

Saudi Readymix Concrete Company
iktva Agreed Upon Procedures
FOR THE YEAR ENDED 31 DECEMBER 2020

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REPORT OF FACTUAL FINDINGS

To the Shareholders
Saudi Readymix Concrete Company
Khobar, Kingdom of Saudi Arabia

We have performed the procedures Agreed with you as set forth in Appendix B for the objective of assisting Saudi Readymix Concrete Company ("the Company") to determine the accuracy of the Saudi Aramco Oil Company In-Kingdom Total Value Added Return ("IKTVA Survey") as enclosed in Appendix A for the year ended 31 December 2020. Our engagement was undertaken in accordance with the International Standard on Related Services (4400) applicable to Agreed upon procedure engagements as endorsed in the Kingdom of Saudi Arabia. Our findings are summarized in Appendix B to this report.

Because the above procedures do not constitute neither an audit nor a review made in accordance with International Standards on Auditing or International Standards on Review Engagements as endorsed in the Kingdom of Saudi Arabia, we do not express any assurance on the IKTVA Survey as of 31 2020.

Had we performed additional procedures or had we performed an audit or review in accordance with International Standards on Auditing or International Standards on Review Engagements as endorsed in the Kingdom of Saudi Arabia, other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose. This report relates only to the items specified above and does not extend to any financial statements of the Company, taken as a whole.

Baker Tilly MKM & Co.
Certified Public Accountants

Bader Hatim Al-Tamimi
License No. 489
9 August 2021
1 Muharram 1443



Company Name: Saudi Ready Mix LTD

Fiscal Year End: 12/31/2020

Address: 8653 Industry City 2, Dammam

Comm Reg#: 2051024902

Vendor IDs: 10013836, 10013838, 10013837, 10013841

IKTVA Contact Person

Name: Chris Leptokaridis

e-mail: chris.leptokaridis@saudireadymix.com.sa

Office #: (+)966 9200 00 209 ext 2012

Mobile #: (+)966 562655760

Local Company CEO/GM

Name: Mohammed Abu Zaid

e-mail: Mohammed.AbuZaid@saudireadymix.com.sa

Office #: 92 0000 209 ext 2800

Mobile #: +966 560500022

Local Company Financial Executive

Name: Mohamed Kamel

e-mail: Mohamed.Kamel@saudireadymix.com.sa

Office #: 92 0000 209 ext 2330

Mobile #: +966 54 9756680

2. Please provide a brief description of the types of goods and services provided to Saudi Aramco and other KSA customers (250 character limit).

We are providing Saudi Aramco projects with various type of products, like ready mixed concrete and masonry products.

3. Please provide a brief overview of the company's actions and accomplishments to support and promote iktva and Saudization (400 character limit).

by supporting national manufacturers and local sourcing of raw materials and hire saudil national skilled labors and manpower.

4. Please list the city and country of any of the company's operations that provide goods and services to customers located in KSA:

Dammam, Jubail, Khafji, Hofuf, Fadhili, Ras alkhair, Riyadh, Khafj, Qassim, Jeddah, Makkah, Madhina, Yanbu, Taif, Rabigh.

Local Executives Signature

Local Company CEO/GM:

Mohammed Abu Zaid

Local Company Financial Executive:

Mohamed Kamel

5. Please complete the table below for companies that are affiliated or related (subsidiary, affiliates, JV, etc.) to your company that are consolidated into this iktva survey:

Vendor ID #	Company Name	Owner-ship %	Co-Owner Name
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Saudi Ready Mix LTD

Section 2: iktva Score		Saudi Aramco	Saudi Aramco
Category A: Goods & Services, Depreciation, and Amortization:		12/31/2019	12/31/2020
Goods and Services (Section 3)		\$16,185,854	\$9,513,609
Depreciation (Section 6)		\$322,059	\$139,988
Expat Compensation (Section 4)		\$1,238,296	\$712,552
Total Category A		\$17,746,209	\$10,366,149
Category B: Saudi Compensation (Section 4)		\$1,102,601	\$521,297
Category C: Training and Development of Saudis (Section 7)		\$731	\$0
Category D: Supplier Development (Section 8)		\$0	\$0
Category R: Research and Development (Section 9)		\$0	\$0
Total iktva Contribution		\$18,849,541	\$10,887,447
Category E: Total In-Kingdom Costs			
Local Costs (Section 12)		\$30,573,655	\$16,770,387
Out-of-Kingdom Costs (Section 11)		\$0	\$0
Total Category E		\$30,573,655	\$16,770,387
Pre-export iktva ratio		62%	65%
Category X: Export Revenue (Section 11)		0%	0%
iktva Score (%)		62%	65%

Total KSA		Total KSA
12/31/2019		12/31/2020
\$136,967,924		\$128,297,788
\$2,725,326		\$1,887,834
\$10,478,707		\$9,609,274
\$150,171,957		\$139,794,895
\$9,330,429		\$7,030,062
\$6,187		\$0
\$0		\$0
\$0		\$0
\$159,508,572		\$146,824,957
\$258,720,365		\$226,160,590
\$0		\$0
\$258,720,365		\$226,160,590
62%		65%
0%		0%
62%		65%

Saudi Ready Mix LTD

Section 3: In-Kingdom Suppliers

[illegible]

1 Please list your top in-Kingdom suppliers in descending order. Ideally the detail provided will cover at least 70% of the total for each year.

Saudi Ready Mix LTD

Section 4: Labor									
Jobs Categories ¹	Description ²	31-Dec-19			31-Dec-20			2019 vs. 2020	
		Saudi Headcount	Expats Headcount	Total	Saudization %	Saudi Headcount	Expats Headcount	Total	Saudization %
1 Managers	Chief executives, senior officials, and managers	11	50	61	18%	7	57	64	11%
2 Professionals	Science, engineering, business, administration, and IT professionals	23	19	42	55%	81	27	108	75%
3 Technicians and associate professionals	Science, engineering, business, administration, and IT associate professionals	57	198	255	22%	51	185	236	22%
4 Clerical support workers	General and keyboard, customer services, numerical and material recording clerks	18	30	48	38%	19	31	50	38%
5 Service and sales workers	Personal service, sales, personal care, and protective services workers	107	18	125	86%	75	27	102	74%
6 Skilled agricultural, forestry and fishery workers	Market-oriented skilled agricultural, forestry, and fishing workers	0	0	-	NA	0	0	-	NA
7 Craft and related trades workers	Building, metal, machinery, handicraft, electrical and electronic, and related trades workers	55	338	393	14%	39	314	353	11%
8 Plant and machine operators, and assemblers	Stationary plant and machine operators, assemblers, drivers and mobile plant operators	8	1,143	1,151	1%	18	1,042	1,060	2%
9 Elementary occupations	Cleaners, helpers, labourers, and elementary workers	5	190	195	3%	5	255	260	2%
0 Armed forces occupations	Commissioned/non-commissioned armed forces officers, and armed forces occupations	0	0	-	NA	0	0	-	NA
Total		284	1,986	2,270	13%	295	1,938	2,233	13%

Compensation	31-Dec-20	
	Saudi	Expat
Total Compensation and Benefits	\$7,030,062	\$25,971,011
iktva Ratio	100%	37%
Total	\$7,030,062	\$9,609,274
Saudi Aramco Portion %	7%	7%
Saudi Aramco Portion \$	\$521,297	\$712,552
Average Compensation	\$23,831	\$13,401

¹ Categories above are based on ISCO (International Standard Classification of Occupations)

² Please refer to <http://www.ilo.org/public/english/bureau/stat/isco/docs/resol08.pdf> for more details.

