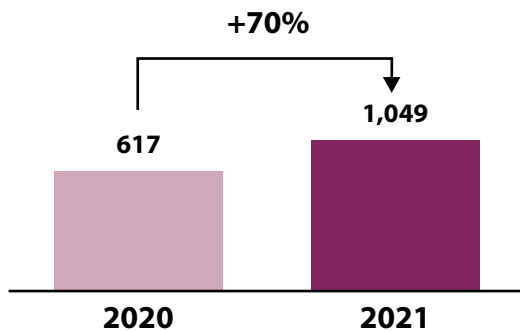
Production (MT' 000)



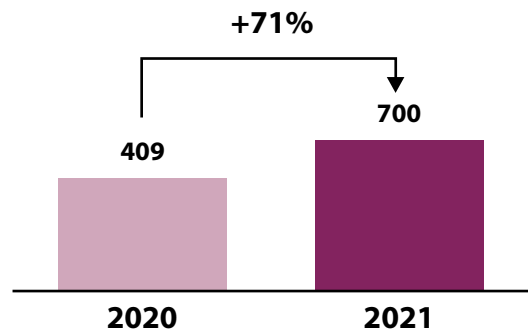
Net profit (QR' million)



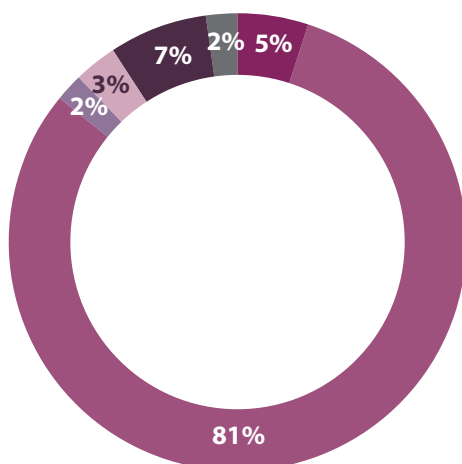
Revenue (QR' million)



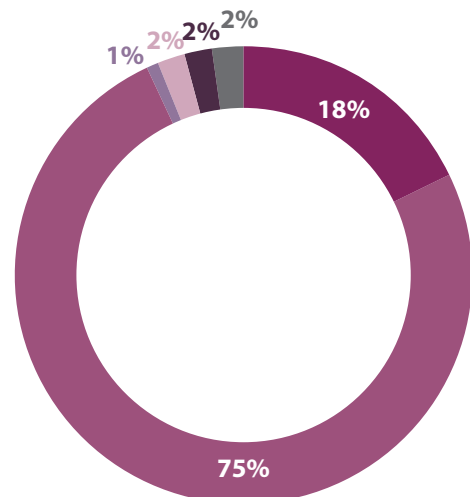
Selling prices (\$/MT)



2021 segment revenue (%)



2020 segment revenue (%)



- Asia
- Indian sub-continent
- Europe
- Africa
- Middle East
- Qatar



# **Independent External Auditor's Report**



# Independent External Auditor's Report

**Independent auditor's report to the shareholders of Mesaieed Petrochemical Holding Company Q.P.S.C.**

## **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

### **Our opinion**

In our opinion, the financial statements of Mesaieed Petrochemical Holding Company Q.P.S.C. (the "Company") present fairly, in all material respects, the financial position of the Company as at 31 December 2021 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

### **What we have audited**

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2021;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the financial statements in the State of Qatar. We have fulfilled our other ethical responsibilities in accordance with the IESBA code and ethical requirements of the State of Qatar.

### **Our audit approach**

#### **Overview**

Key audit matter • Revenue Recognition

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

# Independent External Auditor's Report

## Key audit matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<i>Revenue Recognition</i>	
<p>As disclosed in note 3(ii) , the Company's share of the results of its joint ventures (Q-Chem, Q-Chem II and QVC) of QR 1,841 million for the year ended 31 December 2021 represents 98% of total income of the Company.</p> <p>The revenue generated by the joint ventures amounted to QR 8,090 million for the year ended 31 December 2021.</p> <p>The majority of the joint ventures' sales are made to Qatar Chemical and Petrochemical Marketing and Distribution Company Q.J.S.C. ("Muntajat"), a related party.</p> <p>According to the revenue recognition policy applied by the joint ventures, revenue from sales of products is recognised when the joint ventures have transferred the control of the products to the customer at the point of delivery, where terms of delivery are specified in the Offtake Agreements.</p> <p>We focused our audit on the sales revenue of the joint ventures because of the large product volumes and consequent high values of individual shipments, as we determined that errors in revenue recognition at the joint ventures' level could result in material misstatements in the financial statements of the Company when it recognises its share of the joint ventures' net income under the equity method of accounting.</p>	<p>Our procedures in relation to revenue recognition from sales made by the joint ventures included:</p> <ul style="list-style-type: none"> <li>• Reviewing the terms of the relevant Offtake Agreements with Muntajat;</li> <li>• Evaluating the joint ventures' accounting policy in relation to revenue recognition to determine whether or not they dealt appropriately with the sales made under the Offtake Agreements;</li> <li>• Understanding, evaluating and testing internal controls over revenue recognition at the joint ventures' level, including the timing of revenue recognition;</li> <li>• Inspecting, on a sample basis, the sales statements received from Muntajat; and</li> <li>• Performing cut-off testing of sales transactions, on a sample basis, to test whether the revenue of the joint ventures has been recognised in the correct period.</li> </ul>



# Independent External Auditor's Report

## Other information

The Directors are responsible for the other information. The other information comprises the Annual Report (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of management and those charged with governance for the financial statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and with the requirements of the Qatar Commercial Companies Law number 11 of 2015, as amended by Law number 8 of 2021, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.



# Independent External Auditor's Report

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's

# Independent External Auditor's Report

report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on other legal and regulatory requirements

As disclosed in Note 1 to the financial statements, during the year Law Number 8 of 2021 came into effect amending certain provisions of the Qatar Commercial Companies' Law number 11 of 2015. As of the year ended 31 December 2021, the Company is in the process of assessing the impact of these amendments.

Further, as required by the Qatar Commercial Companies Law number 11 of 2015, as amended by Law number 8 of 2021, we report that:

- We have obtained all the information we considered necessary for the purpose of our audit;

- The Company has maintained proper books of account and the financial statements are in agreement there with;
- The financial information included in the Annual Report is in agreement with the books and records of the Company; and
- Nothing has come to our attention, which causes us to believe that the Company has breached any of the provisions of the Qatar Commercial Companies Law number 11 of 2015, as amended by Law number 8 of 2021, or of its Articles of Association, which would materially affect the reported results of its operations or its financial position as at 31 December 2021.

For and on behalf of PricewaterhouseCoopers –  
Qatar Branch  
Qatar Financial Market Authority registration  
number 120155

### **Mark Menton**

Auditor's registration number 364  
Doha, State of Qatar  
21 February 2022

# Independent External Auditor's Report

## Independent assurance report to the shareholders of Mesaieed Petrochemical Holding Company Q.P.S.C.

*Report on the suitability of design and operating effectiveness of internal controls over financial reporting of significant processes as at 31 December 2021*

## Introduction

In accordance with the requirements of Article 24 of the Governance Code for Companies & Legal Entities Listed on the Main Market (the "Governance Code" or the "Code") Issued by the Qatar Financial Markets Authority (QFMA) Board pursuant to Decision No. (5) of 2016, we have carried out a reasonable assurance engagement over the Board of Directors' Report on Internal Controls over Financial Reporting of Mesaieed Petrochemical Holding Company Q.P.S.C. (the "Company") as at 31 December 2021, based on the framework issued by the Committee of Sponsoring Organisations of the Treadway Commission "COSO framework".

## Responsibilities of the directors and those charged with governance

The Board of Directors' of the Company are responsible for presenting the Board of Directors' Report on Internal Controls over Financial Reporting, which includes:

- the Board of Directors' assessment of the suitability of design and operating effectiveness of internal controls over financial reporting;
- description of the identification of significant process and internal controls over financial reporting; and

- assessment of the severity of design, and operating effectiveness of control deficiencies, if any noted, and not remediated at 31 December 2021.

The assessment presented in the Annual Report will be based on the following elements included within the Risk Control Matrices provided by the Company's management:

- the control objectives; including identifying the risks that threaten the achievement of the control objectives; and
- designing and implementing controls to achieve the stated control objectives.

The Company's Board of Directors are also responsible for establishing and maintaining internal financial controls based on the COSO framework.

These responsibilities include the design, and maintenance of adequate internal financial controls that if operating effectively would ensure the orderly and efficient conduct of its business, including:

- adherence to Company's policies;
- the safeguarding of its assets;
- the prevention and detection of frauds and errors;
- the accuracy and completeness of the accounting records;
- the timely preparation of reliable financial information; and
- compliance with applicable laws and regulations

# Independent External Auditor's Report

## Responsibilities of the Assurance Practitioner

Our responsibilities are to express a reasonable assurance conclusion based on our assurance procedures on the Board of Directors' Report on Internal Controls over Financial Reporting, based on the COSO framework.

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('IAASB'). This standard requires that we plan and perform our procedures to obtain reasonable assurance on the Board of Directors' assessment of suitability of the design and operating effectiveness of the internal controls over financial reporting of significant processes, as presented in the 'Board of Directors' Report on Internal Controls over Financial Reporting, in all material respects, to achieve the related control objectives stated in the description of the relevant processes by management, based on the COSO framework.

A process is considered significant if a misstatement due to fraud or error in the stream of transactions or financial statement amount would reasonably be expected to impact the decisions of the users of financial statements. For the purpose of this engagement, the processes that were determined as significant are: investments management, treasury and cash management, intercompany transactions, accounting management and year-end closing of the financial records transactions.

An assurance engagement to express a reasonable assurance conclusion on the "Board of Directors' Report on Internal Controls over Financial Reporting" based on the COSO framework involves performing procedures to obtain evidence about the fairness of the presentation of the report. Our procedures on internal controls over financial reporting included:

- obtaining an understanding of internal controls over financial reporting for Significant Processes;
- assessing the risk that a material weakness exists; and
- testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

In carrying out our engagement, we obtained understanding of the following components of the control system:

- Control Environment
- Risk Assessment
- Control Activities
- Information and Communication
- Monitoring

The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the suitability of design and operation, whether due to fraud or error. Our procedures also included assessing the risks that the controls were not suitably designed or operating effectively to achieve the related control objectives stated in the Board of Directors' Report on Internal Controls over Financial Reporting.

Our procedures included testing the operating effectiveness of those controls that we consider necessary to provide reasonable assurance that the related control objectives were achieved.

An assurance engagement of this type also includes evaluating the Board of Directors' assessment of the suitability of the design and operating effectiveness of the controls over the control objectives stated therein. It further includes performing such other procedures as considered necessary in the circumstances.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion on the 'Board of Directors' Report on Internal Controls over Financial Reporting.



# Independent External Auditor's Report

## Our independence and quality control

In carrying out our work, we have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and the ethical requirements that are relevant in Qatar. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Concept of internal controls over financial reporting

An entity's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards (IFRS). An entity's internal control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with the generally accepted

accounting principles, and that receipts and expenditures of the entity are being made only in accordance with authorizations of the management of the entity; and

- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements.

## Inherent limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the Board of Directors' Report on Internal Controls over Financial Reporting and the methods used for determining such information.

Because of the inherent limitations of internal controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Therefore, internal controls over financial reporting may not prevent or detect all errors or omissions in processing or reporting transactions and consequently cannot provide absolute assurance that the control objectives will be met. Also, projections of any evaluation of the internal controls over financial reporting to future periods are subject to the risk that the internal control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Furthermore, the controls activities designed, and operated as of 31 December 2021 covered by our assurance report will not have retrospectively remedied any weaknesses or deficiencies that existed in relation to the internal controls over the financial reporting prior to the date those controls were placed in operation.

# Independent External Auditor's Report

## Other information

The Board of Directors are responsible for the other information. The other information comprise the Annual Report (but does not include the "Board of Directors' Report on Internal Controls over Financial Reporting"), which we obtained prior to the date of this assurance report.

Our conclusions on the "Board of Directors' Report on Internal Controls over Financial Reporting" do not cover the other information and we do not, and will not express any form of assurance conclusion thereon.

In connection with our assurance engagement on the "Board of Directors' Report on Internal Controls over Financial Reporting", our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with our knowledge obtained in the engagement, or otherwise appears to be materially misstated.

If we conclude that there is a material distortion of the other information we obtained prior to the date of this report, based on our actions, we are required to prepare a report. Otherwise, we have nothing to report in this regard.

## Conclusion

In our opinion, based on the results of our reasonable assurance procedures, the Board of Directors' assessment of the suitability of the design and the operating effectiveness of the Company's internal controls over financial reporting of significant processes, based on the COSO framework is presented fairly, in all material respects, as at 31 December 2021.

