

**COMMITTED
TO PROVIDING
CREATIVE
SOLUTIONS**

**GOVERNANCE
REPORT 2022**

OUR CORPORATE GOVERNANCE OVERVIEW

Borouge PLC (“Borouge” or the “Company”) is a strategic partnership between ADNOC and Borealis, combining the strengths and experience of each party through the operations joint venture, Abu Dhabi Polymers Company Limited (Borouge) Sole Proprietorship LLC (“ADP”), headquartered in Abu Dhabi and the sales and marketing joint venture, Borouge Pte Ltd (“PTE”), headquartered in Singapore. ADP is a production company primarily responsible for polyolefin production and PTE is a sales and marketing company primarily responsible for the marketing, sale and distribution of products to customers around the globe. In this Corporate Governance Report, Borouge, ADP and PTE are referred to collectively as “Borouge Group”.

Borouge was incorporated on 28 April 2022 in the jurisdiction of Abu Dhabi Global Market (“ADGM”) for the purpose of serving as the holding company of ADP and PTE.. On 3 June 2022, the Company was listed on the Abu Dhabi Securities Exchange (“ADX”) (the “Listing”).

Borouge is one of the world’s leading providers of innovative and differentiated polyolefin solutions. We provide creative polyolefin solutions for the agriculture, infrastructure, energy, advanced packaging, mobility and healthcare industries. The Company employs over 3,100 people and serves customers in over 49 countries across Asia, the Middle East and Africa. The Company’s portfolio of products comprises polyethylene (the most common form of polymer in use) and polypropylene (the second most common form of polymer).

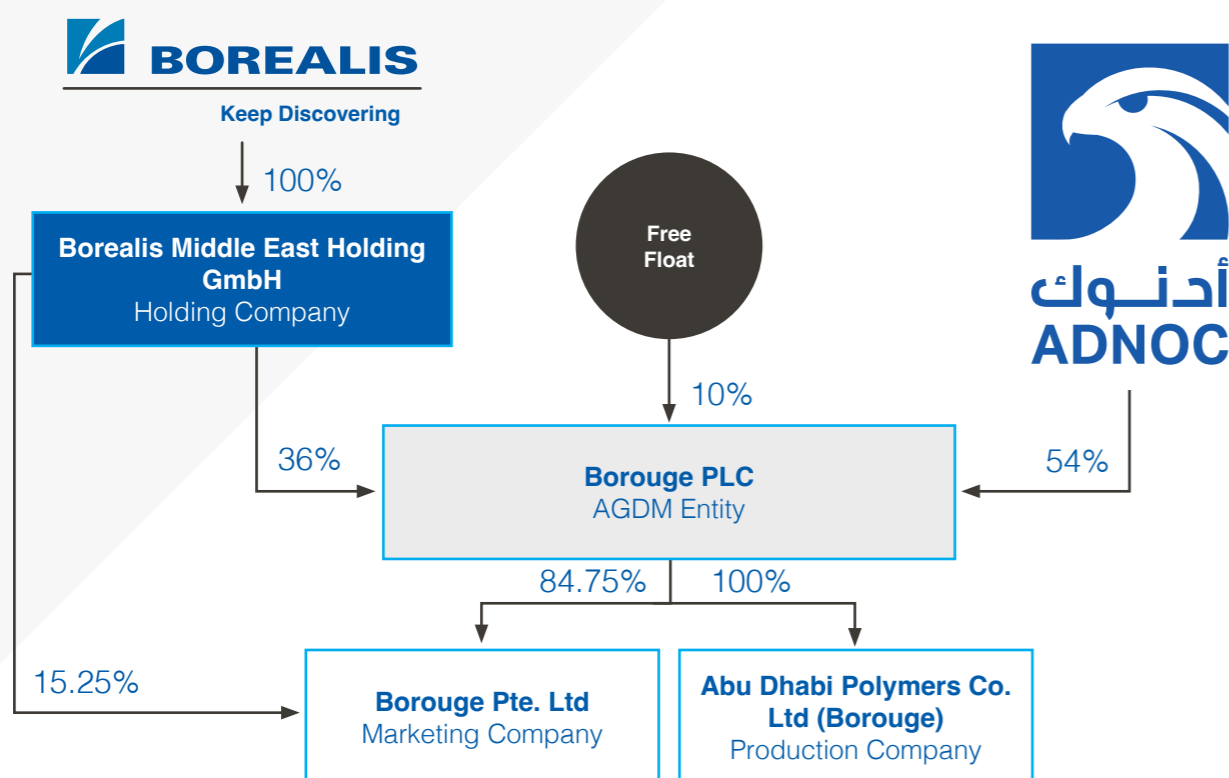
Using Borealis’ advanced proprietary technologies (consisting of Borstar® and 1-Butene or 1-Hexene based products), our solutions contribute to addressing global challenges such as climate change, food waste and scarcity, access to fresh water, energy conservation, healthcare support and waste management. Therefore, Borouge is developing new ways to reduce material use, extend the durability of products, promote new designs that enhance reuse and recycling, and encourage the use of recyclates (being recycled materials) and materials that are recyclable where possible across our value chain.