Saudi Ready Mix LTD

Section 5: Capital Expenditures		31-Dec-20			
Productive Asset Class	Examples	Total Acquisition Cost	Manufactured IK?	% of Cost Allowed	In-Kingdom Allowance
Land	Real estate, unimproved property	\$0	YES	100%	\$0
Land Improvements	Site improvements, utilities, fencing, paving, grading, concrete, infrastructure	\$0	NO	20%	\$0
Buildings	Open/enclosed sheds, office buildings, manufacturing facilities, warehouses, camps, portables	\$0	YES	100%	\$0
Building Improvements	Water treatment, water heating, compressed air system, air conditioning, process cooling water, major electrical	(\$245,837)	NO	20%	(\$245,837)
Furniture & Fixtures	Office furniture, desks, cubicles, office chairs, etc.	(\$8,709,721)	YES	100%	(\$8,709,721)
Appliances	Refrigerators, ovens, washers/dryers	\$0	YES	100%	\$0
Manufacturing Equipment	Lathes, milling machines, CNC, grinders, rolling mills, welders, coating equipment, tooling, etc.	(\$56,947)	NO	20%	(\$11,389)
IT and Telecom Equipment	Computers, copiers, telephones, PBX switches, VOIP equipment	\$96,679	YES	100%	\$19,336
Software	Computer software	\$1,583,057	NO	20%	\$316,611
Vehicles	Trucks, vans, cars, trailers, fork lifts, construction equipment, earth movers, semi's, mobile cranes, etc.	\$0	YES	100%	\$0
Other Equipment	Vessels, pumps, tanks, compressors, heat transfer, furnace, cranes, stands, dollies, racks, testing, etc.	\$1,419,968	NO	20%	\$283,994
Drilling	Onshore & offshore rigs	\$0	YES	100%	(\$27,918)
Other (Describe)	Other (please give examples)	\$0	NO	20%	\$0
Other (Describe)	Other (please give examples)	\$0		0%	\$0
Other (Describe)	Other (please give examples)	\$0		0%	\$0
Other (Describe)	Other (please give examples)	\$0		0%	\$0
Other (Describe)	Other (please give examples)	\$0		0%	\$0
Other (Describe)	Other (please give examples)	\$0		0%	\$0
Other (Describe)	Other (please give examples)	\$0		0%	\$0
Other (Describe)	Other (please give examples)	\$0		0%	\$0
Other (Describe)	Other (please give examples)	\$0		0%	\$0
Other (Describe)	Other (please give examples)	\$0		0%	\$0
Total		(\$6,052,391)		0%	(\$8,374,924)

Saudi Ready Mix LTD

Section 6: Depreciation and Amortization											
Yr	In-Kingdom Allowance	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
2011	\$0	\$0									
2012	\$1,657,872	\$165,787	\$165,787								
2013	\$6,059,907	\$605,991	\$605,991	\$605,991							
2014	\$5,511,046	\$551,105	\$551,105	\$551,105	\$551,105						
2015	\$9,585,039	\$958,504	\$958,504	\$958,504	\$958,504	\$958,504					
2016	\$3,056,318	\$305,632	\$305,632	\$305,632	\$305,632	\$305,632	\$305,632				
2017	\$1,100,184	\$110,018	\$110,018	\$110,018	\$110,018	\$110,018	\$110,018	\$110,018			
2018	\$2,144,128	\$214,413	\$214,413	\$214,413	\$214,413	\$214,413	\$214,413	\$214,413	\$214,413		
2019	(\$1,861,231)	(\$186,123)	(\$186,123)	(\$186,123)	(\$186,123)	(\$186,123)	(\$186,123)	(\$186,123)	(\$186,123)	(\$186,123)	
2020	(\$8,374,924)	(\$837,492)	(\$837,492)	(\$837,492)	(\$837,492)	(\$837,492)	(\$837,492)	(\$837,492)	(\$837,492)	(\$837,492)	(\$837,492)
Totals		\$1,887,834	\$1,887,834	\$1,722,047	\$1,116,056	\$564,951	(\$393,553)	(\$699,184)	(\$809,203)	(\$1,023,616)	(\$837,492)
Saudi Aramco Portion %		7%									
Saudi Aramco Portion \$		\$139,988									

Saudi Ready Mix LTD

Section 10: Female Employment		2020
Description ¹		Total KSA
Female Payroll		
Number of Saudi National Female Employees	Headcounts should be taken from year end payroll report.	64
Total Female Saudi National Salaries, Wages, and Benefits	Compensation amounts for the year Including salaries & wages, bonuses, housing, and transportation including compensation for all Saudis, including expats. Excludes costs related to SPSP, interns and co-ops (these costs should be included in Training & Qualification).	\$405,397
Average Compensation / Saudi National		\$6,334
Training & Development of Female Workforce		
Headcount	Number of Saudi females participating in technical training & qualification activities (both IK and OOK).	0
Training & Qualification Costs	Training & qualification expenses related to female Saudi Nationals.	\$0

Saudi Ready Mix LTD	
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Section 11: In-Kingdom Based Revenue		31-Dec-20	
	Description ¹	Saudi Aramco	Total KSA
IK Based Customers Served by IK Operations	Sales to all IK customers (KSA includes sales to Saudi Aramco) from operations based IK.	\$17,733,011	\$239,142,261
IK Based Customers Served by out-of-Kingdom (OOK) Operations	Sales to all IK customers from operations based OOK.	\$0	\$0
Export Sales	Sales from IK operations to OOK customers (end user OOK).		\$0
Total Revenue		\$17,733,011	\$239,142,261