## Emphasis of matter

We draw attention to the fact that this assurance report relates to Mesaieed Petrochemical Holding Company Q.P.S.C. on a stand-alone basis only and not to Mesaieed Petrochemical Holding Company Q.P.S.C. and the operations of its joint ventures as a whole. Our report is not modified in this respect.

For and on behalf of PricewaterhouseCoopers – Qatar Branch  
Qatar Financial Market Authority registration number 120155

### **Mark Menton**

Auditor's registration number 364  
Doha, State of Qatar  
21 February 2022

# Independent External Auditor's Report

## Independent Assurance Report to the Shareholders of Mesaieed Petrochemical Holding Company Q.P.S.C.

*Report on Compliance with Qatar Financial Markets Authority's (QFMA's) law and related legislation, including the Governance Code for Companies & Legal Entities Listed on the Main Market Issued by the QFMA's Board pursuant to the QFMA's Decision No. (5) of 2016 as at 31 December 2021*

## Introduction

In accordance with the requirements of Article 24 of the Governance Code for Companies & Legal Entities Listed on the Main Market (the "Governance Code" or the "Code") Issued by the Qatar Financial Markets Authority (QFMA) Board pursuant to Decision No. (5) of 2016, we have carried out a limited assurance engagement over the Board of Directors' assessment of compliance with the QFMA's Requirements of Mesaieed Petrochemical Holding Company Q.P.S.C. (the "Company") as at 31 December 2021, as included in the Corporate Governance Report.

## Responsibilities of the directors and those charged with governance

The Board of Directors of the Company are responsible for preparing the 'Corporate Governance Report' that covers at a minimum the requirements of Article 4 of the Code.

The Board of Directors are also responsible for ensuring the Company's compliance with the QFMA's law and relevant legislations and the Governance Code (the "QFMA's Requirements") for Companies & Legal Entities Listed on the Main Market issued by the QFMA's Board pursuant to

Decision No. (5) of 2016 and preparing the Board of Directors' assessment of compliance with QFMA's Requirements.

The Board of Directors are also responsible for identification of areas of non-compliance and related justifications, where mitigated.

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that if operating effectively would ensure the orderly and efficient conduct of its business, including compliance with applicable laws and regulations.

## Responsibilities of the Assurance Practitioner

Our responsibilities are to issue a limited assurance conclusion on whether anything has come to our attention that causes us to believe that the Board of Directors' assessment of compliance with the QFMA's Requirements – as included in the Corporate Governance Report – do not present fairly, in all material respects, the Company's compliance with the QFMA's law and relevant legislations, including the Code, based on our limited assurance procedures;

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('IAASB'). This standard requires that we plan and perform our procedures to obtain limited assurance about whether anything has come to our attention that causes us to believe that the Board of Directors' assessment of compliance with the QFMA's Requirements, taken as a whole, is not prepared, in all material respects, in accordance with the QFMA's law and relevant legislations, including the Code.

The procedures performed in a limited assurance



# Independent External Auditor's Report

engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We did not perform procedures to identify additional procedures that would have been performed if this were a reasonable assurance engagement.

A limited assurance engagement involves assessing the risks of material misstatement of the Board of Directors' assessment of compliance with the QFMA's Requirements, whether due to fraud or error and responding to the assessed risks as necessary in the circumstances. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. Accordingly, we do not express a reasonable assurance conclusion about whether the Board of Directors' assessment of compliance with the QFMA's Requirements, taken as a whole has been prepared, in all material respects, in accordance with the QFMA's law and relevant legislations, including the Code.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of reporting policies for the Company and agreeing with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- made inquiries of management to obtain an understanding of the processes followed to identify the requirements of the QFMA law and relevant legislations, including the Code (the 'Requirements'); the procedures adopted by management to comply with these

Requirements and the methodology adopted by management to assess compliance with these Requirements;

- considered the disclosures by comparing the contents of the 'Corporate Governance Report' against the requirements of Article 4 of the Code;
- agreed the relevant contents of the 'Corporate Governance Report' to the underlying records maintained by the Company; and
- performed limited substantive testing on a selective basis, when deemed necessary, to assess compliance with the Requirements, and observed evidences gathered by management; and assessed whether violations of the Requirements, if any, have been disclosed by the Board of Directors, in all material respects.

Our limited assurance procedures do not involve assessing the qualitative aspects or effectiveness of the procedures adopted by management to comply with the Requirements. Therefore, we do not provide any assurance as to whether the procedures adopted by management were functioning effectively to achieve the objectives of the QFMA's law and relevant legislations, including the Code.

## Our independence and quality control

In carrying out our work, we have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants ("IESBA"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and the ethical requirements that are relevant in Qatar. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

# Independent External Auditor's Report

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Inherent limitations

Many of the procedures followed by entities to adopt governance and legal requirements depend on the personnel applying the procedure, their interpretation of the objective of such procedure, their assessment of whether the compliance procedure was implemented effectively, and in certain cases would not maintain audit trail. It is also noticeable that the design of compliance procedures would follow best practices that vary from one entity to another and from one country to another, which do not form a clear set of criteria to compare with.

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the 'Corporate Governance Report' and the methods used for determining such information.

Because of the inherent limitations of internal controls over compliance with relevant laws and regulations, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

## Other information

The Board of Directors are responsible for the other information. The other information comprise the Annual Report (but does not include the "Board of Directors' assessment on compliance with QFMA's law and relevant legislations, including the Code as included in the Corporate Governance Report), which we obtained prior to the date of this assurance report.

Our conclusions on the "Board of Directors' assessment on compliance with QFMA's law and relevant legislations, including the Code as included in the Corporate Governance Report do not cover the other information and we do not, and will not express any form of assurance conclusion thereon.

In connection with our assurance engagement on the "Board of Directors' assessment on compliance with QFMA's law and relevant legislations, including the Code as included in the Corporate Governance Report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with our knowledge obtained in the engagement, or otherwise appears to be materially misstated.

If we conclude that there is a material distortion of the other information we obtained prior to the date of this report, based on our actions, we are required to prepare a report. Otherwise, we have nothing to report in this regard.

# Independent External Auditor's Report

## Conclusion

Based on our limited assurance procedures described in this report, nothing has come to our attention that causes us to believe that the Board of Directors' assessment on compliance with QFMA's law and relevant legislations, including the Code, as included in the Corporate Governance Report does not present fairly, in all material respects, the Company's compliance with the QFMA's law and relevant legislations, including the Code as at 31 December 2021.

## Emphasis of matters

### *Non-compliance matters identified by management*

We draw attention to the matters highlighted in sections 3-2, 3-9-1, and 3-9-3 within the Board of Directors' assessment of compliance with the QFMA's Requirements as included in the Corporate Governance Report detailing areas of non-compliance with the QFMA's Law, relevant legislations, including the Code as follows:

- Contrary to Article (6) of the Code, none of the Board members is independent as they are all representatives of QatarEnergy.

- Contrary to Article (18) of the Code, the Board of the Company did not constitute a Nomination Committee since the duty to appoint Board Members in the Company is undertaken by QatarEnergy. Also contrary to the same Article, the Board Audit Committee is not chaired by an independent Board member.

## Scope

We draw attention to the fact that this assurance report relates to Mesaieed Petrochemical Holding Company Q.P.S.C. on a stand-alone basis only and not to Mesaieed Petrochemical Holding Company Q.P.S.C. and the operations of its joint venture as a whole. Our report is not modified in this respect.

For and on behalf of PricewaterhouseCoopers – Qatar Branch  
Qatar Financial Market Authority registration number 120155

### **Mark Menton**

Auditor's registration number 364  
Doha, State of Qatar  
21 February 2022



# Financial Statements



# Financial Statements

## STATEMENT OF FINANCIAL POSITION

### As at 31 December 2021

(All amounts are expressed in Qatari Riyals ('000') unless otherwise stated)

	2021	2020
<b>Assets</b>		
<b>Non-current asset</b>		
Investment in a joint venture	14,894,115	14,277,395
<b>Current assets</b>		
Other receivables	29,358	7,872
Other asset	-	62,234
Deposits and other bank balances	2,347,248	1,555,145
Cash and cash equivalents	148,996	177,486
<b>Total current assets</b>	<b>2,525,602</b>	1,802,737
<b>Total assets</b>	<b>17,419,717</b>	16,080,132
<b>Equity and liabilities</b>		
<b>Equity</b>		
Share capital	12,563,175	12,563,175
Legal reserve	69,660	67,606
Retained earnings	4,435,597	3,125,167
<b>Total equity</b>	<b>17,068,432</b>	15,755,948
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	346,134	319,525
Due to a related party	5,151	4,659
<b>Total liabilities</b>	<b>351,285</b>	324,184
<b>Total equity and liabilities</b>	<b>324,184</b>	16,080,132

The financial statements were approved and authorised for issue by the Board of Directors on 21 February 2022 and were signed on its behalf by:

**Ahmad Saif Al-Sulaiti**  
Chairman

**Abdulrahman Ahmad Al-Shaibi**  
Board member

# Financial Statements

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

### For the year ended 31 December 2021

(All amounts are expressed in thousands Qatari Riyals unless otherwise stated)

	2021	2020
Share of results from joint ventures	1,841,010	596,116
Interest income	35,296	32,942
Other income	433	21,061
	1,876,739	650,119
General and administrative expenses	(15,856)	(14,038)
Impairment of other asset	-	(104,620)
Exchange and other gains	667	752
<b>Net profit for the year</b>	<b>1,861,550</b>	532,213
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>1,861,550</b>	532,213
<b>Basic and diluted earnings per share (in QR)</b>	<b>0.148</b>	0.042

# Financial Statements

## STATEMENT OF CHANGES IN EQUITY

### For the year ended 31 December 2021

(All amounts are expressed in thousands Qatari Riyals unless otherwise stated)

	Share capital	Legal reserve	Retained earnings	Total
<b>Balance at 1 January 2020</b>	12,563,175	61,934	3,513,469	16,138,578
Profit for the year	-	-	532,213	532,213
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	532,213	532,213
Social and sports fund contribution	-	-	(35,421)	(35,421)
Transfer to legal reserve	-	5,672	(5,672)	-
Transaction with owners in their capacity as owners:				
Dividends approved	-	-	(879,422)	(879,422)
<b>Balance at 31 December 2020</b>	12,563,175	67,606	3,125,167	15,755,948

<b>Balance at 1 January 2021</b>	<b>12,563,175</b>	<b>67,606</b>	<b>3,125,167</b>	<b>15,755,948</b>
Profit for the year	-	-	<b>1,861,550</b>	<b>1,861,550</b>
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	<b>1,861,550</b>	<b>1,861,550</b>
Social and sports fund contribution	-	-	<b>(46,539)</b>	<b>(46,539)</b>
Transfer to legal reserve	-	<b>2,054</b>	<b>(2,054)</b>	-
Transaction with owners in their capacity as owners:				
Dividends approved	-	-	<b>(502,527)</b>	<b>(502,527)</b>
<b>Balance at 31 December 2021</b>	<b>12,563,175</b>	<b>69,660</b>	<b>4,435,597</b>	<b>17,068,432</b>



# Financial Statements

## STATEMENT OF CASH FLOWS

**For the year ended 31 December 2021**

*(All amounts are expressed in thousands Qatari Riyals unless otherwise stated)*

	2021	2020
<b>Cash flows from operating activities</b>		
Net profit for the year	1,861,550	532,213
Adjustments for:		
- Interest income	(35,296)	(32,942)
- Impairment of other asset	-	104,620
- Other income	(433)	(21,061)
- Share of results from joint ventures	(1,841,010)	(596,116)
	(15,189)	(13,286)
Movement in working capital:		
- Other assets	62,234	-
- Prepayment and other receivables	(21,486)	-
- Trade and other payables	23,552	(1,722)
- Due to a related party	492	(2,227)
<b>Cash flows generated from/(used in) operations</b>	<b>49,603</b>	<b>(17,235)</b>
Interest received	13,810	32,847
Social and sports fund contribution paid	(35,421)	(29,788)
<b>Net cash generated from/(used in) operating activities</b>	<b>27,992</b>	<b>(14,176)</b>
<b>Cash flows from investing activities</b>		
Dividends received from joint ventures	1,224,290	796,556
Placement of fixed term deposits	(2,196,332)	(4,008,713)
Maturity of fixed term deposits	1,418,087	3,528,098
<b>Net cash generated from investing activities</b>	<b>446,045</b>	<b>315,941</b>
<b>Cash flows from financing activities</b>		
Dividends paid to shareholders	(488,669)	(811,856)
Movement in unclaimed dividends account	(13,858)	(67,566)
<b>Cash used in financing activities</b>	<b>(502,527)</b>	<b>(879,422)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(28,490)</b>	<b>(577,657)</b>
Cash and cash equivalents at beginning of the year	177,486	755,143
<b>Cash and cash equivalents at end of the year</b>	<b>148,996</b>	<b>177,486</b>

Notes to the financial statements are an integral part of the financial statements. For more information, please visit MPH C's website: [www.mphc.com.qa](http://www.mphc.com.qa)



# 2021 Corporate Governance Report



# 2021 Corporate Governance Report

## 1 Introduction

Mesaieed Petrochemical Holding Company (hereinafter referred to as “MPHC” or “the Company”), a Qatari public shareholding company listed on Qatar Stock Exchange, was established on 29<sup>th</sup> of May 2013 in accordance with the provisions of its Articles of Association and Law no. 5 of 2002, promulgating the Commercial Companies Law, especially Article 68 thereof. MPHC then brought its Articles of Association into conformity with the provisions of Law no. 11 of 2015, promulgating the Commercial Companies Law, having regard to the peculiar nature of its incorporation.