Borouge operates, through its subsidiaries ADP and PTE, one of the world’s largest integrated polyolefin complexes in Al Ruways, UAE, and has a diverse regional footprint of logistics hubs, warehouses and gateways across the MENA region, Europe, and Asia Pacific. The marketing and sales headquarter is located in Singapore and the Company also operates a CMP in Shanghai, which compounds resins from the Al Ruways plant for, among others, the Asian automotive industry and other markets including medical and hygiene. At the year-end 2022, the complex has a total polyolefins capacity of 5.0mt/y.

With our comprehensive logistics, sales and marketing network, we focus on Borouge’s distinct go-to-market approach, which involves a close value-chain interface, where we interact and collaborate with, among others, manufacturers, customers and ultimate end-users in order to identify their challenges and requirements. The Innovation Centre in Abu Dhabi and Application Centre in Shanghai also plays an important role in supporting the customers through developing new creative solutions that bring value to all players in the value chains, including industry manufacturers, converters, and end-users.

Borouge has a strong leadership team based in Abu Dhabi and Singapore, which allows us to optimise operational and commercial processes to deliver efficiencies across the board. The Company is committed to operational and commercial excellence, with a detailed efficiency enhancement strategy focused on safety, plant reliability and integrity, and cash flow optimisation.

BELOW IS A GRAPH ILLUSTRATING THE CORPORATE STRUCTURE OF BOROUGE:



CORPORATE GOVERNANCE POLICY

ADX listing rules provide that the ADX may, as it deems appropriate, decide to apply the Corporate Governance Guide for Joint Stock Companies issued by the Securities and Commodities Authority (“SCA”) pursuant to Decision No. 3/RM of 2020 (as amended) (the “SCA Governance Code”) to financial free zone companies (such as Borouge) which list on the ADX. In this regard, the ADX has confirmed that the SCA Governance Guide will generally be applicable to Borouge, but it has also approved a request from Borouge that, taking into account matters such as the governance regime contained in Borouge’s articles of association and the fact that a number of topics are already regulated under the ADGM Companies Regulations 2020 (as amended) (“Companies Regulations”), certain provisions of the SCA Governance Guide should be disappplied.

In particular, the ADX approved the disapplication of a number of provisions of the SCA Governance Guide including Articles 6(3), 6(4), 8(1), 8(2), 8(3) (A), 8(3)(F), 10(1), 12(2), 15, 16, 20-23 (inclusive), 24(5)(C), 24(9), 24(10), 25, 26(1), 27, 29, 32 (other than section 32(4) and, as it relates to the recording of conflicts in board of director meeting minutes, section 32(5)), 34, 35, 36(2), 38, 39, 40-48 (inclusive), 50, 52(2), 59(5), 59(6), 59(7), 59(10), 59(11), 59(12), 60(1), 61(20), 62(1), 65, 67(3)(B), 68(7) 71(2), 71(4), 80 and 82(1)(B) and 82(C). The ADX also approved the interpretation of a number of other provisions of the SCA Governance Guide in a manner consistent with the Companies Regulations and our Articles of Association.