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Section 12: Cost Reconciliation		Reconciles With	Year Ended 12/31/2020
Income statement line items			
Direct Costs			\$215,814,643
General and Administrative Expenses			\$4,878,133
Selling and Distribution Expenses			\$2,610,815
Finance costs			\$992,231
ZAKAT			\$507,338
Other costs			\$1,357,430
Total cost per audited financial statements			\$226,160,590
Deductions (if any, negative number)			\$0
Total Costs for Local Entity(ies)			\$226,160,590
Additional Costs Included:			
Saudi Expat Compensation			\$0
IK Goods and Services for OOK Operations			\$0
Other OOK Costs			\$0
Total Costs Included:			\$226,160,590
Less Eliminations (Negative Numbers)			
Intercompany Costs			\$0
Depreciation and Amortization			(\$14,977,565)
G&S Purchased from OOK Suppliers			\$0
Expat Salaries, Wages, & Benefits		Section 4	(\$25,971,011)
Saudi Salaries, Wages, & Benefits		Section 4	(\$7,030,062)
Saudi National Training Cost		Section 7	\$0
Supplier Development Costs		Section 8	\$0
Research & Development Costs		Section 9	\$0
Reversal of Receivables write off/ provision included G&A			\$1,050,588
Impairment of property, plant and equipment			(\$1,357,430)
Other (specify)			\$0
Other (specify)			\$0
Other Disallowable Costs			\$0
G&S Purchased from In-Kingdom Suppliers		Section 3	\$177,875,111
Saudi Aramco Portion %			7%
Saudi Aramco Portion \$			\$16,770,387

The items listed in the reconciliation table can be customized to meet the specific supplier's situation. However, items in blue are required.

Appendix B – Agreed Upon Procedures

Procedures Performed	Factual Findings
<p>A – General</p> <p>1. Obtained from the management a copy of the completed iktva Survey form (“the Survey”) denominated in United States Dollars (“USD”) and performed the following procedures.</p> <p>a. If the functional currency of the Company was not USD, inquired with the appropriate person as to what rate was used to translate information from the functional currency to USD for the purpose of completing the survey.</p> <p>b. Agreed the exchange rates used to translate income statement amounts (average exchange rate) and the balance sheet amounts (period end rate) in the completed survey to published rates (specify the source of the rates used by management) and specify the exchange rates used and source of the rates used</p>	<p>No exceptions were found. The exchange rates used during the years and at the year-end was 1 USD = 3.75 SAR as noted on www.imf.org</p>
<p>2. Inquired with the appropriate person to confirm that assumptions and calculation methodologies utilized to prepare the survey were consistent with the guidance provided on the Saudi Aramco website www.iktva.sa for the respective year(s) and consistent with methodologies utilized in prior year surveys. If methodologies have significantly changed, noted any differences and the impact of these differences on the Company’s iktva score. If the impact was more than a two-percentage point change in iktva ratio, obtained Saudi Aramco iktva Certification Unit approval before finalizing the audit report.</p>	<p>No differences were noted.</p>
<p>3. Inquired with the appropriate person as to whether any of the reported revenues or costs in Section 3: In-Kingdom Suppliers through Section 9: Research and Development of the Survey has been double counted within the same column.</p>	<p>No exceptions were found.</p>
<p>4. Inquired with the appropriate person to determine that all relevant revenue has been included in the survey. Relevant revenue includes all direct and indirect revenue from Saudi Aramco and other KSA customers (including sales from Out-of-Kingdom operations) from parent companies, subsidiaries, affiliates, joint ventures, and agents if a consolidated survey is being submitted. If the Company is an EPC subcontractor for one of Saudi Aramco’s prime contractors, then the Company will include revenue from Saudi Aramco related projects as Saudi Aramco revenue.</p> <p>Unless Saudi Aramco is the end customer, revenue from Saudi Aramco’s partially owned subsidiaries and joint ventures should be excluded from Saudi Aramco Revenue but included in Total KSA Revenue.</p>	<p>The survey is prepared on a stand alone basis and does not include the results of the Company’s parent companies, subsidiaries, affiliates, joint ventures, and agents.</p> <p>No other exceptions noted.</p>

5. Through email, confirmed with Saudi Aramco's iktva Certification Unit revenue amounts reported from Saudi Aramco and the entities which should be included in the iktva survey for all years presented. Obtained confirmation by emailing iktvasurveyinfo@aramco.com. Noted the date of the reply.	We confirmed revenue and entities to include with Saudi Aramco. Confirmation was received on 1 July 2021.
6. Checked the Excel-based survey tool used by the supplier to ensure it was the most up-to-date survey tool available at www.iktva.sa . The version can be noted in the footer on Section 1 of the iktva survey.	No exceptions were found.
7. Determined that the survey's Protected Worksheet functions remain intact by unprotecting the workbook (Menu Bar -> Review -> Unprotect Workbook). If no password was required to unprotect the workbook, this is an indication that password protection was compromised.	Password protection remains in place.
8. Inquired with the appropriate person to determine if the Company has made any modifications to the logic embedded in the spreadsheet.	No modifications reported.
9. Agreed the Company's name, fiscal year ended, commercial registration number and types of goods and services provided to supporting documentation. These supporting documents include the audited financial statements of the Company and Commercial Registration Certificate to verify the Company's name, fiscal year end and CR number, and management representation for types of goods and services.	No exceptions were found.
10. Checked Page 1 of the survey to ensure it has been signed by the local Company's CEO/General Manager and top financial executive.	No exceptions were found.
11. Checked Section 13: Possible Inquiries to see if answers were provided to all questions posed.	All questions have been answered.
12. For repeat filers, obtained from Saudi Aramco's iktva Certification Unit an Excel spreadsheet which includes 2019 cost amounts.	Excel spreadsheet was obtained.
13. For repeat filers, ensured that the 2019 historical iktva data was copied and pasted into the appropriate cells in Section 14: Historical Data by agreeing the amounts.	No exceptions were found.

14. Reviewed the audit opinion associated with the Company's audited financial statements utilized for preparation of this iktva survey. Provided a detailed description of modifications and financial impacts noted in the opinion.	No modifications are included in the audit opinion.
15. In instances where an unqualified audit opinion has been issued on the Company's financial statements yet improper accounting treatment is discovered, disclosed the nature of the improper accounting treatment and its impact on the Company's iktva ratio.	Not applicable.
16. For consolidated surveys, agreed the list of entities confirmed with Saudi Aramco in the email mentioned in step 5 above to the entities in the Survey form (Section 1. Company Information – Q5). Only related entities consolidated into the survey should be listed in Section 1.	Not Applicable.
17. If a consolidated iktva survey was submitted, inquired with the appropriate person to ensure that any intercompany transactions were eliminated.	Not Applicable.
18. For consolidated surveys, agreed the Company's ownership percentages to the ownership reported in audited financial statements of the Company, and in case the percentage was not mentioned in the financial statements, then confirmed the ownership percentages from the investment agreement, Commercial Registration, Articles of Association, SAGIA license, or other relevant supporting documentation.	Not Applicable.
19. For iktva submissions which include information from partially owned entity(s) or joint venture(s), inquired with the appropriate person to ensure that the Company only reported its ownership share of that entity's iktva numbers. For example, if the Company has a 40% owned entity, then the Company can report 40% of the entity's revenue, costs, headcount, and investment data in its iktva submission. Tested the mathematical accuracy of the calculations.	Not Applicable.