QatarEnergy, the founder, Special Shareholder and 65.43% majority shareholder, provides Mesaieed Petrochemical Holding Company with all the required financial and head office services under a service-level agreement. MPHC therefore applies some of QatarEnergy’s established rules and procedures. As part of its Board of Directors’ efforts aimed at complying with the principles of corporate governance and applying industry-standard best practices, MPHC had fully and independently developed a Corporate Governance Framework in line with the peculiar nature of its incorporation. The Framework was approved by the Board on 25<sup>th</sup> of November 2015.

## 2 Scope of implementation of the governance and compliance with its principles

Out of a firm belief in the importance and need for establishing the principles of good governance to ensure and enhance value creation to shareholders, MPHC Board of Directors is firmly committed to implementing governance principals set forth in the Governance Code for Companies and Legal Entities Listed on the Main Market issued by Qatar Financial Markets Authority (QFMA) pursuant to QFMA Board decision no. 5 of 2016, and in line with the provisions of the Company’s AoA.

In doing so, the Board defined the roles and responsibilities of the Board of Directors, Senior Executive Management and employees of the Company. It promotes the principals of justice and equality among stakeholders without discrimination and enables them to exercise and enjoy their rights, upholding values of protecting the minority. The Board maintains productive control and risk management, enhances transparency and disclosure and provides information to the stakeholders at the right time and in the manner that enables them to make decisions and undertake their duties properly.

Moreover, the Board of Directors upholds the values of corporate social responsibility, puts the interest of the Company and its stakeholders ahead of any other interest, carries out its roles and responsibilities in good faith, integrity, honor and sincerity and takes the responsibility arising therefrom to the stakeholders and community.

The Board of Directors always ensures that an organizational framework, that is consistent with the legal and institutional framework of the listed companies, is in place at the Company level. This is achieved through a process of reviewing and updating governance applications, as and when required. In addition, the Board of Directors endeavors to maintain a Code of Conduct that reflects the values held by the Company and ensures the establishment of the principals of transparency, upholding the values of self-censorship and integrity and acknowledging responsibility.

Taking into account the provisions of Article no. 2 of QFMA Governance Code, the Company strictly observes the provisions of QFMA Governance Code and endeavors to maintain its official documents in conformity with such Code to ensure full and proper application of the provisions thereof.

# 2021 Corporate Governance Report

## 3 Board of Directors

### 3-1 Board Structure

Mesaieed Petrochemical Holding Company was established by QatarEnergy, a Qatari state-owned public corporation established by Decree Law no. 10 of 1974, as a parent company of a group of companies that have been operating for decades in the petrochemical industries. Mesaieed Petrochemical Holding Company went public by QatarEnergy in 2013 to serve as a mechanism for the distribution of wealth to Qatari nationals. This was primarily achieved via the discounted IPO price. All shareholders receive generous dividends in proportion to their shareholdings.

MPHC listing on Qatar Stock Exchange was of a specific and unique nature, as shareholders would be given free incentive shares equivalent to 100% of their allocated shares, helping promote saving culture among Qatari nationals, while ensuring that they receive maximum benefit from MPHC activities. In addition, an Amiri grant was given to the underprivileged.

Recognizing the peculiar nature of MPHC's activities and the Company's strategic position, and taking into account the public interest, the Company's Board consists of no less than five (5) and no more than eleven (11) Directors, all of whom are appointed by the Special Shareholder. The Special Shareholder shall, as it may deem appropriate to include independent Directors, take all reasonable steps to ensure that at least one-third of the total number of Directors shall be appointed as independent Directors.

The Special Shareholder (QatarEnergy) may appoint Board Directors for the following reasons that show how closely the Company's financial and operational performance is connected to QatarEnergy, making it vital to maintain aligned strategy and vision:

- QatarEnergy is the founder, Special Shareholder and 65.43% majority shareholder.
- Mesaieed Petrochemical Holding Company

and its joint ventures depend on QatarEnergy for supply of feedstock and infrastructure.

- Mesaieed Petrochemical Holding Company and its joint ventures depend on QatarEnergy for technical and technological support.
- QatarEnergy provides all financial and head office services to the Company under a service-level agreement. These services are provided as and when requested to ensure that the operations of Mesaieed Petrochemical Holding Company are fully supported.

Except for those matters that are decided by shareholders as provided for in the Company's Articles of Association, the Board of Directors has the widest powers to give full effect to the objects of the Company. The Board may delegate any such power to any one or more of the Directors.

### 3-2 Board Composition

Directors are appointed for renewable terms of three (3) years or such shorter periods (being no less than one (1) year). Pursuant to QatarEnergy's resolution no. 11 of 2021 passed on 17<sup>th</sup> of March 2021, MPHC Board of Directors was reconstituted in accordance with Article no. 22 of the Company's Articles of Association (contrary to some provisions of Article no. 6 of QFMA Governance Code). Accordingly, seven (7) Directors were appointed by QatarEnergy with effect from 15<sup>th</sup> of March 2021. In accordance with the definition of the independent Director in QFMA Governance Code, MPHC Non-Executive Directors are Non-Independents, as they are representatives of a legal person that owns more than 5% of the Company's share capital. MPHC Board of Directors does not include executive Directors, as QatarEnergy provides the Company with all the executive services under a service - level agreement.

In accordance with the composition of the Board and its roles and responsibilities provided for in Board Charter, Manual of Authority and Company's Articles of Association, no one or more of Directors may have control over passing

# 2021 Corporate Governance Report

resolutions. Resolutions of the Board shall be passed by a simple majority of those Directors present and entitled to vote at the relevant meeting of the Board, each Director present having one vote.

QatarEnergy appoints only qualified and eligible Board Directors who are sufficiently experienced to perform their duties effectively in the best interest of the Company and dedicated to achieving its goals and objectives. In addition, QatarEnergy ensures that all of its representatives in group companies attend appropriate training and awareness programs so that subsidiaries' boards of directors can achieve the highest levels of performance and adopt the best governance practices.

QatarEnergy makes timely disclosure of any and all resolutions concerning the composition of the Board of Directors or any change thereto (Directors' bios are included in the appendix to this report).

## 3-3 Key roles and responsibilities of the Board

As one of the most important pillars upon which the implementation of the governance at Company level rests, the Board of Directors is accountable to shareholders for exercising due care and diligence in managing the Company in an effective manner, as well as establishing the principles of good governance at all levels to serve the interests of the Company, its shareholders and stakeholders for the greater good. Accordingly, the Board developed a Board Charter within the Corporate Governance Framework in accordance with the industry-standard best corporate governance practices. The roles and responsibilities of the Board and the duties which must be fully performed by Directors are specifically identified in the Charter, which is reviewed and amended following any relevant new changes made by regulators. In addition, the Governance Framework developed by the Board contains the job descriptions of all Board Directors according to their classification and positions they may have in any Board Committee.

The Framework also contains the job description of the Board Secretary.

In accordance with Board Charter, which is available on the Company's website, the Board, among other responsibilities, provides strategic guidance in line with the Company's vision and mission through approving the Company's strategic directions, main objectives and business plans and supervising their implementation. It also develops and supervises proper internal control systems and risk management, appoints the Company's Senior Executive Management and approves the succession planning concerning the management. It establishes mechanisms for dealing and cooperating with providers of financial services, financial analysis, credit rating and other service providers, supervises and ensures the appropriateness of internal control systems of the risk management, conducts periodic review of the Company's internal control procedures mainly by the Board Audit Committee and approves the training and education in the Company that includes programs introducing the Company, its activities and governance in accordance with the Governance Code for Companies and Legal Entities Listed on the Main Market issued by the QFMA.

The Board of Directors oversees all aspects of MPHC corporate governance, monitors its effectiveness and makes amendments as required. The Board also reviews the Company's policies and procedures to ensure compliance with the relevant laws, regulations, MPHC Memorandum of Association and Articles of Association.

The Board may delegate some of its functions or authorities to Board Committees or Special Committees. Special Committees are constituted to undertake specific tasks under written and clear instructions. In accordance with the Company's Manual of Authority, the Board shall determine the authorities it may delegate to the executive management and the procedures for decision-making. The Board may also determine the matters that it retains the right to decide on. In all cases, the Board remains liable for all of its functions or authorities so delegated.

# 2021 Corporate Governance Report

The Board carries out its functions and duties in accordance with the provisions of Article (9) of QFMA Governance Code, amongst which the Board shall not enter into loans that spans more than three years and shall not sell or mortgage real estate of the Company, or drop the Company's debts, unless it is authorized to do so by the Company's Articles of Association, which so authorize to the Company's Board of Directors. In addition, under MPHC internal regulations, including Board Charter, the Board may not act or make transactions that do not comply with the relevant laws and regulations, and that such actions or transactions must be approved by the relevant authorities, including the Company's General Assembly.

In accordance with the Company's AoA, all Directors shall be jointly and individually liable for any fraudulent act, abuse of power, negligent errors in management or violations of the Articles or Law.

## 3-4 Board Chairman

The Chairman is primarily responsible for the proper management of the Company in an effective and productive manner, making available for Board Directors all data and information in a timely manner. The Corporate Governance Framework includes the Chairman's job description (roles and responsibilities). As described in detail within the Governance Framework, these roles and responsibilities, whether strategic, operational or administrative, are well aligned with the Chairman's main objective of providing the strategic guidance to MPHC, protecting shareholders' rights and achieving the Company's vision and strategic objectives profitably and sustainably.

In accordance with the Company's Articles of Association, the Chairman shall represent the Company towards Third Parties. The Vice Chairman shall substitute for the Chairman in his absence.

The Chairman is not a member of any Board Committee referred to in QFMA Governance Code. The Chairman does not hold any executive position at the Company. In this regard, the Company's management ensures that:

- No one person in the Company should have unfettered powers or influence on decision making at the time of developing the Company's Manual of Authority and the relevant regulations.
- The Chairman in his capacity is not a member in any of the Board Committees or Special Committees, while ensuring that committees' Manuals of Authority and Terms of Reference are developed for effective functioning, members of the Committees are properly selected, and that committees' Manuals of Authority and Terms of Reference are in line with best practices of governance.
- The roles and responsibilities of the Chairman are separated from those of the rest of Board Directors and members of the Company's executive management.

## 3-5 Board Directors

Directors are committed to exercising due care and making full use of their diverse skills and experience in managing the Company and complying with the relevant regulations and laws, including Board Charter and the Code of Ethics, and to work in accordance with the ethical principles of integrity, respect, objectivity, accountability, excellence, sustainability and confidentiality to ensure upholding the interests of the Company, its shareholders and other stakeholders to be priority before any other interest. In accordance with the Company's Articles of Association and Conflict of Interest Policy, Directors shall declare any financial and commercial transactions and judicial proceedings that may adversely affect the performance of their assigned duties and responsibilities.



# 2021 Corporate Governance Report

## 3-6 Board meetings

The Board of Directors convenes for the conduct of business, adjourn and otherwise regulates its meetings as it thinks fit. In accordance with Article no. 30-1 of the Company's Articles of Association, the Board shall meet at least six (6) times during the Company's fiscal year, and a three-month period may not lapse without a meeting of Board. Board meeting shall not be valid unless attended by the majority of Directors thereof (with the exception of the Independent Directors), provided that the Chairman or the Vice Chairman is amongst them. In accordance with the amended Articles of Association, the Board met for the required number of times during 2021.

In accordance with Board Charter and the Company's Articles of Association, all Board meetings are convened by a notice from the Chairman or, in his absence, the Vice Chairman (if any), or any two Directors or such other Director as is duly authorized by the Chairman. Meeting agenda and invitations are given to every Director not less than seven (7) days prior to the date set for the meeting. A meeting of the Board shall, with a notice of less than seven (7) days, be deemed to have been appropriately convened in the absence of any objection by Directors and as agreed by those Directors to attend.

In accordance with the Company's Articles of Association, an absent Director may appoint in writing a Director to represent him in attendance and voting, provided that no Director may represent more than one Director. The office of a Director shall be vacated by such Director if he absents himself from three (3) consecutive or four (4) non-consecutive Board meetings without an excuse being accepted by the Board.

To ensure full participation of all Directors in Board meetings, Director has the right to use any secure technological means of communications to enable him to hear and actively participate in discussing Board agenda items and passing resolutions. A participating Director in such a manner shall be considered as personally present at the meeting and counted in the quorum and shall be entitled to vote.