In this Report, the corporate governance rules applicable to Borouge (taking into account the application of the SCA Governance Code and disapplication of certain provisions as mentioned above together with the Group Management and Governance Policy referred to in page 10 of this Report) are collectively referred to as the “Governance Rules”.

DIVIDEND POLICY

Borouge’s ability to pay dividends is dependent on a number of factors, including the availability of distributable reserves, the Company’s capital expenditure plans, credit rating considerations and other cash requirements in future periods, and there is no assurance that the Company will pay dividends or, if a dividend is paid, what the amount of such dividend will be. Any level or payment of dividends will depend on, among other things, market conditions,

future profits and the business plan of the Company, at the discretion of the Board of Directors, and will be subject to the approval of the general assembly.

Subject to the foregoing:

- the Company intends to pay dividends twice each financial year, with an initial payment of the first-half results being paid in September of that year, and a second payment following second-half results being paid in March of the following calendar year, in each case subject to the approval of the general assembly; and
- the Company expects to pay a dividend of no less than USD 1,300 million for the year 2023.

The Company intends to pay dividends in cash and maintain a robust dividend policy designed to return to shareholders substantially all of its distributable free cash flows, while maintaining an investment grade credit profile. In addition, the Company expects that the Board of Directors will also consider market conditions, the then-current operating environment in the markets in which the Company operates, and the outlook for the Group’s business.

CODE OF CONDUCT

Borouge is committed to operating its business with the highest ethical standards and practices. Ethics and our Borouge values are kneaded tightly into the principles by which we operate. Our Code of Conduct guides our business, requiring ethical behaviour and integrity in everything we do. It is the foundation of all compliance policies and fundamentally, it helps us maintain the trust we have built with our employees, customers and suppliers. The Code outlines the ethical standards expected of everyone wherever we do business.

The expectations defined in our Code of Conduct:

- requires our people to act ethically and responsibly with integrity;
- establishes a culture of openness, trust, and integrity in our business practices;
- defines roles, responsibilities, and accountabilities; and
- maintains the expectations of adherence to business ethics in all Company’s practices.

Our Code of Conduct is updated regularly to reflect the changing risk environment

in which we operate. Annually, every employee must confirm to Borouge that they will comply with all aspects of the Code and pass a knowledge quiz at the end of the Code of Conduct training.

Borouge has also implemented the Borouge Third Party Code of Conduct, which sets out the minimum standard for ethical business practice that we expect from any third party working with Borouge. These basic rules and standards are necessary to conduct Borouge business in an ethical and compliant manner and in accordance with Borouge’s values. 100% of the third parties that Borouge engages are provided with a copy of the Borouge Third Party Code of Conduct and asked to confirm their commitment to adhering to the principles set out therein.

In addition, every year Borouge Ethics and Compliance carries out a dedicated training and certification programme to all key business partners to enhance awareness of the Borouge Code of Conduct, Third Party Code of Conduct and aligned with Ethics and Compliance standards. The training and certification programme is comprised of online videos and training material on the Borouge Code of Conduct for third party business partners. Upon completion, the business partners need to attest and commit to conducting their business activities in compliance with the Borouge Third Party Code of Conduct. In 2022, 100% of the key business partners have completed the training and provided attestation certificates.