<p>Section 3: In-Kingdom Suppliers</p> <p>1. Obtained a breakdown of allowable goods & services costs by in-Kingdom supplier for the appropriate year(s).</p>	<p>A breakdown was obtained.</p>
<p>2- Verified that the breakdown was sorted in descending order based on total in-Kingdom consumption/purchases for the most recent year reported.</p>	<p>No exceptions were found.</p>
<p>3. Reviewed the breakdown to ascertain at least 98% of the total amount claimed for in-Kingdom suppliers were related to specific in-Kingdom suppliers.</p>	<p>No exceptions were found.</p>
<p>4. Tested the mathematical accuracy of the breakdown.</p>	<p>No exceptions were found.</p>
<p>5. Inquired with the appropriate person as to whether the breakdown excluded the following types of costs:</p> <ul style="list-style-type: none"> a. Purchases from Out-of-Kingdom suppliers, b. Capital expenditures, c. Saudi and Expat compensation and benefits, d. Depreciation, e. Amortization, f. Refundable value-added tax, g. Intercompany costs for consolidated surveys, h. Contract and government related penalties, and i. Dividends. j. Non-cash transactions such as foreign exchange gains/losses. <p>For first time filers, government payments should be excluded for only 2018.</p>	<p>No exceptions were found.</p>
<p>6. Agreed the breakdown of the allowable goods and services costs and its total(s) to the table in Section 3: In-Kingdom Suppliers noting that the suppliers shown on the table were sorted in descending order based on the most recent year end amounts. The table included either details that comprised 70% of the total In-Kingdom purchases/consumption or the top 50 suppliers if the 70% threshold was not yet met.</p>	<p>We found that the total of the lists agreed to the totals shown in Section 3: In-Kingdom Suppliers and that all of the appropriate suppliers based on the criteria were included.</p>

7. For each supplier listed in the In-Kingdom Suppliers table, including government payments and financing costs lines (if applicable), performed the following tests:

- a. Agreed the supplier's commercial registration number and types of goods and services provided to supporting documentation.
- b. Haphazardly selected a representative sample of at least three significant transactions from each supplier, including government payments and finance costs, if applicable. A minimum of 25 transactions were selected. Noted the total sample size and coverage percentage based on the total amount of costs spent with in-Kingdom suppliers. Also noted if any suppliers had less than three transactions to test and how many transactions were tested for these suppliers.
- c. If petty cash spend is listed as a top supplier, haphazardly selected a representative sample of at least 25 significant transactions.
- d. Traced these transactions to underlying invoices, contract documentation, proof of payment and/or other appropriate supporting documents.
- e. Reviewed the documentation to verify that the Brief Description of Types of Materials/Services Provided was consistent with the documentation.
- f. For materials, obtained assurance that the materials were produced locally. If the supplier's IK portion amounts represented more than 3% of Category E: Total IK Costs, inquired of the supplier or utilized other publicly available information to confirm that the materials were produced locally.
- g. Reviewed the documentation to verify that the expenditures were for in-Kingdom based goods and services and did not include disallowed costs (see Step 5 above) or costs recognized in other areas of the survey.
- h. For suppliers whose iktva ratio was provided by that supplier, traced its iktva ratio to the supplier's final iktva Summary Report that was provided by Saudi Aramco. Otherwise, based on the types of goods and services provided by that supplier, agreed the estimated iktva ratios to the 2020 iktva Ratio Estimates by Category provided by Saudi Aramco. For petty cash, if applicable, calculated the weighted average iktva ratio based on the 25 transactions selected.

No exceptions were found.

Sample Size:	# Transactions	\$ Coverage %
2020	25	10%

We obtained assurance that the materials purchased from the following suppliers were manufactured locally:

- MASHEED

<p>8. Agreed the total(s) from the Significant Changes in Inventory and Accruals line item to roll forward schedules that agree to the Company's audited financial statements. Review supporting documentation to verify that OOK costs have been excluded.</p> <p>[Note: Large fluctuations in inventory, prepaid expenses or other accruals may result in significant differences between what is purchased during the year and what is expensed during the year. If these differences were material, then the breakdown should be adjusted to reflect consumption during the year. If consumption cannot be segregated by supplier, then the Company will use the default ratio built into the survey. The methodology and assumptions used to make the adjustments should be noted in the report.]</p>	<p>No exceptions were found.</p>
<p>9. Inquired with the appropriate person regarding the basis of the classification of goods and services costs related to Saudi Aramco revenue and noted the basis of classification in the report. Performed the following procedures:</p> <ul style="list-style-type: none"> i. If the Company used the revenue ratio to classify the costs, tested the mathematical accuracy of the calculation. ii. If the Company used direct costing, then selected a sample of 3 significant transactions for each supplier from the breakdown in step (1) and traced amounts to underlying invoices, project accounting records, contract documentation or other appropriate supporting documentation to determine that the costs were appropriately attributed to revenue generated from Saudi Aramco. 	<p>The Company used the revenue ratio. No exceptions were found.</p>