## 3-7 Board resolutions

In accordance with the Company's Articles of Association and internal regulations, Board resolutions shall be passed by a simple majority of those Directors present and entitled to vote at the relevant meeting of the Board, each Director present having one vote. In the event of a tie, the Chairman shall have a casting vote. The Board shall keep minutes of all resolutions and proceedings of Board meetings and those absent from and attending such meetings. The Chairman, Secretary and all attendants shall sign on the minutes. Any objecting Director shall enter his objection in the minutes of meeting.

The Board of Directors may, in case of necessity and on urgency grounds, pass resolutions in writing by circulation subject to written approval on such resolutions by all Directors. The resolution shall be deemed in force and effective for all purposes as if it was adopted at a duly called meeting of the Board. In all cases, the written resolution shall be submitted at the next meeting of the Board, to be included in the minutes of the meeting.

## 3-8 Board Secretary

In accordance with the Company's Articles of Association, the Board or the Special Shareholder may take a decision to appoint a Secretary of the Board for such period and on such terms as it may decide and may revoke such appointment. The Board shall decide on the duties of the Company's Secretary and on the scope of his authority and his/her annual remuneration.

The detailed roles and responsibilities of the Board Secretary are included in the Board of Directors Job Descriptions within the Corporate Governance Framework. These roles and responsibilities are aligned with the main objective of providing comprehensive and confidential administration and support services to the Board of Directors. The Secretary keeps safe Board documents and coordinates among Board Directors in a timely and appropriate manner.

The Secretary ensures that Board documents are

# 2021 Corporate Governance Report

safely maintained and Board meeting agenda, invitations, other required documents, meeting minutes and resolutions are distributed and safely maintained. He/she also ensures that records are kept in accordance with the Company's internal regulations/Articles, ensuring that these records are available upon request by the persons authorized to have access to. These records may include founding documents, lists of the names of Board Directors and their memberships and other official records. The Secretary is also responsible for providing orientation material and scheduling orientation sessions for the new Board Directors. The Secretary is also responsible for providing orientation material and scheduling orientation sessions for the new Board Directors.

The current Board Secretary has a legal experience that spans more than 18 years. In addition, the Secretary has long expertise on the affairs of a listed company.

The Secretary may, as he/she deems appropriate and upon approval of the Chairman, delegate to a representative any of his/her duties, powers or discretionary authorities. However, the representative shall not have the right to delegate such duties, powers and authorities to another person.

## 3-9 Board Committees

As part of implementing governance, the Board of Directors established some Board Committees and Special Committees delegated with some powers and authorities to carry out specific tasks and conduct Company's business. The Board of Directors remains liable for all the powers and authorities so delegated. Board Chairman is not a member of any Board Committee or Special Committee. The Board also reviews and assesses the performance of the committees on an annual basis. Board Committees are as follows:

### 3-9-1 Audit Committee

The Board Audit Committee (BAC) was constituted pursuant to Board resolution no. 8 of the fourth meeting of MPHIC Board of Directors of 2014. The current BAC was formed by virtue of resolution no.

8 of the second meeting of 2018 following Board reconstitution. The BAC currently consists of 3 Board Directors, all of whom have the required experience necessary to effectively perform their duties and exercise all the authorities and powers vested in or exercisable by the Committee. Committee Chairman is not a Chairman or a member of any other Committee.

According to the definition of the independent member in QFMA Governance Code, the composition of the BAC does not include independent members (contrary to Article no. 18 of QFMA Governance Code), as they are members of the Board of Directors appointed by the special and majority shareholder (owning 65.43%). No one of the current members has directly or indirectly conducted external audit for the Company during the two years prior to their membership in the Committee.

The Corporate Governance Framework, which was developed in line with QFMA Governance Code and industry-standard best governance practices, contains BAC Terms of Reference. Committee responsibilities include financial aspects, external and internal audits, internal controls, compliance, risk management and any other aspect within the competence and mandate of the Committee.

BAC reports periodically to the Board of Directors on its activities, issues and raises recommendations, particularly with regard to the review and endorsement of the quarterly, half-year and year-end financial statements, as well as internal and external audit reports, internal control system and risk management.

Committee meeting agenda for 2021 covered the following:

1. Approve the External Auditor's report on financial statements for the financial year ended 31<sup>st</sup> of December 2020.
2. Review and endorse the financial statements for the financial year ended 31<sup>st</sup> of December 2020 and present the executive summary report.
3. Endorse the appointment of the External Auditor for the financial year ending 31<sup>st</sup> of December 2021.

# 2021 Corporate Governance Report

4. Endorse 2020 Corporate Governance Report.
5. Review and endorse the financial statements for the financial period ended 31<sup>st</sup> of March 2021 and present the executive summary report.
6. Review and endorse financial statements for the financial period ended 30<sup>th</sup> of June 2021.
7. Review and endorse the financial statements for the financial period ended 30<sup>th</sup> of September 2021 and present the executive summary report.
8. Periodic review of internal audit activities, including risk assessment update, audit plan for the Company and its joint ventures, conclusions, recommendations and related corrective actions.
9. Review the procedures for appointing the Company's Internal Auditor.
10. Review the tendering procedures for the appointment of the External Auditor for presentation to the Company's General Assembly meeting.
11. Review the group's tax matters in accordance with the provisions of Law no. (24) of 2018 promulgating the Income Tax Law and relevant agreements.
12. Conduct annual self-assessment of the Committee's performance.
13. Present MPH 2021 BAC meeting timetable for acknowledgement.

In accordance with Committee's Terms of Reference, the meeting of the Committee shall be valid only in the presence of the Committee Chairman and a majority of its members. Minutes of meeting shall be prepared for each meeting and signed by all members and representatives present at the meeting. In accordance with the Committee's amended Terms of Reference, Committee holds at least (6) meetings during the financial year. During 2021, Committee met for the required number of times.

The Board Audit Committee currently consists of three Board Directors. The table below shows the current members of the Board Audit Committee:

Name	Position
Mr. Abdulrahman Ahmad Al-Shaibi	Chairman
Mr. Abdulaziz Jassim Al-Muftah	Member
Mr. Mohammed Essa Al-Mannai	Member

## 3-9-2 Remuneration Committee

The Company established a Remuneration Committee pursuant to Board resolution no. 2 of 2018. Committee currently consists of three members, including a Board Director as Chairman, all of whom have the required experience to efficiently perform their duties and exercise all the authorities and powers vested in or exercisable by the Committee. Committee Chairman is not a Chairman of any other Board Committee, and the BAC Chairman is not a member of the Remuneration Committee.

Committee's Terms of Reference were developed in line with QFMA Governance Code and the industry-standard best corporate governance practices. Committee responsibilities include outlining the general policy for granting remunerations on an annual basis, taking into consideration the requirements of relevant regulators. Committee sets the foundations for granting remunerations and allowances to Board Directors and the Senior Executive Management and submits proposals on the remunerations of the joint ventures' Boards of Directors.

In determining the proposed remuneration, Committee takes into account the duties and responsibilities of Board Directors and members of the Senior Executive Management, the Company's performance and benchmarks with the best practices of the similar companies listed on Qatar Stock Exchange. In addition, Committee reviews the self-assessment of Board Directors, taking into consideration many factors that serve the long-term interests of the Company's shareholders and meet their expectations. Committee reports to the Board of Directors on its activities, issues and raises recommendations.

# 2021 Corporate Governance Report

In 2021, Committee held one meeting during which it considered and made resolutions concerning:

1. Review self-assessment of Board Directors –Directors made positive assessments at various levels, such as independence, objectivity, knowledge and experience, teamwork, leadership, goals, contributions, participation and inputs. Directors also discussed several proposals for the enhancement of Board performance.
2. Approve the proposed amendments to the policy of Board allowances and remunerations.
3. Propose the remuneration of Board Directors for the financial year ended 31<sup>st</sup> of December 2020.
4. Review the proposed remunerations of the joint ventures' Boards of Directors - ensuring that these remunerations were determined based on the operational and financial performance of the subsidiaries with a fair estimate.

In accordance with Committee's Terms of Reference, the meeting of the Committee shall be valid only in the presence of the Chairman of the Committee and a majority of its members. Minutes of meeting shall be prepared for each meeting and signed by all members and representatives present at the meeting. Committee shall meet as and when necessary. Prior to Board meeting for reviewing the year-end financial statements, Committee shall meet to make recommendation on the proposed remuneration of Board Directors that should be presented to and approved by the Annual General Assembly.

## Remuneration of Board of Directors

The Company developed a periodically revisited remuneration and allowance policy for Board Directors. The policy has fixed component for Board Directorship and attending meetings and a variable component (remuneration) based on the performance of the Company and the extent to which it achieves its medium- and long-

term objectives, provided that the total of both components - in any case - should not exceed the maximum "ceiling" amount determined by the policy as approved by QatarEnergy. The main principles of this policy are included in the Corporate Governance Framework. In accordance with the Company's Articles of Association, the proposed remuneration of Directors shall be presented to and approved by the General Assembly.

In its remuneration policy, the Company complies with the limits provided for in Article no. 119 of Law no. 11 of 2015, promulgating the Commercial Companies Law that such remuneration does not exceed (5%) of the net profit after deducting reserves, legal deductions and distributing dividends of not less than (5%) of the Company's paid-up capital.

## Remuneration of senior management

All financial, administrative and head office services are provided by resources from QatarEnergy under a service-level agreement. Accordingly, the Company's staffing structure does not include any senior executive position. Therefore, no senior executive management remuneration was approved for 2021.

Committee currently consists of three members. A meeting was held on 16<sup>th</sup> of February 2021 to consider the proposed remuneration of the Board of Directors for the financial year ended 31<sup>st</sup> of December 2020. Board recommendation of no remuneration to its Directors was presented to and approved by the General Assembly held on 24<sup>th</sup> of March 2021. As for Board Committees, no remuneration or allowance is paid for membership or attending meetings. The table below shows the current members of the Committee:

Name	Position
Mr. Abdulaziz Mohamed Al-Mannai	Chairman
Mr. Mohammed Jaber Al-Sulaiti	Member
Mr. Ahmed Aly Mohamed	Member



# 2021 Corporate Governance Report

Committee Chairman is a Board Director. The other two members have long and extensive experience required to properly perform their duties and effectively exercise all the authorities and powers vested in or exercisable by the Committee. Mr. Mohammed Jaber Al-Sulaiti is the Manager of the Privatized Companies Affairs Department, QatarEnergy. Mr. Ahmed Aly Mohamed serves as Head of Governance and Compliance, Privatized Companies Affairs Department, QatarEnergy.

## 3-9-3 Nomination Committee

No Nomination Committee was established at the Company level (contrary to Article no. 18 of QFMA Governance Code), as MPHIC Board of Directors, in accordance with the Company's Articles of Association, consists of no less than five (5) and no more than eleven (11) Directors, all of whom are appointed by the Special Shareholder for the previously mentioned reasons which show how closely the Company's financial and operational performance is connected to QatarEnergy.

## 3-10 Assessment of Board Performance

The Board of Directors conducts an annual self-assessment to ensure that Directors are efficient, honor their commitments, make the most efforts possible and exchange experiences. The assessment takes into account several factors that best serve the long-term interests of the shareholders and meet their expectation as follows:

1. Independence and impartiality in presenting views and ideas while avoiding conflicts of interest.
2. Directors' knowledge and experience that are relevant to the Company's activity.
3. Commitment, participation and team working at the Board and its committees.
4. The role of the Board and the extent to which it achieves the objectives set, including the

outcome of the business and the achievement of the Company's strategy.

5. Communication between the Board on the one side and its committees and the Executive Management of the Company on the other side.
6. Decision-making mechanisms and the accuracy and adequacy of the required information.
7. Providing constructive opinions, suggestions and recommendations and ideas in the best interest of the Company.

The Remuneration Committee, at its first meeting of 2021 held on 16th of February 2021, reviewed the self-assessments of Board Directors for the financial year ended 31st of December 2020. Directors made positive assessments at various levels, such as independence, objectivity, knowledge and experience, teamwork, leadership, goals, contributions, participation and inputs. They also discussed several proposals for the enhancement of Board performance. Assessment results were then submitted to the Company's Board of Directors at its first meeting of 2021 held on 4th of March 2021.

In its first meeting of 2022, the Remuneration Committee will review 2021 Board self-assessment and will make its recommendations in this regard as part of its report to the meeting of the Board of Directors.

During 2021, the Board performed the tasks and dispensed business decisions within its authorities as provided for in the Board Charter. Directors had no grievances or complaints. All proposals were discussed during Board meetings and necessary relevant actions were taken, whether corrective or reinforcing. The Board is satisfied that it has effectively discharged all of their duties and obligations.

# 2021 Corporate Governance Report

## 4 Company's control system

The primary purpose of internal controls is to assist in achieving management's objective of ensuring, as far as practicable, the orderly and efficient conduct of its business, including adherence to management policies, the safeguarding of assets, the prevention and detection of fraud and error, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information. To achieve this, the Company adopted an internal control system that includes the development of internal controls over financial reporting, policies and operating procedures for risk management, internal and external audit, monitoring Company's compliance with the relevant regulations. Clear lines of self-control, responsibility and accountability throughout the Company are therefore set.