ETHICS AND COMPLIANCE LEADERSHIP

The Borouge Ethics and Compliance programme is led by our Head, Ethics, Compliance & Risk, Ms. Genevieve Wan. Ms. Wan was appointed in 2017, and reports to the Senior Vice President, Corporate Governance. Ms. Wan has 30 years of experience both in the petroleum and pharmaceutical industries. Prior to joining Borouge, Ms. Wan was the Head of Ethics and Compliance, Asia Pacific for GlaxoSmithKline, major global pharmaceutical company. She held various senior leadership positions across North America, Europe and Asia in functional roles related to Ethics and Compliance, Enterprise Risk Management (ERM), Corporate Governance, Governance, Risk and Compliance (GRC), Internal Audit, and Information Technology. Prior to this, Ms. Wan was a management consultant specialising in strategy and transformation, supply chain and manufacturing across a spectrum of Super Majors including Exxon, Shell plc, TotalEnergies, BP, Chevron and

ConocoPhillips and pharmaceutical companies including Johnson & Johnson, Eli Lilly, and Sanofi. She has a dual Master's degree from the Wharton School of Business and the University of Pennsylvania, School of Engineering, and an undergraduate degree in Accounting.

Ms. Wan is a Certified Money Laundering Specialist, certified by the Society of Corporate Compliance and Ethics (SCCE) and Leadership Professional in Ethics and Compliance (LPEC). Ms. Wan has worked extensively with regulators and government agencies on deferred prosecution agreements (DPAs), governmental investigations and evolving legal and ethical standards in high-risk jurisdictions. She is often a guest speaker at internationally sponsored Ethics and Compliance conferences including speaking at the United Nations, New York, on Leadership and Effecting Ethical and Cultural Change.

ANTI-BRIBERY AND CORRUPTION

At Borouge, we are committed to doing business lawfully, ethically and with integrity, and we expect all our employees and representatives to act accordingly. Consistent with this commitment, we take a zero-tolerance approach to fraud, bribery and all other forms of corruption. Borouge fully complies with the applicable bribery and corruption laws and regulations in each jurisdiction in which we operate, as part of our efforts to maintain strong and effective compliance controls.

Our Anti-Bribery and Corruption Policy applies both to public and private sectors and sets out our requirements to ensure that none of our employees or third party representatives engage in any of these activities. It also highlights the key guidelines relating to any interactions with government officials and prohibits facilitation payments, both of which are considered high risk from a corruption perspective.

As part of our Anti-Bribery and Corruption monitoring activities, Borouge utilises data analytics tools to test corruption exposure using historical transactions on a rolling three-year basis covering the entire organisation including Asia South, Asia North and MEAE. Red flags are raised on any unusual or suspicious activity to the Ethics and Compliance team who conduct detailed analysis and investigate any suspicious ABAC transactions.

Over the last four years, including in 2022, Borouge did not identify any bribery and corruption related transactions.

ANTI-MONEY LAUNDERING

Consistent with our Borouge values and the Borouge Code of Conduct, Borouge takes a zero-tolerance approach to all forms of money laundering. We are committed to the international fight against money laundering and terrorism financing and we comply with the applicable Anti-Money Laundering/Counter-Terrorism Financing (AML/CTF) Laws and regulations to deter criminal enterprise and go to the farthest extent to protect the Company in the countries where we do business. We have implemented a robust AML Compliance programme with robust controls to combat money laundering and terrorist financing schemes including:

- The Head, Ethics, Compliance & Risk is the Money Laundering Reporting Officer (MRLO) for Borouge.
- The Borouge Ethics and Compliance team have extensive knowledge of anti-money laundering laws, standards and practices, controls and monitoring, and have the skills and ability to identify AML risks and implement appropriate mitigation plans.
- Implementation of the Anti-Money Laundering Policy which sets out our approach to ensure that we comply with all applicable laws and regulations to prevent money laundering and terrorist financing.
- Implementation of appropriate processes to conduct due diligence on all third parties.
- Implementation of strong controls in the accounts receivable process and procedures.
- Conducted extensive training of our sales teams to ensure they work with our customers to avoid cash payments of any kind.
- Eliminated all cash transactions with third parties.
- Conducted data analytics testing on all transactions over the last three years on a rolling basis to analyse and monitor against AML related activities.
- Conducted monitoring and reporting suspicious activities whenever deemed appropriate.
- Implemented effective communication and training.
- Retained detailed transactional records as required.