Section 4: Labor							
1. Obtained an annual breakdown of headcounts, salaries, wages, and benefits for all employees for the appropriate year(s) classified between Saudi Nationals and expats.	A breakdown was obtained.						
2. Tested the mathematical accuracy of the breakdown.	No exceptions were found.						
3. Agreed the total(s) of the breakdown to the audited financial statements of the Company, the Company's payroll records, GOSI certificate or invoices, the Section 12: Cost Reconciliation, <u>and</u> other supporting documentation. If the totals on the list did not agree, (i.e., Saudi expat compensation has been added), obtained from management a reconciliation of such amounts.	No exceptions were found.						
4. Inquired with the appropriate person as to whether amounts were inclusive of salaries, wages, bonuses, commissions, overtime, car allowances, transportation, healthcare allowances, end of service awards, GOSI social insurance contributions, and other compensation related perks provided to employees.	No exceptions were found.						
5. Inquired with the appropriate person to ensure dependent, iqama and visa fees were excluded from expat compensation and were included as government payments in the IK Suppliers table.	No exceptions were found.						
6. Reviewed owner and related party compensation levels and evaluate whether such amounts should be reclassified as dividends based on industry norms and compensation of other key management personnel.	No shareholder or related party compensation amounts identified in the breakdown.						
7. Selected a representative sample of both Saudi and expat employees on a haphazard basis and traced compensation and benefit amounts to the Company's payroll records and other invoicing or supporting documentation. Inspected personnel files of selected employees and the Company's payroll records to confirm employees' nationality. Agreed the expenditures related to the selected employees to the underlying records i.e. personnel files, payroll records, and other supporting documentation. Provided details on the sample size and coverage percentage based on the total number of employees. Sample Guidance: <i>The desired coverage for the sample tested is at least 10% of employees.</i> <u>For first time filers</u> , the sample size should be at least 30 employees and a maximum of 120 employees. The same employee should not be included in the sample for more than one year. <u>For repeat filers</u> , the sample size should be at least 20 employees and a maximum of 100 employees. [Note: A representative sample for Saudis should include either the Saudization rate or 50%, whichever is higher.]	No exceptions were found. <table><tr><td>Sample Size:</td><td># Employees</td><td># Coverage %</td></tr><tr><td>2020</td><td>100</td><td>4%</td></tr></table>	Sample Size:	# Employees	# Coverage %	2020	100	4%
Sample Size:	# Employees	# Coverage %					
2020	100	4%					

8. Agreed the total(s) of the expenditures assigned to Saudi Nationals and Expat Employees to totals in Section 4: Labor.	No exceptions were found.																
9. Obtained a reconciliation of the company’s headcount as reported in its end of year GOSI invoice with headcount as reported in payroll records from the last payroll of the fiscal year. Obtained explanations for any significant differences. Agreed the total employee headcounts and total Saudi National headcounts in Section 4.0 Labor to the fiscal year-end GOSI report(s) for the appropriate year(s). If the fiscal year-end GOSI report was not obtainable, the GOSI invoice from the last month of the fiscal year was utilized instead.	GOSI headcount figures were used in Section 4.0 Labor. We obtained the reconciliations below. <table><tr><th>December 2020</th><th>GOSI</th><th>Payroll</th><th>Difference</th></tr><tr><td>Saudi</td><td>195</td><td>193</td><td>2</td></tr><tr><td>Expat</td><td>1,938</td><td>1,897</td><td>41</td></tr><tr><td>Total</td><td>2,233</td><td>2,190</td><td>43</td></tr></table>	December 2020	GOSI	Payroll	Difference	Saudi	195	193	2	Expat	1,938	1,897	41	Total	2,233	2,190	43
December 2020	GOSI	Payroll	Difference														
Saudi	195	193	2														
Expat	1,938	1,897	41														
Total	2,233	2,190	43														
10. Obtained a breakdown of the total employee headcount for the appropriate years by the following categories: a. Managers. b. Professionals. c. Technicians and associate professionals. d. Clerical support workers. e. Service and sales workers. f. Skilled agricultural, forestry, and fishery workers. g. Craft and related trade workers. h. Plant and machine operators and assemblers. i. Elementary occupations. j. Armed forces occupations.	No exceptions were found.																
11. Selected a representative sample of employees on a haphazard basis. Reviewed job descriptions, contracts, personnel files or other appropriate documentation to verify that the employee had been appropriately classified into the correct category utilizing the International Standard Classification of Occupations available at http://www.ilo.org/public/english/bureau/stat/isco/docs/resol08.pdf . Provided details on the sample size and coverage percentage based on the total number of employees. Sample Guidance: The desired coverage for the sample tested is at least 10% of employees. For first time filers, the sample size should be at least 30 employees and a maximum of 120 employees. For repeat filers, the sample size should be at least 20 employees and a maximum of 100 employees.	No exceptions were found. <table><tr><th>Sample Size:</th><th># Employees</th><th># Coverage %</th></tr><tr><td>2020</td><td>100</td><td>4%</td></tr></table>	Sample Size:	# Employees	# Coverage %	2020	100	4%										
Sample Size:	# Employees	# Coverage %															
2020	100	4%															
12. For repeat filers, agreed prior years headcount data to its prior year certified survey.	No exceptions were found.																
13. Inquired with the appropriate person regarding the basis of classification of Saudi and expat compensations related to Saudi	The Company used the revenue ratio. No exceptions were found.																

<p>Aramco revenue and noted the basis of the classification in the report. Performed the following procedures:</p> <ol style="list-style-type: none"> If the Company used the revenue ratio to classify costs into Saudi Aramco costs and other costs, tested the mathematical accuracy of the calculation. If direct cost method was used, then traced a representative sample of employees selected on a haphazard basis for the relevant year(s) to the underlying HR records, national identification cards, contract documentation, or other appropriate documentation. Inspected documentation to confirm that expenditures were appropriately assigned to Saudi Aramco. 	
<p>Section 5: Capital Expenditures</p> <ol style="list-style-type: none"> Obtained a fixed asset register showing the breakdown of total capital expenditure additions and disposals for In-Kingdom operations for the appropriate year(s) as outlined in the survey. 	<p>A breakdown was obtained.</p>
<ol style="list-style-type: none"> Inquired with the appropriate person to ensure the breakdown excluded assets that were under construction, not utilized for operational purposes (investment properties, personal use assets) or had not yet been placed in service. 	<p>No exceptions were found.</p>
<ol style="list-style-type: none"> Inquired with the appropriate person to ensure the breakdown only included assets located in the Kingdom or supporting In-Kingdom operations. 	<p>No exceptions were found.</p>
<ol style="list-style-type: none"> Inquired with the appropriate person to ensure that any disposals of assets were deducted in the appropriate year at net book value (calculated based on 10-year straight line depreciation regardless of their actual useful lives). Only disposals of assets included in the depreciation schedule for first time and repeat filers should be deducted. Tested the mathematical accuracy of the net book value calculation. 	<p>No exceptions were found.</p>
<ol style="list-style-type: none"> Tested the mathematical accuracy of the breakdown. 	<p>No exceptions were found.</p>
<ol style="list-style-type: none"> Agreed the total(s) of the breakdown to the audited financial statements of the Company for the appropriate year(s). If the totals on the list did not agree to the audited financial statements, obtained from management a reconciliation of such amounts. 	<p>No exceptions were found.</p>