The internal control system is overseen by the Senior Executive Management, the Audit Committee and the Board of Directors to discuss observations on the internal controls. The Internal Auditor periodically makes and submits reports in this regard.

To ensure that best standards are applied in developing internal control systems, the management adopted COSO Internal Control – Integrated Framework (2013) as a benchmark framework for preparing the Company's internal control system. COSO Internal Control – Integrated Framework (2013) consists of inter-related components, including control environment, risk assessment, control activities, information, communications and monitoring.

Internal control is an integral part of MPHC's corporate governance, which involves the Board, Board Audit Committee, Senior Executive Management and employees at all organizational levels. It is a process which includes methods and processes to:

1. Safeguard MPHC's assets.
2. Ensure the reliability and correctness of financial reporting.

3. Secure compliance with applicable legislation and guidelines.
4. Ensure that objectives are met and continuous improvement of operational efficiency.

The objective for MPHC's financial reporting is to be in line with the highest professional standards and to be full, fair, accurate, punctual and understandable.

Moreover, having a benchmark framework, such as COSO Framework, will enable the management to establish and maintain an internal control system. The External Auditor can also use it as a benchmark framework to perform their duties in accordance with Article no. 24, in particular with regard to the assessment of the appropriateness and effectiveness of internal control systems implemented in the Company.

To ensure compliance with the provisions of Article no. 4 of QFMA Governance Code, Mesaieed Petrochemical Holding Company should:

1. Establish and maintain adequate and effective internal controls over financial reporting to mitigate the risk of significant misstatements.
2. Evaluate and assess the adequacy and effectiveness of the internal controls over financial reporting to mitigate the risk of significant misstatements.

To achieve this, the Company's internal controls over financial reporting were assessed based on the Company's 2020 standalone financial statements. A top-down approach was used in designing and testing of the Company's framework wherein it begins at the financial statement level and with the understanding of the overall risks to internal controls over financial reporting.

Business risks were assessed using the Company's 2020 standalone financial statements. The risk assessment, which involved application of "Materiality" on MPHC's 2020 standalone financial statements (considering the qualitative and



# 2021 Corporate Governance Report

quantitative factors) based on the inputs of the External Auditor and the best practices, was made to determine the significant accounts, disclosures, their relevant assertions and applicable business processes within the Company for controls identification, evaluation and testing.

This approach directs attention to accounts, disclosures, and assertions that present a reasonable possibility of material misstatement to the financial statements and related disclosures. The next activity involves understanding of the risks in the Company's processes relevant to the identified significant accounts, disclosures and assertions based on risk assessment and select for testing those controls that sufficiently address the assessed risk of misstatement to each relevant assertion. This process can be detailed as follows:

## Risk assessment:

1. Identifying and assessing the risks of material misstatement in the financial statements.
2. Determining materiality (considering the qualitative and quantitative factors), external audit input, and other factors relating to the determination of material weaknesses.
3. Identifying classes of transactions, significant account balances, disclosures, their relevant assertions and applicable business processes based on determined materiality. The financial statement assertions include existence or occurrence, completeness, valuation or allocation, rights and obligations, presentation and disclosures.

## Perform walkthrough:

Following the risk assessment, the relevant internal controls which mitigate the risk of material misstatements for applicable business processes are identified through walkthroughs by reviewing the established policies and procedures, enquiries with management and process owners and understanding the flow of transactions.

These internal controls are grouped as follows:

1. Entity Level Controls (ELCs) – present across the Company and include measures taken by management to equip staff to adequately manage risks through raising awareness, providing appropriate knowledge and tools as well as developing skills.
2. Information Technology General Controls (ITGCs) - The ITGC (applicable IT applications and infrastructure relevant to identified business process) on Company's general IT infrastructure and systems.
3. Business Process Controls - both manual and automated, are embedded in business processes applicable to financial transactions. These controls may change over time due to changes in the Company's business processes.

A walkthrough involves following a transaction from origination through the Company's processes, including information systems, until it is reflected in the Company's financial records, using the same documents and information technology that Company personnel use.

Walkthrough procedures usually include a combination of inquiry, observation, inspection of relevant documentation.

## Test of internal controls:

Following the risk assessment and controls identification, the Internal Auditor conducts control testing on each of the identified controls to assess if they are designed adequately and operating effectively. Control testing encompasses three components: test of design effectiveness, test of operating effectiveness, and ongoing monitoring.

## Test of Design Effectiveness:

Testing the design effectiveness of controls involves determining whether the Company's controls, if they are operated as prescribed by persons possessing the necessary authority and

# 2021 Corporate Governance Report

competence to perform the control effectively, satisfy the Company's control objectives and can effectively prevent or detect errors or fraud that could result in material misstatements in the financial statements. This will conclude if the Company has an adequate system of internal controls over financial reporting.

Testing the design includes a mix of inquiry of appropriate personnel, observation of the Company's operations, and inspection of relevant documentation.

## Test of Operating effectiveness:

Testing the operating effectiveness of controls involves obtaining evidence about whether the control is operating as designed throughout the relevant financial reporting period. For each control selected for testing operating effectiveness, the evidence necessary to conclude that the control is effective depends upon the risk associated with the control, which is assessed based on factors such as nature and materiality of misstatement the control is intended to prevent, history of errors, frequency with which control operates, effectiveness of entity level controls, competency of personnel performing the control, nature of control i.e., automated or manual.

## Evaluating identified deficiencies:

A 'deficiency' in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

Evaluation of the severity of each control deficiency should be made to determine whether the deficiencies, individually or in combination, are significant deficiencies or material weaknesses as of the balance sheet date.

The Company's management recognizes that a significant deficiency or weakness in internal controls over financial reporting increases the

possibility that a misstatement in the Company's annual or interim financial statements will not be prevented or detected on a timely basis, which is important enough to merit attention of those charged with management and governance.

A deficiency in design exists when (a) a control necessary to meet the control objective is missing or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met.

A deficiency in operating effectiveness exists when a properly designed control does not operate as designed, or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

## Remediation Testing:

The Company ensures that any issues or deficiencies either relating to design or operative effectiveness of specific controls are remediated. Once a new control is in place or remediated, it should be given enough time for its operations to validate the control's operating effectiveness. The amount of time that a control should be in place and operating effectively depends on the nature of the control and how frequently it operates.

Based on its assessment of the Company's current internal controls over financial reporting and Testing of Design and Operating Effectiveness, the management believes that the Company has developed an appropriate internal control framework that meets the requirements of the internal control over financial reporting. Moreover, the management considers the developed framework as appropriate to form the basis for compliance with the requirements of Qatar Financial Markets Authority in this regard.

The following are the main elements of the Company's internal control framework:

# 2021 Corporate Governance Report

## 4-1 Risk management

As a service provider under a service-level agreement, QatarEnergy' established risk management rules and regulations are applied. However, the Board of Directors endeavors to maintain an appropriate risk management framework at Company level, as risk management is an integral part of company governance, which the shareholders expect from the Board of Directors.

This framework takes into consideration pursuing an integrated process for continuous risk management, starting from risk identification, assessment, measurement, management to monitoring as follows:

- Risk identification and assessment involve identifying and assessing all risks facing the Company. Risks are classified into four main categories: strategic, operational, financial and compliance related. For each risk, there must be measures to address it effectively, as well as a set of indicators to monitor changes in the overall risk structure and landscape. Risks are simulated in several scenarios in order to develop proper remedies and assess their cumulative impact on the performance of the Company.
- Risks are then measured based on the impact and possibility of their occurrence.
- Risks are managed with the possibility that their level is increased, decreased or maintained in a manner consistent with the determined level of risk accepted by the Company. During treatment, the Company takes into consideration that risks have a life cycle, i.e., before, during and after the occurrence. The Company ensures protection, and that regulations, operational procedures and controls are developed in accordance with the best practices to minimize and mitigate related risks.
- Risks are then monitored to ensure that any related problems are quickly identified and properly addressed.

## 4-2 Audit

### 4-2-1 Internal Audit

Mesaieed Petrochemical Holding Company periodically floats a tender for the engagement of an independent consultant to provide internal audit services in accordance with tendering procedures. Offers are received by a formed Tender Committee. After an evaluation of the technical and commercial offers is made, the Tender Committee makes its recommendations to the Board Audit Committee on the selection of the appropriate consultant. An Internal Auditor was appointed on 1st of January 2018 for three years to provide the Company and its joint ventures, as instructed by the BAC and in accordance with the audit plan, with internal audit services as a "service provider". The Company, following the expiry of the agreement, extended the internal audit agreement for another year with more favorable commercial terms.

The appointed auditor makes a risk assessment at the Company and joint ventures levels, then they draw up an appropriate audit plan and follow up on the implementation of the outstanding observations and related corrective management plans.

The Internal Auditor has access to all business functions and all data are provided as and when requested. The Internal Auditor verifies control systems, financial oversight and risk management. The Internal Auditor also verifies the extent to which the Company is committed to applying internal control systems and complying with the relevant laws and regulations, including Company's compliance with the rules and provisions that govern listing and disclosure to the stock market.

The internal audit reports are prepared by the Internal Auditor in accordance with the international auditing standards. All reports and recommendations are quarterly presented by the Internal Auditor to the BAC and subsequently submitted to the Company's Board of Directors

# 2021 Corporate Governance Report

as part of the BAC periodic report. The report includes assessment results of risks and applied systems at the Company, updates on audit work and related results and an assessment of the Company's performance as to applying the internal controls in accordance with the regulations set by the regulators, a follow up and the current status of the executive management' plans of corrective actions to address any weaknesses in the internal controls and any other tasks as recommended by the Audit Committee. The executive management receives a copy of the report to take the necessary corrective actions as instructed by the Board Audit Committee.

The Internal Auditor completed 10 audits and follow-up audits in accordance with the audit plan that covers MPH, Q-Chem and Q-Chem 2. The scope of the internal audit, which was based on risk assessment, included many areas across these entities, such as main operations (maintenance, projects, industrial control systems) and support functions (corporate governance and compliance, finance and accounts, management reports, human resources, information technology, HSE and enterprise risk management etc.).

## 4-2-2 External Audit

The Board Audit Committee examines and evaluates offers received from external auditors registered in QFMA external auditors' list. Accordingly, the Committee makes its recommendation to the Board on the appointment of the External Auditor. Once approved by the Board, the recommendation shall be included in the agenda of the Company's General Assembly.

The General Assembly appoints the External Auditor for one year, renewable for a similar period or other similar periods up to a maximum of five consecutive years, provided that no re-appointment shall be made before two consecutive years are passed. The agreement between the Company and the External Auditor provides that the External Auditor's employees are required to strictly maintain confidentiality. Under relevant regulations and laws, the External

Auditor is prohibited from combining between their assigned business, functions and duties and any other business in the Company, and from working at the Company before at least one year from the date of relations end with such Company.

The Company floated a tender for the appointment of an External Auditor for a period of two years, starting 2020. The recommendation on the proposed appointment by the committee, which is formed in accordance with Company's tendering procedures, is annually presented to the Company's Ordinary General Assembly for approval. In 2021, the Company's General Assembly, at its meeting for 2020 held on 24<sup>th</sup> of March 2021, approved the appointment of PricewaterhouseCoopers - Qatar as the Company's External Auditor for 2021 for an annual fee of QR 195,000, inclusive of the external audit work and additional work of ICoFR and corporate governance assessment as instructed by QFMA, as well as the Company' compliance with QFMA Governance Code.

Taking into account the requirements of Article no. 24 of QFMA Governance Code, the scope of work of the External Auditor included undertaking control works and assessment of the Company performance, especially relating to appropriateness and effectiveness of internal control systems implemented in the Company, including internal controls over financial reporting, the Company's compliance to its Articles of Associations and the provisions of the Law and QFMA's relevant legislations, including the provisions of QFMA Governance Code.

The External Auditor provides assurance that the financial statements were properly and fairly prepared in accordance with the international accounting and auditing standards. They report on observations made on significant financial issues and implemented financial controls. The External Auditor attended and submitted their report to the General Assembly 2020 held on 24<sup>th</sup> of March 2021.



# 2021 Corporate Governance Report

PricewaterhouseCoopers - Qatar, the External Auditor, submitted their report for the financial year ended 31<sup>st</sup> of December 2020 to the Company's Board of Directors on key accounting and auditing matters. They also submitted their independent assurance report on the suitability of design and operating effectiveness of internal controls over financial reporting of significant operations as at 31<sup>st</sup> of December 2020. The External Auditor, based on the results of their reasonable assurance procedures, concluded that the Board of Directors' assessment of the suitability of design and operating effectiveness of the Company's internal controls over financial reporting of significant processes, based on the COSO framework was presented fairly, in all material respects, as at 31<sup>st</sup> of December 2020. They draw attention to the fact that the assurance report relates to Mesaieed Petrochemical Holding Company on a stand-alone basis and not to Mesaieed Petrochemical Holding Company and the operations of its joint ventures as a whole. They also pointed out that their report was not modified in this respect.