Over the last four years, including in 2022, Borouge did not identify any instances of money laundering or counterterrorism financing.

CONFLICTS OF INTEREST

Our Conflicts of Interest Policy sets out our requirements regarding the avoidance and management of conflicts of interest that may arise as a result of activities outside of employment with Borouge, including the avoidance of situations that have the appearance of a conflict of interest. Under this policy, conflicts of interest must be promptly disclosed so that the necessary steps are taken to address the Conflict of Interest or mitigate or remove the Conflict of Interest. We encourage employees to be as transparent as possible and disclose any actual or perceived Conflict of Interest so that the appropriate course of action can be taken to protect Borouge's interests.

As part of the declaration process, Borouge Ethics and Compliance team has implemented a mandatory online Conflict of Interest declaration process, where every employee is required to declare the existence of any conflict of interest on an annual basis.

In 2022, 100% of employees completed such an attestation and for those reporting a potential conflict, The Borouge Ethics and Compliance team reviewed and cleared each conflict of interest submitted and the employee's line management were informed.

WHISTLEBLOWING & INVESTIGATIONS

Borouge is committed to uphold an open, honest and transparent culture and it supports our commitment to integrity and aligned with our Code of Conduct, where anyone who works with or for Borouge internally or externally can report any concerns in confidence without risk of retaliation. Our Whistleblowing Policy encourages our employees to report concerns about unethical behavior in connection with our business by assuring confidentiality and by protecting good faith whistleblowers from retaliation. There is a confidential whistleblowing hotline in Borouge (Takallam Ethics Helpline) to report all concerns.

Borouge has also established a Compliance Investigation Policy. Our Compliance Investigation Policy and supporting procedures set out our approach to investigations relating to alleged ethical misconduct: of (a) ethical business practices; (b) integrity in our interactions and arrangements with third parties; and (c) applicable laws, regulations, policies and procedures relating to ethical business practices and integrity. This policy requires all of our personnel to cooperate

fully and truthfully with all investigations and to avoid engaging in certain activities that may hinder or interfere with an investigation. Upon receiving a whistleblowing concern or report, the Borouge Ethics and Compliance Committee (ECC) will assess each report in accordance with the investigations process to determine whether an investigation may be required. This may involve further inquiries with the whistleblower and/or other individuals. When an investigation is required, an Investigation Committee is nominated by the Committee and approved by the CEO. The investigation will be carried out under the guidance and direction of the ECC, and the final report and recommendations are submitted to the CEO for approval and endorsement for implementation.

DATA PRIVACY

Borouge is subject to the ADGM Data Protection Regulation 2021. Its subsidiaries based in the UAE are subject to the UAE Personal Data Protection Law (Federal Law 45 of 2021). Borouge is also committed to complying with data protection laws in each of the countries where we operate, such as the Singapore Personal Data Protection Act in Singapore, and the Personal Information Protection Law in China. Borouge takes its obligations under the applicable data protection laws seriously and is committed to the responsible and transparent use and protection of personal data entrusted to us by employees, shareholders, business partners, customers, third parties, associated family or next of kin, and others when needed for legitimate business purposes and in line with legal requirements.

Borouge has implemented a robust enterprise-wide core Global Data Privacy and Protection Compliance Programme throughout the Company, which assigns management and individual accountability for upholding key principles contained in privacy laws, but also fully adheres to the ADGM Data Protection Framework and also addresses the requirements of the applicable jurisdictions where Borouge is required to comply. Borouge has established a Personal Data Protection Policy which clearly defines the practices for implementation of privacy obligations such as:

- lawful processing;
- responsibilities for management of personal data;
- data minimisation and due diligence requirements;
- rights of individuals; and
- security obligations.