<p>7. If the total Depreciation and Amortization amounts listed totaled more than 3% of Category E: Total IK Costs for any given year, then the following procedures were performed for each Asset Class listed as manufactured In-Kingdom:</p> <p>a. Selected a representative sample of significant assets on a haphazard basis. The sample included assets from the most current year for repeat filers or all 12 years for first time filers. Provided details on the sample size and coverage percentage based on the dollar value of total fixed assets.</p> <p>Sample Guidance: <i>The desired coverage for the sample tested is at least 10% of total fixed assets and 20% of the total fixed assets manufactured in-Kingdom.</i></p> <p><u>For first time filers</u>, the sample size should be at least 30 assets and a maximum of 100 assets selected from all years presented.</p> <p><u>For repeat filers</u>, the sample size should be at least 20 assets and a maximum of 75 assets.</p> <p>b. Traced amounts to underlying invoices, contract documentation or other appropriate supporting documentation to determine if the asset(s) were manufactured in-Kingdom, registered in the name of the Company, used for operational purposes and recorded in the appropriate year. If a single asset was supported by multiple invoices, haphazardly selected a sample of three significant transactions to determine if the asset(s) were manufactured in-Kingdom, registered in the name of the Company, and recorded in the appropriate year.</p> <p>c. Checked to see if the Asset Description was consistent with the Asset Class.</p>	<p>Not applicable, Depreciation and Amortization amounts listed did not exceed 3% of Category E: Total IK Costs for any given year.</p>
<p>Section 6: Depreciation and Amortization</p> <p>1. For repeat filers, agreed the In-Kingdom Allowance amounts for the years 2011 to 2019 to the company's prior year certified iktva survey Page 6.</p>	<p>No exceptions were found.</p>
<p>2. Inquired with the appropriate person regarding the basis of classification of depreciation and amortization costs related to Saudi Aramco revenue and noted the basis of the classification in the report. Performed the following procedures:</p> <p>i. If the Company used the revenue ratio to classify the costs into Saudi Aramco costs and other costs, tested the mathematical accuracy of the calculation.</p> <p>ii. If direct cost method was used, then traced a representative sample of items to underlying invoices, project accounting records, contract documentation or other appropriate supporting documentation to determine that the costs were appropriately attributed to revenue from Saudi Aramco.</p>	<p>The Company used the revenue ratio. No exceptions were found.</p>

<p>Section 7: Training and Development of Saudis</p> <p>1. Obtained a list of Saudi Nationals receiving training (including those trained In-Kingdom or Out-of-Kingdom) for the appropriate year(s).</p>	Not applicable.
<p>2. Inspected the list to ensure no Saudi trainees had been counted more than once during the same year.</p>	
<p>3. Agreed the headcount total on the list to Section 7.</p>	
<p>4. Selected a representative sample of Saudi trainees on a haphazard basis and traced to underlying human resource records, attendance records, training certificates, national identification cards or other appropriate documentation to ensure those listed were Saudi Nationals and attended training during the relevant period. Provided details on the sample size and coverage percentage based on the total number of Saudis trained.</p> <p>Sample Guidance: <i>The desired coverage for the sample tested is at least 10% of the Saudi trainees.</i></p> <p><u>For first time filers</u>, the sample size should be at least 30 trainees and a maximum of 120 trainees.</p> <p><u>For repeat filers</u>, the sample size should be at least 20 trainees and a maximum of 100 trainees.</p>	
<p>5. Obtained a breakdown of Saudi National training costs by types of training activities for the appropriate year(s).</p>	
<p>6. Reviewed the breakdown and ensured that software donation costs claimed, if any, did not exceed 1% of Category E: Total IK Costs.</p>	
<p>7. Tested the mathematical accuracy of the breakdown.</p>	
<p>8. If the Training and Development costs claimed in Section 7 were based on major assumptions or estimates and totaled more than 1.0% of Category E: Total IK Costs for any given year, obtained approval from Saudi Aramco's iktva Certification Unit for the use of these assumptions or estimates before finalizing the audit report.</p>	

<p>9. Selected a representative sample of significant items and traced back to supporting documentation. Provided details on the sample size and coverage percentage based on the total amount of expenditures for training and development.</p> <p>Sample Guidance: <i>The desired coverage for the sample tested is at least 30% of total training and development costs claimed.</i></p> <p><u>For first time filers</u>, the sample size should be at least 10 items and a maximum of 60 items. <u>For repeat filers</u>, the sample size should be at least 5 items and a maximum of 50 items.</p>	Not applicable.
10. Agreed the types of training activities and total(s) on the list to Section 7.	
11. Agreed the total(s) of the breakdown to the audited financial statements of the Company for the appropriate year(s) and Section 12: Cost Reconciliation. If the totals on the list did not agree to the audited financial statements, obtained from management a reconciliation of such amounts.	
<p>12. Inquired with the appropriate person regarding the basis of classification of training costs of Saudi Nationals related to Saudi Aramco revenue and noted the basis of the classification in the report. Performed the following procedures:</p> <ul style="list-style-type: none"> i. If the Company used the revenue ratio to classify the costs into Saudi Aramco costs and other costs, tested the mathematical accuracy of the calculation. ii. If direct cost method was used, then traced a representative sample of items to underlying invoices, project accounting records, contract documentation or other appropriate supporting documentation to determine that the costs were appropriately attributed to revenue from Saudi Aramco. 	
<p>Section 8: Supplier Development</p> <p>1. Obtained a breakdown of supplier development costs by types of supplier development activities for the appropriate year(s) and names of companies benefited.</p> <p>2. Reviewed the breakdown and ensured that donations-in-kind costs claimed, if any, were previously approved by Saudi Aramco's iktva team.</p> <p>3. Tested the mathematical accuracy of the breakdown.</p>	Not applicable.

<p>4. Selected a representative sample of significant items and traced back to supporting documentation. Determined the activities performed are consistent with the guidance provided in the 2020 iktva Survey Guide. Provided details on the sample size and coverage percentage based on total supplier development costs.</p> <p>Sample Guidance:</p> <p><i>The desired coverage for the sample tested is at least 30% of total supplier development costs claimed.</i></p> <p><u>For first time filers</u>, the sample size should be at least 10 items and a maximum of 60 items.</p> <p><u>For repeat filers</u>, the sample size should be at least 5 items and a maximum of 50 items.</p> <p>If the Supplier Development costs claimed in Section 8.0 were based on major assumptions or estimates and totaled more than 1.0% of Category E: Total IK Costs for any given year, obtained approval from Saudi Aramco's iktva Certification Unit for the use of these assumptions or estimates before finalizing the audit report.</p>	<p>Not applicable.</p>
<p>5. Agreed the total(s) of the lists to Section 8.</p>	
<p>6. Agreed the total(s) of the breakdown to the audited financial statements of the Company for the appropriate year(s) and Section 12: Cost Reconciliation. If the totals on the list did not agree to the audited financial statements, obtained from management a reconciliation of such amounts.</p>	
<p>7. Inquired with the appropriate person regarding the basis of classification of supplier development costs of Saudi Nationals related to Saudi Aramco revenue and noted the basis of the classification in the report. Performed the following procedures:</p> <ul style="list-style-type: none"> i. If the Company used the revenue ratio to classify the costs into Saudi Aramco costs and other costs, tested the mathematical accuracy of the calculation. ii. If direct cost method was used, then traced a representative sample of sample of items to underlying invoices, project accounting records, contract documentation or other appropriate supporting documentation to determine that the costs were appropriately attributed to revenue from Saudi Aramco. 	