In addition, the External Auditor submitted their independent assurance report on compliance with Qatar Financial Markets Authority's law and related legislations, including the Governance Code for Companies and Legal Entities Listed on the Main Market issued by QFMA's Board pursuant to QFMA's decision no. 5 of 2016 as at 31<sup>st</sup> of December 2020. The External Auditor concluded that nothing came to their attention, based on their limited assurance procedures described in their report, that caused them to believe that the Board of Director's assessment on compliance with QFMA' law and relevant legislations, including the Code, as included in the Corporate Governance Report , did not present fairly, in all material aspects, the Company's compliance with QFMA's law and relevant legislations, including the Code, as at 31<sup>st</sup> of December 2020. They draw attention to the fact that the scope of the assurance report relates to Mesaieed Petrochemical Holding Company on a stand-

alone basis and not to Mesaieed Petrochemical Holding Company and the operations of its joint ventures as a whole. They also pointed out that their report was not modified in this respect.

The External Auditor presented their reports for the financial year ended 31<sup>st</sup> December 2020 to the Company's General Assembly, which was held on 24<sup>th</sup> of March 2021.

Moreover, the External Auditor's full independent reports, which include responsibilities, inherent limitations, scope and its determinants, criteria, results and the basis for conclusion/opinion, were published as part of the Company's annual report available on the Company's website ([www.mphc.com.qa](http://www.mphc.com.qa)).

## 4-3 Compliance

MPHC Board of Directors is strongly committed to maintaining full compliance with all applicable regulations, including QFMA requirements for listed companies. The Board makes every effort to ensure that a governance structure based on best practices, standards and regulatory governance requirements is developed and implemented.

Areas of non-compliance with particular provisions of QFMA Code, including the reasons for any such non-compliance, were highlighted in this report. The Company makes every effort to be in compliance with the provisions of the applicable QFMA law and relevant legislations, including the Code.

The main responsibility of the Compliance Section is to assist the Board of Directors, Board Audit Committee and the Company's management to comply with governance rules, and to manage and monitor risks by ensuring that relevant policies and procedures are in place to protect the Company, as a listed entity, against exposure to non-compliance risks.

The Compliance Section continuously monitors changes to governance regulations and best

# 2021 Corporate Governance Report

practices, and periodically updates the Board on any changes to governance practices / regulations.

As and when the Company is required to update its governance structure due to new changes to corporate governance regulations and leading practices, Compliance Officers are required to prepare and submit proposals on governance changes to the Board for approval.

To this end, as additional layer, a mechanism was developed to review, monitor and ensure that the Company is compliant with applicable laws, rules and regulations, and to enhance the Company's self-revision of risk management. The mechanism, which will be applied, generally aims to:

- Provide a reasonable assurance of the Company's compliance with the relevant applicable laws and regulations.
- Detect cases of non-compliance, whether accidental or intentional.
- Take the necessary disciplinary actions in accordance with the Company's regulations in cases of noncompliant behavior.
- Take the necessary corrective actions to address the consequences of noncompliance.
- Develop proposals to avoid non-compliance in the future.

Each and every joint venture of MPHJ joint ventures, which are not the main focus of this report, is fully aware of the importance of establishing the principles of good governance, including transparency, accountability and responsibility to support efforts geared towards achieving strategic goals and objectives, financial stability and integrity, and thus enhancing operational excellence. On the other hand, each company, in accordance with the agreements under which it was established with other partners, is managed independently by a Board

of Directors having the necessary powers to manage and exercise its duties in full accordance with its fiduciary responsibility, ensuring the protection of all shareholders' rights of different classes. Each company also has its own systems and internal controls, including risk management systems, which are overseen by the its Board of Directors, Board committees and other relevant executive committees, such as audit committees, institutional risk management committees, governance and compliance committees, crisis management and commercial risks committee, tender committees, HSE committee, Qatarization and human resources committee, discipline committee, information technology and cyber security committee and steering committees for projects and major turnarounds, contributing positively to creating a control environment in line with the best standards and practices.

Moreover, Mesaieed Petrochemical Holding Company appoints only qualified and eligible Directors – its representatives to joint ventures - who are sufficiently experienced to perform their duties effectively in the best interest of the joint venture and dedicated to achieving its goals and objectives. Upon appointment, a Director will be fully responsible to the subsidiary, in which he holds a seat on its Board, and shall be held accountable for his decisions to Mesaieed Petrochemical Holding Company as a shareholder in the meeting of the General Assembly, thereby increasing the level of independence from the appointee and non-interference in the management.



# 2021 Corporate Governance Report

## 5 Disclosure and Transparency

### 5-1 Disclosure

The Company complies with disclosure requirements, including A) financial reports and notes thereto as disclosed to the regulators, published in the local newspapers and posted on the Company's website ([www.mphc.com.qa](http://www.mphc.com.qa)), B) number of shares owned by the Chairman, Board Directors and members of the Senior Executive Management, and C) major shareholders. The Company also complies with the requirements of disclosing information on the Chairman, Directors, Board Committees, Chairman and Directors' qualifications and experience as noted from their bios, and whether any of them is a member of the Board of Directors of other listed company, a member of its Senior Executive Management or its Board committees.

On the other hand, during 2021, no penalties were imposed on the Company as a result of violations committed during the year, including violations and sanctions imposed because of non-compliance with the implementation of any of principals or provisions of QFMA Governance Code. No legal case was filed by or against the Company.

Disclosure is made in accordance with specific procedures approved by the Company's management. These procedures include ways of dealing with rumors by proving false or true, and how to clearly disclose in writing in a manner that is consistent with QFMA relevant legislations.

As part of the Company's dedication to transparency and constructive engagement with the internal and external stakeholders, providing them with informative summaries of its businesses from the perspective of governance, economic, social, and environmental aspects, the Company have issued its first sustainability report which summarizes and presents these aspects at a consolidated level for the Group. Through the sustainability report, the Company is provided the opportunity to enlighten its stakeholders about

the Group's journey with sustainability, while emphasizing its philosophy on sustainability that is focused on operating at highest standards of safety, preserving the environment, and promoting economic growth with community well-being.

The Board takes appropriate measures to ensure that all disclosures are made in accordance with the instructions and rules of the relevant regulatory authorities, and that accurate and non-misleading information with the required quality and quantity is provided to all shareholders in an equitable manner to enable them to take informed decisions.

### 5-2 Conflict of Interest

The Board complies with QFMA Governance Code principals for the disclosure of any dealing and transaction the Company enters into with any "Related Party", in which such Related Party has an interest that may conflict with the Company's interest. In all cases, any transaction with Related Parties is disclosed in the notes to the Company's financial statements, which are published in the local newspapers and posted on the Company's website.

The Company also seeks the approval of the General Assembly before entering into a major deal or transaction, as defined by QFMA, with a Related Party. Such deal or transaction must be put on the agenda of the next General Assembly to complete the requisite procedures for conclusion.

Moreover, the Company developed a policy on Related Party transactions in its Corporate Governance Framework. This policy takes into consideration the following:

- Review of these transactions, if any, by the Board Audit Committee and the Board of Directors to ensure compliance with relevant regulations.
- Ensure that all transactions with, or for the benefit of, any Related Party are on terms and

# 2021 Corporate Governance Report

conditions that are acceptable and within safe and sound practices and fulfil the adequacy condition of the required documents and the appropriate levels of the approving authority.

- Ensure that a transparent process, when applicable, is in place with adequate disclosure of Related Party transactions to shareholders.
- Price in a manner consistent with the recognized market practices, or on an appropriate basis, being arms-length.
- Adequate documentation, and such documentation may take the form of, for example, a services agreement, sale and purchase agreement, loan agreement etc., as appropriate, and that the terms and conditions contained therein are consistent with market practices.

During 2021, Related Party transactions at the Company level (on a stand-alone basis) included:

- Annual expenses paid to QatarEnergy for providing the Company with all financial and head office services under a service-level agreement.
- Income tax amounts recovered from joint ventures.
- Annual dividends approved by the joint ventures' General Assemblies.
- Foreign exchange transactions made between MPHIC and its joint ventures as part of managing cash and working capital needs at the joint ventures level. These transactions were made at the official exchange rates.

## 5-3 Transparency and upholding the interest of the Company

The Board of Directors recognizes that the risk of conflict of interest may arise from the fact that a Director or a member of the executive management is a "Related Party", or access to Company's information by employees, service providers and any other stakeholder. In order to

avoid this, the Company adopted a conflict of interest policy within its Corporate Governance Framework to identify, as far as possible, conflict of interest situations, and to prevent losing objectivity by adhering to the appropriate professional conduct and establishing the principles of transparency, fairness and disclosure.

In accordance with the Company's internal regulations and Conflict of Interest policy, if a Related Party is in a conflict of interest situation, it shall not be entitled to attend the discussion, cast vote, or pass a resolution in this respect.

In general, a Related Party shall avoid any situation that may involve or result in actual or potential conflict of interest. In all cases, all related decisions must serve the interests of the Company.

Moreover, Directors and employees / service providers understand that all information related to Mesaieed Petrochemical Holding Company, its joint ventures and customers is confidential for internal purposes only. Using this information for personal, family or any other purpose is considered unethical and illegal conduct.

## 5-4 Disclosure of share trading

The Company adopted procedures and rules that govern insider trading. These procedures and rules take into account the definition of the insider, whether permanently due to holding a position in the Company, or temporarily as a result of carrying out specific tasks for the Company. This insider has access to material information about the Company that could have a positive or negative impact on the investment decisions that can be taken by those who trade Company's share at Qatar Stock Exchange.

The Company updates Qatar Central Securities Depository (QCSD) with the details of the insiders, Directors and members of the Company's executive management to ban their tradings according to the applicable rules, and to disclose their tradings of the Company's shares on a daily basis by Qatar Stock Exchange.

# 2021 Corporate Governance Report

In general, insiders are not allowed to benefit directly or indirectly from the use of inside information that has not yet been disclosed. Trading Company's shares on the basis of inside information, regardless of trade size, is a serious violation of the Company's ethical standards and policies. In addition, the insider may not assist others to trade the Company's shares by improperly disclosing inside information.

## 6 Stakeholder rights

### 6-1 Equal rights of shareholders

Shareholders are equal and have all the rights arising from share ownership in accordance with the provisions of the Law, regulations and relevant decisions.

The Company's Articles of Associations and internal regulations provide for the procedures and guarantees needed for all shareholders to exercise their rights, particularly the rights to receive the determined dividends, attend the General Assembly and participate in its deliberations and vote on decisions, as well as the right to access information and request it with no harm to the Company's interests.

According to the Company's AoA, should a shareholder or a group of shareholders reach an agreement to sell Shares in the Company equal to or exceeding fifty percent (50%) of the Company's market capitalization, such agreement shall not be enforceable unless an offer is extended to the remaining shareholders to exercise, at such shareholders' discretion, their Tag-Along Right.

### 6-2 Register of shareholders

The register of shareholders is managed in accordance with QE applicable rules and procedures. The register of shareholders is kept and updated by Qatar Central Securities Depository (QCSD). Under the agreement between Mesaieed Petrochemical Holding

Company and QCSD, the latter undertakes the tasks of registering, maintaining and depositing of securities, clearing and settlement, entering dealings in securities, whether purchase, sale, transfer of ownership, registration or pledging in the respective registers.

### 6-3 Shareholder rights to access information

The Company's Articles of Association provide for the procedures to be followed by shareholders for accessing information allowed to be disclosed to enable them to exercise their full rights without prejudice to other shareholders' rights or adversely affect the interests of the Company.

The Board of Directors and the Company's employees are making continuous efforts to establish constructive relationship and maintain communication with shareholders and investors so that they can make sound investment decisions by:

- (a) Ensuring fair and transparent disclosure of the Company's information both in quality and quantity in accordance with applicable laws and regulations.
- (b) Publishing a quarterly analytical report that includes details and analysis of the Company's financial and operational performance.
- (c) Publishing a presentation and holding a quarterly virtual earning call.
- (d) Dedicating a professional team to meet shareholders and discuss their inquiries regarding the company's financial and operating performance.
- (e) Attending events and conferences.
- (f) Updating the Company's website ([www.mphc.com.qa](http://www.mphc.com.qa)) in line with the modern display techniques to better serve the shareholders of the Company and all related parties. The website contains a dedicated section for investor relations through which all information subject to regular and immediate release, including, financial reports, press

# 2021 Corporate Governance Report

releases and corporate governance reports and their requirements.

- (g) Making and maintaining strong partnerships with newspapers and other media.

Qatar Stock Exchange and Qatar Financial Markets Authority are provided with the details of the contact person. Further, an email account (mphc@qp.com.qa) is dedicated for receiving inquiries or questions from the Company's shareholders. The Company also seeks views and consider assessments and suggestions from the institutional and individual shareholders, with whom it maintains regular communication.

The representatives of the Company ensure that all information provided to shareholders / investors is of the class that is allowed to be disclosed to the public. Providing confidential information or favoring a shareholder more than another is strictly prohibited.