In accordance with ADGM, Singapore, and China data protection laws, Borouge is required to appoint a Data Protection Officer ("DPO"). The Chief Executive Officer () has appointed a DPO globally who reports to the Head, Ethics, Compliance & Risk. The Asia North Region DPO in China, reports to the DPO for all data protection related matters. The Borouge DPOs are being supported by the respective Data Protection Champions in the relevant functions within Borouge. The DPOs foster a data protection culture with internal and external stakeholders and some of the key responsibilities include but are not limited to:

- training employees on data protection compliance requirements;
- keeping up to date with changes to data protection laws;
- understanding how, for example, European data privacy laws interface with data privacy laws by we are bound (e.g., ADGM and UAE, Singapore, China, Japan) for externally hosted data and applications
- serving as the key point of contact between the Company and the relevant data protection supervisory authority;
- training staff on how to process personal data, maintain compliance, and other data privacy activities;
- conducting regular assessments to ensure data protection compliance; and
- responding to data subjects to inform them about how their personal data is being used and what measures the Company has put in place to protect their data.

In 2022, the Borouge DPOs held frequent training and awareness sessions on Data Privacy and Awareness, and developed Data Protection Notices and consents to meet the transparency requirements on how individuals' data is processed within Borouge. These Data Protection Notices and consents were rolled out in Asia North, with the Middle East implementation following subsequently.

Inside Information And Insider Dealings

As part of our commitments to acting with the highest levels of integrity, and complying with capital market and securities regulations, we take the utmost care to prevent insider dealings and insider trading. Accordingly, we have implemented an Inside Information and Insider Dealing Policy in accordance with regulatory requirements, which specifies that all employees who are in possession of Borouge inside information (and are known as "Insiders") and their connected parties need to fully comply with insider trading rules.

In addition to the Inside Information and Insider Dealing Policy, Borouge also requires all Insiders to be registered as Insiders in the ADX as a Borouge Insider, sign an Insider undertaking form, which sets forth the obligations and responsibilities required to comply with the Insider Dealing Policy to ensure that all Insiders go to the farthest extent to protect Borouge's inside information. The Insider register is maintained by the Borouge Head, Ethics, Compliance & Risk and the Borouge Ethics and Compliance team and is updated on a weekly basis.

Aligned with the ADX regulations on prohibition periods, and any ad hoc prohibition periods that may be declared based on our dynamic business environment, Borouge prohibits any Insiders and their connected parties from trading Borouge's securities during these periods.

SHARE DEALINGS

The following table sets out the details of all purchases and sales of our shares undertaken by our Directors, their spouses and their children in 2022:

Director	Position	Shares held on 31 December 2022	Total Sale Transactions	Total Purchase Transactions
H.E. Dr. Sultan Ahmed Al Jaber	Chairman	-	-	-
Thomas Gangl	Vice Chairman	-	-	-
Khaled Salmeen	Director	816,326	-	-
Abdulaziz Abdulla Alhajri	Director	612,244	-	-
Khaled Al Zaabi	Director	816,326	-	-
Omar Al Farsi	Director	-	-	-
Tasnim Ahnaish	Director	4,350	-	-
Mark J. S. Tonkens	Director	-	-	-
Philippe René M. Roodhooft	Director	-	-	-
Thomas Michael Boesen	Director	-	-	-



Board Of Directors

Our Board of Directors (or “Board”) is committed to standards of corporate governance that are in line with international best practice. As per the Articles of Association of the Company, it comprises eleven members but since the incorporation of the Company, one of the Directors has resigned and not been replaced yet. Accordingly, currently the Board comprises ten Directors consisting entirely of Non-Executive Directors, six of whom are independent within the meaning of Resolution No. (3/R.M) of 2020 of the Securities and Commodities Authority of the United Arab Emirates.