<p>Section 9: Research & Development</p> <p>1. Obtain a breakdown of research and development expenses for all years presented.</p>	Not applicable.
<p>2. Tested the mathematical accuracy of the breakdown.</p>	
<p>3. Reviewed the breakdown and ensured that donations-in-kind costs claimed, if any, were previously approved by Saudi Aramco's iktva team.</p>	
<p>4. Agreed the total(s) of the breakdown to R&D expenditures disclosed in the audited income statements of the Company for the appropriate year(s) and Section 12: Cost Reconciliation. If the totals on the list did not agree to the audited financial statements, obtained from management a reconciliation of such amounts.</p>	
<p>5. If R&D was not separately disclosed in the body of the audited income statements or the footnotes, obtained from management a description of the types of activities and associated costs the Company claimed for R&D.</p> <p>i. Reviewed those activities to determine that the activities qualify as R&D according the following definitions (IAS 38):</p> <p>a. Research is the original planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding.</p> <p>b. Development is the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes or services before the start of commercial production.</p> <p>iii. Selected a representative sample of significant items and traced back to supporting documentation. Provided details on the sample size and coverage percentage based on the total R&D expenditures.</p> <p>Sample Guidance: <i>The desired coverage for the sample tested is at least 30% of total R&D.</i></p> <p><u>For first time filers</u>, the sample size should be at least 10 items and a maximum of 60 items.</p> <p><u>For repeat filers</u>, the sample size should be at least 5 items and a maximum of 50 items.</p>	

6. Agreed the total(s) of the lists to Section 9.	Not applicable.						
7. Inquired with the appropriate person regarding the basis of classification of R&D costs related to Saudi Aramco revenue and noted the basis of the classification in the report. Performed the following procedures: i. If the Company used the revenue ratio to classify the costs into Saudi Aramco costs and other costs, tested the mathematical accuracy of the calculation. ii. If direct cost method was used, then traced a representative sample of items to underlying invoices, project accounting records, contract documentation or other appropriate supporting documentation to determine that the costs were appropriately attributed to revenue from Saudi Aramco.							
Section 10: Female Employment 1. Obtained a breakdown of headcounts, salaries, wages, and benefits for all Saudi female employees for the appropriate years.	A breakdown was obtained.						
2. Tested the mathematical accuracy of the breakdown.	No exceptions were found.						
3. Inquired with the appropriate person as to whether amounts were: a. Inclusive of salaries, wages, bonuses, commissions, overtime, car allowances, transportation, healthcare allowances, end of service awards, GOSI social insurance contributions, and other compensation related perks provided to Saudi female employees; and b. Exclusive of expat compensation and related benefits.	No exceptions were found.						
4. Selected a representative sample of Saudi female employees on a haphazard basis and traced compensation and benefit amounts to the Company's payroll records or other appropriate documentation support. Reviewed documentation to ensure the female employees were Saudi Nationals and verified expenditures related to the selected employees. Provided details on the sample size and coverage percentage based on the number of female employees. Sample Guidance: <i>The desired coverage for the sample tested is at least 10% of Saudi Female employees. The sample size should be at least 5 employees and a maximum of 20 employees.</i>	No exceptions were found. <table><tr><td>Sample Size:</td><td># Employees</td><td># Coverage %</td></tr><tr><td>2020</td><td>11</td><td>17%</td></tr></table>	Sample Size:	# Employees	# Coverage %	2020	11	17%
Sample Size:	# Employees	# Coverage %					
2020	11	17%					

5. Obtained a list of female Saudi Nationals receiving training (whether trained In-Kingdom or Out-of-Kingdom).	Not applicable.
6. Reviewed the list to ensure no female employees were counted more than once during the same year.	
7. Obtained a breakdown of training costs for female Saudi employees.	
8. Tested the mathematical accuracy of the breakdown.	
9. Agreed the female headcount, trained headcount, compensation, and training costs Section 10.	
Section 11: Revenue 1- Obtained a breakdown of revenue by invoice, project or customer for the appropriate year(s) that was classified consistently with the requirements of Section 11.	A breakdown was obtained.
2. Tested the mathematical accuracy of the annual breakdown.	No exceptions were found.
3. If the Company does not utilize the revenue ratio to assign costs to Saudi Aramco, tested the classification by tracing a representative sample of significant transactions (excluding export revenue transactions) selected on a haphazard basis from the breakdown of revenue to underlying invoices, delivery notes, contract documentation or other appropriate supporting documentation. Provided details on the sample size and coverage percentage based on total revenue. If Saudi Aramco is the Company's only customer, this step may be omitted. Sample Guidance: <i>The desired coverage for the sample tested is at least 10% of total revenue.</i> <i>For first time filers</i> , the sample size should be at least 30 transactions and a maximum of 120 transactions. <i>For repeat filers</i> , the sample size should be at least 20 transactions and a maximum of 100 transactions.	Not Applicable, the Company utilizes the revenue ratio

4. Agreed the total(s) of the breakdown of revenue generated from local operations (IK based customer served by IK operations + export) to the audited financial statements of the Company and the confirmation of revenue obtained from Saudi Aramco. If the totals did not agree, disclosed the reconciliation performed by management.	No exceptions were found.
<p>5. If the Export Revenue Factor (Category X) was 1% or more for any given year, tested export revenue. Testing included tracing a representative sample of significant transactions selected on a haphazard basis from the breakdown of revenue to underlying invoices, delivery notes, contract documentation or other appropriate supporting documentation to verify that the end user was located outside the Kingdom of Saudi Arabia and the economic activity involves the transfer of goods or the rendering of services for customers outside the Kingdom. Provided details on the sample size and coverage percentage based on the total amount of export revenue.</p> <p>Sample Guidance: <i>The desired coverage for the sample tested is at least 30% of total export revenue.</i> <u>For first time filers</u>, the sample size should be at least 20 transactions and a maximum of 60 transactions. <u>For repeat filers</u>, the sample size should be at least 10 transactions and a maximum of 50 transactions.</p>	Not Applicable.
6. If applicable, inquired with the appropriate person to determine if export revenue includes revenue from any related parties. Disclosed the nature and amounts of related party export revenues. Inquired of management to confirm that exported goods or services which were resold to KSA based customers, if any, were excluded from export revenue.	Not Applicable.
7. Obtained a breakdown of revenue from out-of-Kingdom based operations. Agreed amounts to supporting schedules.	Not Applicable.
8. Confirm with the company's OOK headquarters that the OOK revenue breakdown is complete and includes all IK revenue from all OOK operations.	Not applicable, the Company does not have an OOK headquarters.
9. Inquired of senior management to confirm that all appropriate revenue, including revenue from related OOK operations, has been included.	No exceptions were found.
10. Agreed the total(s) of the breakdown(s) to the total(s) shown in Section 11.	No exceptions were found.