## 6-4 Shareholder rights to General Assembly

### 6-4-1 Attendance and invitation

In accordance with QFMA instructions, each shareholder, whose name is entered in the shareholders' register at the close of the business on the same day of the Company's General Assembly is entitled to attend the General Assembly meeting. Each share he/she holds is entitled to one vote. In accordance with the Company's Articles of Association, Company's shareholders have all of the relevant rights, including:

- The right of the registered shareholder to attend the General Assembly meeting, in person or by a proxy or legal deputy, at the end of trading session on the day on which the General Assembly is convened.
- The right to participate in deliberations and vote on such matters on the meeting agenda.
- The right of the shareholder to appoint by a proxy executed in writing another shareholder

who is not a Director to attend the General Assembly on his behalf, provided that shareholder by proxy shall not own more than (5%) of the Company's share capital.

- The right of the shareholder (s) who owns at least (10%) of the Company's share capital, for serious grounds, to request an invitation to convene General Assembly. The right of the shareholders representing at least (25%) of the Company's share capital to invite Extraordinary General Assembly to convene pursuant to the procedures prescribed by the Law and the regulations in this regard.

### 6-4-2 Effective Participation

The Company saves no effort to ensure that shareholders have the opportunity to participate effectively, vote in General Assembly meetings and be well informed of the rules, including voting procedures, which govern general shareholder meetings. In achieving this, the Company:

- Provides the shareholders with sufficient information in quality and quantity on the date, location and agenda of the general meetings, as well as complete and timely information regarding the matters to be discussed at the meeting to enable them to make a decision. This is achieved through announcing the meeting agenda in the local newspapers and posting it on the Company's own website. It also communicates the agenda to Qatar Stock Exchange for announcement on its website.
- Enables shareholders to directly pose questions to the Board Directors, place items (if any) on the agenda of the meeting, and to propose or object to resolutions, subject to the procedures established by law and applicable regulations in this regard.



# 2021 Corporate Governance Report

- Provides a mechanism through which shareholders can attend and vote in person or in proxy. Equal effect should be given to votes whether cast in person or in proxy.

In accordance with the Company's Articles of Association, shareholder may object to any resolution deemed for the interest or harm of a certain group of shareholders; or brings personal benefits for Directors or others without regard to the Company's interests. Shareholder is entitled to enter such objection into the record of the meeting and to invalidate the objected resolution without prejudice to the provisions of the Articles of Association in this regard.

For 2021, the following agenda of the Company's Ordinary General Assembly meeting was discussed and approved by the shareholders:

1. Listen to Chairman's message for the financial year ended 31<sup>st</sup> of December 2020.
2. Listen and approve Board of Directors' Report on MPHIC's operations and financial performance for the financial year ended 31<sup>st</sup> of December 2020, and the future plans of the Company.
3. Listen and approve the External Auditor's Report on MPHIC's financial statements for the financial year ended 31<sup>st</sup> of December 2020.
4. Discuss and approve MPHIC's financial statements for the financial year ended 31<sup>st</sup> of December 2020.
5. Approve 2020 Corporate Governance Report.
6. Approve the Board's recommendation for a dividend of QR 0.04 per share for the financial year ended 31<sup>st</sup> of December 2020, representing 4% of the nominal share value.
7. Absolve the Directors of the Board from liability for the financial year ended 31<sup>st</sup> of December 2020.
8. Appoint PricewaterhouseCoopers as the Company's External Auditor for the financial year ending 31<sup>st</sup> of December 2021 and approve their fees.

## 6-4-3 Election of Board Directors

As previously indicated, MPHIC Board of Directors, in accordance with the Company's amended Articles of Association, consists of no less than five (5) and no more than eleven (11) Directors, all of whom shall be appointed by the Special Shareholder for the aforementioned reasons that show how closely the Company's financial and operational performance is connected to QatarEnergy. Accordingly, the Company's AoA make no explicit provisions on the election of Directors and the procedures for nomination, voting and appointment.

QatarEnergy appoints only qualified and eligible Board Directors who are sufficiently experienced to perform their duties effectively in the best interest of the Company and dedicated to achieving its goals and objectives. QatarEnergy makes timely disclosure of any and all decisions on the composition of the Board of Directors or any change thereto.

## 6-4-4 Dividend distribution

In accordance with the provisions of the Company's Articles of Association amended by the resolution of the Extraordinary General Assembly held on 6<sup>th</sup> of March 2017 and pursuant to the resolution of the Extraordinary General Assembly held on 6<sup>th</sup> of March 2018 and without prejudice to the Company's ability to fulfill its obligations towards third parties and pursuant to a resolution by the General Assembly, dividends of not less than five (5) percent of the net profits of the Company after deducting legal deductions shall be distributed to registered shareholders at the end of trading session on the day on which the General Assembly is convened, provided that dividends shall not exceed the amount recommended by the Board.

The main lines of the dividend distribution policy included in the Company's Corporate Governance Framework are explained in the attachments to the meeting agenda of the Company's General Assembly.

# 2021 Corporate Governance Report

In general, the dividend policy requires the Company to balance shareholders' expectations with its operational and investment needs. This is achieved through investigating the following factors before a recommendation on the dividend distribution could be presented to the General Assembly:

- Cash flow constraints: It is not obligatory on MPHIC to distribute full profit to the shareholders. MPHIC shall keep sufficient cash for its operational requirements before dividend distribution.
- Lenders Constraints: MPHIC shall satisfy the financial requirement of lenders, if any
- Legal constraints: Any legal reserves shall be reserved before distributing the dividend.
- Future investment plan: investment plans of MPHIC shall be considered, and sufficient cash shall be retained before dividend distribution unless it has been decided to fund the investment through additional share capital or bank financing.

The proposed annual dividend is subject to the final approval of the General Assembly. The Company, through its agreement with a local bank, Commercial Bank, makes it easier for the shareholders to claim their dividends for the year or previous years in cash at all Commercial Bank branches, or make transfers to the accounts of the shareholders who provided their bank account details to Qatar Central Securities Depository. The Company's website is updated with the required documents and all related details to claim dividends

As for the resolution of Company's General Assembly passed in 2021 for the financial year ended 31<sup>st</sup> of December 2020, the General Assembly approved Board recommendation for a dividend of QR 0.04 per share, representing 4% of the nominal share value.

## 6-5 Conducting Major Transactions

The Company is committed to treat all shareholders equitably. Shareholders of each class of shares are equal and have all the rights arising from the share ownership in accordance with the provisions of the relevant law, regulations and decisions. The Company ensures that minority shareholders are protected against abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly.

Therefore, the Company ensures that all shareholders are equitably treated at the General Assembly meeting, and that voting process is facilitated without prejudice to the provisions of its AoA.

In accordance with the Company's Articles of Association Shareholders in general and Minorities in particular may, in the event that the Company conducts Major Transactions that might harm their interests or prejudice the ownership of the Company's share capital, object and enter such objection into the record of the meeting and to invalidate the objected transaction without prejudice to the provisions of these Articles in this regard.

The Company's capital structure is disclosed in the financial statements and herein. Additionally, Qatar Stock Exchange discloses the Company's major shareholders on its website.

With the exception of some selected entities identified in the Company's Articles of Association, no person or entity, shall hold either directly or indirectly (or be beneficially entitled to) shares of a nominal value exceeding 2% of the Company's share capital. Pursuant to Board resolution no. 5 of 2018 passed on 2<sup>nd</sup> of April 2018, the maximum ownership of the company's share capital is 2%. Qatar Central Securities Depository (QCSD), the entity entrusted with managing the register of the Company's shareholders, ensures that this maximum ownership limit is maintained.



# 2021 Corporate Governance Report

Moreover, the Company convened an Extraordinary General Assembly meeting on 6<sup>th</sup> of March 2018 to amend its Articles of Association and added an article on determining the Non-Qatari ownership percentage to a maximum of forty- nine percent (49%) of the portion of the shares listed on Qatar Stock Exchange.

Details of shareholdings in MPHIC share capital could be obtained from Qatar Central Securities Depository as per the register of shareholders. Details of major shareholdings as at 31<sup>st</sup> of December 2021 are as follows:

Shareholder	Percentage of Shares (%)
QatarEnergy	65.43%
Qatar Investment Authority	1.23%
Vanguard Emerging Markets Stock Index Fund	0.49%
Military Pension Fund	0.47%
Vanguard Total International Stock Index Fund	0.46%
Other Shareholders	31.92%
Total	100%

MPHC relies on QCSD to obtain valid up-to-date record of shareholdings. As per the information obtained from QCSD as of 31<sup>st</sup> of December 2021, no shareholder has exceeded the limit specified in the Company's Articles of Association, except as expressly provided therein.

## 6-6 Stakeholder rights (non-shareholders)

MPHC safeguards and ensures respect for the rights of the Company's stakeholders in accordance with QFMA Code. Each stakeholder may request the information related to his interest upon submitting a proof of identity. The Company is committed to provide the requested information in a timely manner and in a way that does not threaten others' interests or prejudice its interests.

A whistleblowing policy and related procedures were adopted within the Company's Corporate Governance Framework to disclose any wrongdoing that may adversely impact the Company, its customers, shareholders, employees or the public at large. Under the policy, MPHIC assigns a member of the Board Audit Committee to address whistleblowing concerns. The assigned Committee member ensures that issues raised through whistleblowing are raised and reported to the Board Audit Committee according to the materiality of the issue. A whistleblowing hotline (+974) 4013-2803 was established and provided on the Company's website ([www.mphc.com.qa](http://www.mphc.com.qa)) to report malpractice, unlawful or unethical behaviour.

These procedures are also a key defense against management override of internal controls and thus can help improve corporate governance.

Mesaieed Petrochemical Holding Company recognizes that the decision to report a concern can be a difficult one to make, not least because of the fear of reprisal from those responsible for the malpractice. MPHIC will not tolerate harassment or victimization and will take action to protect the whistle-blower that raises a concern in good faith.

# 2021 Corporate Governance Report

## 6-7 Community right

MPHC listing on Qatar Stock Exchange was of a specific and unique nature, as shareholders would be given free incentive shares equivalent to 100% of their allocated shares in accordance with the mechanism outlined in the IPO prospectus, helping promote saving culture among Qatari nationals while ensuring that they receive maximum benefit from MPHC activities.

QatarEnergy, the founder, Special Shareholder and majority shareholder, completed the distribution of the first tranche of free incentive shares equivalent to 50% of the allocated shares to eligible shareholders who have fulfilled eligibility criteria as at the close of trading in Qatar Stock Exchange on Monday 31<sup>st</sup> of December 2018 in accordance with the mechanisms set forth in MPHC IPO Prospectus.

The free shares were allocated from QatarEnergy's stake, which decreased from 74.2% to 65.5%, a reduction of 8.7%. QatarEnergy relinquished approximately 109.3 million shares with a market value of QR 1.6 billion as at the close of trading in Qatar Stock Exchange on Monday 31<sup>st</sup> of December 2018. In addition, QatarEnergy waived the proposed dividends attached to these shares by the Board for the financial year ended 31<sup>st</sup> of December 2018.

The date of the second grant is scheduled to be on 31<sup>st</sup> of December 2023, provided that shareholders should keep 50% of the shares allocated to them at the time of subscription until the date of the second grant.

Mesaieed Petrochemical Holding Company works towards achieving economic and operational integration among its group companies in support of the State's strategy of national economic development. Since its inception, MPHC has distributed dividends, totaling QR 6.8 billion, equivalent to QR 0.54 per share, taking into consideration the amended nominal share value, which is QR 1.

Through its joint ventures, the Company contributes significantly to the comprehensive economic development, social welfare, environmental protection, job creation through initiatives in the areas such as:

- a) Health, Safety and Environment: health awareness campaign, process safety management programs, enhancing process safety and promoting safety culture, HSE training, operational excellence, environment awareness programs and trainings, compliance with applicable laws and regulations, optimizing resources and minimizing emissions and waste through ongoing investment in environmental projects etc.
- b) People: Qatarization programs in line with QNV 2030 (partnership with educational institutions, internships, career fairs, trainings), employee retention, training and development, promoting health and fitness, sports activities etc., and
- c) Community: Community events declined in 2020 due to the precautionary measures taken in response to Covid-19 pandemic. However, efforts were made to promote community partnership, providing Qatari young people with educational opportunities and initiatives, fundraising campaigns, turtle beach clean-up campaigns, added value for business partners, ensuring customer satisfaction and approximately 79% of the total spending went for local procurement.

As part of the Company's dedication to constructive engagement with the stakeholders and reaffirming its continued commitment to the environmental and economic development, MPHC issued its inaugural 2020 sustainability report, which is available on the Company's website ([www.mphc.com.qa](http://www.mphc.com.qa)). The sustainability aspects in the report are summarized and presented at a consolidated level for MPHC and its Group companies. The report represented an opportunity for MPHC to enlighten its stakeholders about the Group's sustainability

# 2021 Corporate Governance Report

journey and provided them with informative summaries of the Group's businesses from the perspective of governance, economic, social, and environmental aspects.