The Board of Directors has adopted a Group Management and Governance Policy which includes various principles applicable to the management of the Borouge Group and the make-up of the Board, including that there must be at least one female director, the manner of exercise of Borouge’s rights as a shareholder in PTE and the exercise of Borouge’s rights to appoint, remove and replace seven of the directors of PTE. The policy also governs the appointment, removal and replacement of certain other Group personnel (including the chief financial officer and chief operating officer).

Borouge’s articles of association further require that each director serves a three-year term, after which a director may be elected to a successive term or terms.



H.E. Dr. Sultan Ahmed Al Jaber
Chairperson-Independent

His Excellency Dr. Sultan Ahmed Al Jaber was appointed as the Chairperson of the Company as of the establishment of the Company. H.E. Dr. Sultan Ahmed Al Jaber has served as Group Chief Executive Officer and Managing Director of ADNOC since February 2016. Prior to taking on the leadership position at ADNOC, H.E. Dr. Sultan Ahmed Al Jaber served as Chief Executive Officer of the Energy Platform of Mubadala Development Company. H.E. Dr. Sultan Ahmed Al Jaber is a member of the UAE Federal Cabinet and the UAE’s special envoy for climate change. From 2013 until July 2020, H.E. Dr. Sultan Ahmed Al Jaber served as the UAE Minister of State and in July 2020, H.E. Dr. Sultan Ahmed Al Jaber was named the Minister of Industry and Advanced Technology. He also holds several additional leadership roles and advisory positions and counsels on issues related to Energy, Economics, Strategic Communications and Sustainable Development. In July 2020, H.E. Dr. Sultan Ahmed Al Jaber was appointed Chairman of Emirates Development Bank, a key partner in providing financial services for the sustainable economic and social development of the UAE. In November 2020, H.E. Dr. Sultan Ahmed Al Jaber was appointed as the UAE’s special envoy for climate, a role he previously served from 2010 to 2016. In December 2020, H.E. Dr. Sultan Ahmed Al Jaber was appointed as a board member to the Abu Dhabi Supreme Council for Financial and Economic Affairs. H.E. Dr. Sultan Ahmed Al Jaber acts as Chairman of the Board of Directors of ADNOC Sour Gas, ADNOC Offshore, ADNOC Onshore, ADNOC Refining, ADNOC Gas, Fertigllobe, ADNOC Distribution, ADNOC Global Trading, ADNOC Logistics and Services, ADNOC Drilling Company and Masdar.

H.E. Dr. Sultan Ahmed Al Jaber is an active member of the Emirates Diplomatic Academy Board of Trustees, and Chairman of the Board of Trustees of the Mohamed bin Zayed University of Artificial Intelligence and holds a Ph.D. in Business and Economics from Coventry University, England, an MBA from California State University, USA, and a BSc in Chemical and Petroleum Engineering from the University of Southern California, USA.



Mr. Thomas Gangl
Vice-Chairperson

Mr. Thomas Gangl was appointed as Vice-Chairperson of the Board as of the establishment of the Company. Mr. Gangl was appointed as Chief Executive Officer of Borealis AG in April 2021 and has previously served as a member of the supervisory board of Borealis AG. From 2019 to April 2021, Mr. Gangl was an Executive Board member of OMV, responsible for Refining and Petrochemical Operations at OMV. With more than 20 years of experience at OMV, Thomas Gangl has not only played a significant part in shaping OMV’s refining and petrochemicals business but was also responsible for establishing chemical recycling and thereby laying the foundation for OMV’s circular economy strategy. Mr. Gangl began his OMV career in 1998 as a process engineer at the Schwechat refinery. In 2011, Mr. Gangl became General Manager of OMV Deutschland GmbH and Site Manager in Burghausen, Germany. In 2014, Mr. Gangl was appointed as Site Manager in Schwechat and 2016 he took over the role as Senior Vice President of the Business Unit Refining and Petrochemicals with responsibility for all three OMV refineries. Mr. Gangl is also Vice President of Board of Non-Executive Directors of World Energy Council Austria (WEC), a member of the Board of Non-Executive Directors of Austro-Arab Chamber of Commerce, World Business Council for Sustainable Development (WBCSD) and Federation of Austrian Industries, Vienna. He also acts as a member the Advisory Council of Österreichischer Verband CREDITREFORM (ÖVC).