<p>Section 12: Cost Reconciliation</p> <p>1. Reviewed Section 12 agreed the total costs from the reconciliation table to the audited financial statements of the Company. Also agreed amounts from the reconciliation table to Sections 3, 4, 7, 8, and 9 of the iktva survey for the appropriate year(s).</p>	<p>No exceptions were found.</p>
<p>2- If Deductions were claimed (row 11 of Section 12), agreed the totals to the OOK operation's audited trial balance. Deductions include costs incurred in OOK branches/operations that are contained within the company's audited financial statements. These OOK costs, along with the OOK revenue associated with these operations, have been excluded from the company's iktva survey.</p>	<p>Not applicable.</p>
<p>3- If Deductions were claimed, inquired with top management to verify that the OOK branch(s) does not service in-Kingdom customers.</p>	<p>Not Applicable.</p>
<p>4- If Additional Costs Included were claimed, agreed the total to supporting documentation. Included any costs claimed in the appropriate Section and included such items in samples selected for testing in the relevant Sections. Increased the sample sizes requested by 50%.</p> <p>[Note: If the Company incurs costs that qualify for iktva in its OOK operations that were not captured in the local entities' financial records, these costs may be added in its iktva survey but must be clearly delineated in the reconciliation table. These additional costs should also be tested according to the appropriate Agreed Upon Procedures section they were reported under.]</p>	<p>Not Applicable.</p>

9 August 2021

To Baker Tilly MKM & Co

We are providing this letter in connection with your Agreed Upon Procedures (AUP) engagement related to Saudi Aramco's In-Kingdom Total Value Add (iktva) survey of Saudi Readymix Concrete Company of 31 December 2020 and for the year(s) then ended for the purpose of providing a report on our work.


We confirm that we are responsible for the fair presentation of the results submitted in the survey. Representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.


We confirm, to the best of our knowledge and belief, 9 August 2021, the following representations made to you during your AUP engagement.

1. We understand Saudi Aramco's iktva requirements as delineated on the Saudi Aramco website www.iktva.sa.
2. The iktva survey prepared by us is complete, accurate, and consistent with the guidance given on www.iktva.sa.
3. All revenues of the Company and if applicable its related entities (subsidiaries, Joint Ventures, and affiliates), including revenues from Out-of-Kingdom operations derived from Kingdom of Saudi Arabia based customers, if any, have been included in the iktva survey.
4. All estimates, assumptions and pro-rations used in completing the iktva survey are reasonable, justifiable, and consistent with the Saudi Aramco guidance given on www.iktva.sa.
5. Major assumptions and methodologies used to prepare the survey are consistent with those assumptions and methodologies used in each year and prior years except where explicitly noted on www.iktva.sa.

6. Amounts included in Section 3: In-Kingdom Suppliers, Section 4: Labor, Section 5: Capital Expenditures, Section 6: Depreciation and Amortization, Section 7: Training and Development, Section 8: Supplier Development and Section 9: Research and Development, are mutually exclusive and have not been double counted in any other Section.
7. Saudi and expat headcount numbers provided in Section 4: Labor and Section 7: Training and Development of Saudis are complete, accurate, and consistent with GOSI year-end reports and internal training records respectively.
8. All payroll costs reported in Section 4: Labor are inclusive of salaries, wages, bonuses, commissions, overtime, car allowances, transportation, healthcare insurance, end of service awards, GOSI social insurance contributions, and other compensation-related perks provided to employees of the Company excluding excessive owners' remuneration. Total compensation has been accurately divided between Saudi and Expat employees and the headcount table is accurate.
9. The information provided in Section 3: In-Kingdom Suppliers is complete and accurate. The iktva ratios selected from the 2020 Business Segment iktva Estimates guidance provided by Saudi Aramco for each of the Company's suppliers are consistent with the majority of the types of goods/services the Company procures from that supplier.
10. All costs reported in Section 3: In-Kingdom Suppliers are from In-Kingdom based suppliers and have been reported in the correct period. Capital expenditures, depreciation, amortization, Saudi and expat compensation, exchange losses, refundable VAT, dividends as well as government and contract related penalties have been excluded.
11. The suppliers listed in Section 3: In-Kingdom Suppliers represent the Company's top suppliers based on costs for the most recent fiscal year end presented.
12. The capital expenditures net additions listed in Section 5: Capital Expenditures are for assets based In-Kingdom and used to support local operations. Investment properties, personal use assets, and assets that have not yet been placed in service have been excluded. Assets are appropriately classified between those that were purchased either directly or indirectly from In-Kingdom manufacturers and those imported from Out-of-Kingdom sources and match the Asset Class category listed. The net book value of any asset disposals determined using Saudi Aramco's prescribed depreciation rate has been deducted in the year the respective asset was disposed.
13. The amounts provided in Section 12: Cost Reconciliation are complete, accurate, and properly classified and labeled.

14. The most updated survey tool available at www.iktva.sa has been utilized to complete the survey and the functions and embedded logic in the spreadsheet have not been modified.
15. All appropriate books, records and documents to support the iktva survey amounts have been provided to our iktva auditor.
16. Management has provided the iktva auditor financial statements and financial information for the year(s) 2020 that were audited by our independent auditing firm.
17. Assumptions, estimates, and cost used to complete Section 7: Training and Development of Saudis and Section 8: Supplier Development are reasonable, supported by the actual practices of the Company, and consistent with the guidance provided in the 2020 Survey Guide.
18. Research and development costs claimed in Section 9: Research and Development meet the criteria outlined in International Accounting Standard 38 for Intangible Assets and represent costs related to research and development activities that are occurring in the Kingdom.
19. All costs reported in Section 10: Female Employment under female payroll are inclusive of salaries, wages, bonuses, commissions, overtime, car allowances, transportation, healthcare allowances, end of service awards, GOSI social insurance contributions, and other compensation related perks provided to Saudi female employees of the Company; and exclusive of expat compensation and related benefits.


[Mohammed Abu Zaid, CEO]


[Mohammed Kamel, CFO]

Official
Company
Stamp