The group ensures that stakeholders' needs are fulfilled and continuously strives to enhance its systems to create value for its people, community, and the environment. With the application of many standards in pursuit of a sustainable future, the Group made many achievements during 2020, including but not limited to, maintaining reliable and safe operations with zero tier 1 & tier 2 process safety events, zero company responsible environment events and embarkment on a journey to implement a world-class Greenhouse Gas (GHG) Accounting and Reporting (A&R) program in line with QatarEnergy's approved procedure for GHG emissions.

The Group's sustainability solutions have made it a role model for other petrochemical companies in the region. The Group's sustainability approach is aligned with Qatar National Vision 2030 (QNV 2030) to be a sustainable society that places high value on the environmental, economic, and human development matters.

## The Social and Sport Contribution Fund

Pursuant to Law no. 13 of 2008 amended by Law no. 8 of 2011, a 2.5% of the Company's annual net profit is allocated to support sports, cultural, social and charitable activities. For the financial year ended 31<sup>st</sup> of December 2020, the 2.5% amounted to QR 35.4 million was contributed to support these activities (2019: QR 29.8 million). The deducted amount was credited in full to the account of the Social and Sport Contribution Fund on 28<sup>th</sup> of March 2021.

For the financial year ended 31<sup>st</sup> of December 2021, the Company has allocated QR 46.5 million, representing 2.5% of its 2021 net profits, to support these activities.

## Conclusion

Through its Board of Directors, Mesaieed Petrochemical Holding Company is committed to implementing corporate governance principles and best practices, maintaining by-laws and internal procedures to achieve the highest levels of governance and create anticipatory (proactive) compliance environment aimed at safeguarding its assets and capital, protecting the interests of its customers and shareholders and preserving the Company's integrity and image.

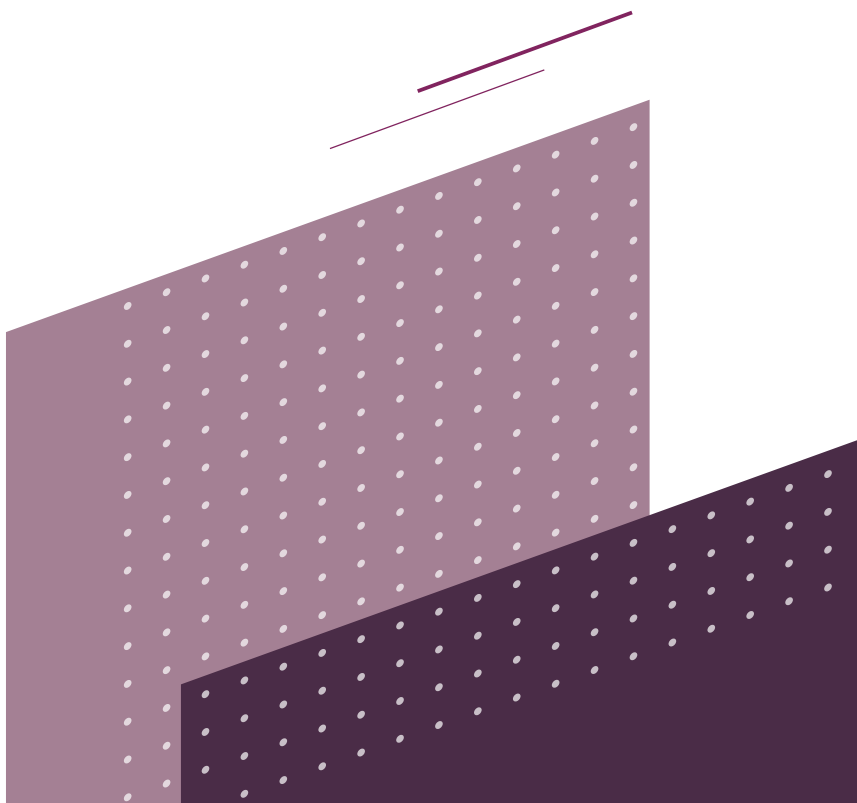
The Board is satisfied that it has effectively discharged all of its duties and obligations and fulfilled its mandate during 2021 as set out in its Charter and relevant legislation. The Board exercises due care and diligence in managing the Company in an effective and productive manner to achieve the interest of the Company, all shareholders and stakeholders in a balanced manner.

### Ahmad Saif Al-Sulaiti

Chairman



# Appendix: Board of Directors Bios



# Appendix: Board of Directors Bios



## **Mr. Ahmad Saif Al-Sulaiti**

Chairman

Non-Executive member / Non-Independent

### **Qualifications and experience:**

Mr. Ahmad Saif Al-Sulaiti graduated from Carlette Park College – UK in 1984 with a Higher Diploma in Mechanical Engineering.

Mr. Al-Sulaiti joined QatarEnergy in 1976. He has extensive management experience of large oil and gas fields operations in QatarEnergy. He has 38 years of extensive experience in Oil and Gas Fields Operations and Petrochemicals, Re-development of existing fields, Major projects commissioning, Organizational restructuring, Manpower management, and Economic evaluations and acquisitions.

Mr. Ahmad Saif Al-Sulaiti is currently Executive Vice President - Operations in QatarEnergy.

### **Other positions\*:**

Chairman, Woqod

Vice Chairman, Nakilat

**Number of shares in MPHC:** 49000

# Appendix: Board of Directors Bios



## **Mr. Mohamed Salem Al-Marri**

Vice Chairman

Non-Executive member / Non-Independent

### **Qualifications and experience:**

Mr. Mohamed Salem Al-Marri earned a Bachelor of Science Degree in Natural Gas Engineering in 1991.

Mr. Al-Marri began his career in QatarEnergy in 1991 and held various engineering positions and was a member in projects task forces in Qatargas-1 LNG Venture and NGL-4 Project.

In 2002, he joined QatarEnergy Oil & Gas Ventures Directorate where he held several positions including Manager, Oil & Gas Surface Development overseeing the facilities design and the execution of the new projects such as the LNG, GTL, Gas Pipelines and Oil fields. In 2014, he was appointed as Executive Vice President, Projects, Engineering and Procurement Services.

**Other positions\*:** Nil

**Number of shares in MPHC:** Nil



# Appendix: Board of Directors Bios

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## **Mr. Abdulaziz Jassim Al-Muftah**

BAC Member

Non-Executive member / Non-Independent

### **Qualifications and experience:**

Mr. Abdulaziz Jassim Al-Muftah currently holds the position of EVP. Industrial Cities of QatarEnergy. He is the Chairman of the Board of Director of Qatar Petrochemical Company (QAPCO), Qatofin Company, and Qatar Vinyl Company. He previously held various positions in the Boards of Directors of each of Oryx GTL, Qatar Fuel Additives Company (QAFAC), AMWAJ Company, and ASTAD Company. He graduated from Miami University – USA with a Bachelor of Science in Electrical Engineering. Mr. Al-Muftah has more than 35 years of experience in the oil, gas, and petrochemicals sector.

**Other positions\*:** Deputy Chairman, Woqod

**Number of shares in MPHC:** 165620

# Appendix: Board of Directors Bios



## **Mr. Abdulaziz Mohammed Al-Mannai**

Chairman of the Remuneration Committee

Non-Executive member / Non-Independent

### **Qualifications and experience:**

Mr. Al-Mannai holds the position of Executive Vice President – Human Capital at QatarEnergy since 2014. He is also a board member of Qatargas and the Vice Chairman of Industries Qatar. His current role in QatarEnergy focuses on all People-related aspects, in addition to providing oversight over Information Technology.

He graduated as an Aeronautical Engineer and prior to joining QatarEnergy, Mr. Al-Mannai worked for Qatargas as Human Resources Manager for 5 years and filled various leadership roles in the LNG expansion projects. During his time at Qatargas, he also represented the industry and Qatar as a member and Vice Chairman of the International Gas Union (IGU) Human Capital Development Committee between 2011 and 2014. He was also a member of a number of working committees and groups locally and internationally that focused on Human Capital Development in the Oil and Gas sector.

**Other positions\*:** Vice Chairman, Industries Qatar

**Number of shares in MPHIC:** 98000

# Appendix: Board of Directors Bios

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## **Mr. Abdulrahman Ahmad Al-Shaibi**

BAC Chairman

Non-Executive member / Non-Independent

### **Qualifications and experience:**

Mr. Abdulrahman Ahmad Al-Shaibi obtained B.S.C. in Finance and Business Administration from the University of Arizona in 1988.

Mr. Abdulrahman Ahmad Al-Shaibi joined QatarEnergy in 1989 as Financial Analyst.

He also held the position of Manager, Project Finance / Director Finance – QatarEnergy.

Mr. Al-Shaibi is currently the Executive Vice President – Finance & Planning of QatarEnergy. He is responsible for developing and implementing finance strategies and practices in line with International Best Practice.

**Other positions\*:** Chairman, QAMCO

**Number of shares in MPHC:** 171500

# Appendix: Board of Directors Bios



## **Mr. Mohammed Essa Al-Mannai**

BAC Member

Non-Executive member / Non-Independent

### **Qualifications and experience:**

Mr. Mohammed Essa Al-Mannai obtained an LLB (Hons.) Degree from the University of Liverpool in 2007 and the BVC from the College of Law in London in 2009.

Mr. Al-Mannai joined QatarEnergy in 2007 as Counsel within the Projects division within the Legal Department.

Mr. Al-Mannai currently holds the position of General Counsel and Board Secretary at QatarEnergy.

**Other positions\*:** Board Director, QAMCO

**Number of shares in MPHIC:** 16340

# Appendix: Board of Directors Bios



## **Mr. Ali Nasser Telfat**

Non-Executive member / Non-Independent

### **Qualifications and experience:**

Mr. Ali Nasser A. Telfat holds a Bachelor of Science in Electrical Engineering from Tri-State University, USA - February 1990.

Mr. Telfat joined QatarEnergy in 1990 as Telecommunication Engineer and held the positions of Head of Telecommunications Service (Offshore), and Field Support Manager.

Between January 2010 and September 2012, he served as Corporate Training Manager.

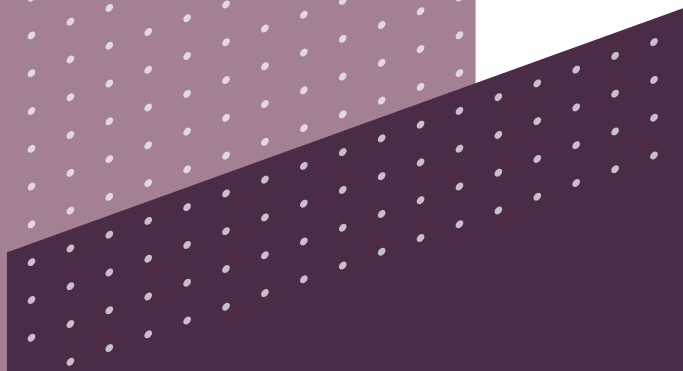
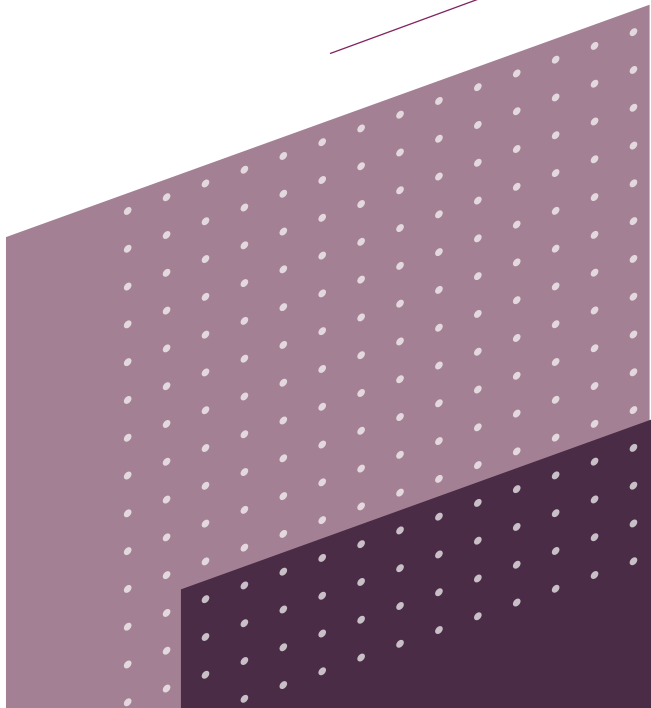
He also served as A/Manager of Public Relations and Communications, and as Director, Office of QatarEnergy's Chairman and Managing Director.

Mr. Telfat currently holds the position of Corporate Manager, Office of QatarEnergy's President and CEO. He is also the Director of the office of the Minister of State for Energy Affairs.

**Other positions\*:** Nil

**Number of shares in MPHC:** 132670

\*Positions on the Boards of other public shareholding companies. MPHC Board Directors may also have positions in other entities / companies.







شركة مسيعيد  
للپتروكيمياويات  
القابضة

Mesaieed  
Petrochemical  
Holding Company

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