Mr. Gangl studied process engineering at the Vienna University of Technology in Vienna, Austria, and mechanical engineering at the University of Salford in Manchester, England.



Mr. Khaled Salmeen
Director-Independent

Mr. Khaled Salmeen was appointed as a member of the Board of Directors as of the establishment of the Company. Mr. Salmeen is the Executive Director of Downstream and Industry, Marketing and Trading at ADNOC. In this role he leads ADNOC’s downstream, marketing and trading businesses. This includes the growth of its existing refining and petrochemicals business, development of TA’ZIZ, a globally competitive industrial ecosystem in Al Ruways, which supports Abu Dhabi and the UAE’s industrial growth ambitions. Previously, he served as Chief Executive Officer of Khalifa Industrial Zone Abu Dhabi, Chairman of Abu Dhabi Terminals, and Chief Operating Officer of Tabreed (National Central Cooling Company). He also led ADNOC’s transformation efforts in the capacity of Program Management Office Director from 2016 to 2017, during a period of significant transformation for the ADNOC group.

In addition to his role as Executive Director of Downstream Industry, Marketing and Trading at ADNOC, Mr. Salmeen is a member of the Board of Directors of ADNOC Logistics and Services, ADNOC Refining, ADNOC Gas, ADNOC Global Trading, ADNOC Distribution PJSC and Fertigllobe. He is also the chairman of ADNOC Trading, TA’ZIZ and ADNOC City Gas. Mr. Salmeen holds a Bachelor of Science degree in Engineering from the Colorado School of Mines in the United States and an Executive MBA from INSEAD, INSEAD and a Project Management Professional (PMP) from the Project Management Institute (PMI) and Harvard Business School, USA.



Mr. Abdulaziz Abdulla Alhajri
Director-Independent

Mr. Abdulaziz Abdulla Alhajri was appointed as a member of the Board of Directors as of the establishment of the Company. Mr. Alhari was the Executive Director of Downstream at ADNOC from May 2016 until his retirement in April 2021. From 2016 to 2021, Mr. Alhajri served as chairman of the Board of Directors of PTE. From 2007 to 2016, Mr. Alhajri was the Chief Executive Officer of ADP. Mr. Alhajri currently serves as a member of the Board of Directors of Abu Dhabi Oil Refining Company (Takreer), Abu Dhabi National Oil Company for Distribution PJSC, ADP and Arkan Building Materials PJSC. Mr. Alhajri holds a Bachelor's degree of Science in Chemical Engineering from the University of Texas in the United States.



Mr. Omar Al Farsi
Director-Independent

Mr. Omar Al Farsi was appointed as a member of the Board of Directors as of the establishment of the Company. Mr. Al Farsi is the current Senior Vice President Accounting, Strategy Reporting and Tax at ADNOC. Previously, Mr. Al Farsi served as the Senior Vice President Financial Policies, Systems and Controls at ADNOC from May 2020 to February 2021 and the Chief Financial Officer of Emirates Defence Industries Company PJSC from February 2015 to April 2020. Prior to that, Mr. Al Farsi was a Director of Finance and Director of Supply within the Mubadala group.

Mr. Al Farsi holds a Bachelor's degree of Science in Computer Science (with a Business specialisation) and a Master's degree in Professional Accounting from Seattle University. Mr. Al Farsi is also a certified public account from the State of Washington, USA.



Mr. Khaled Mohamed Abdulla Alalkeem Al Zaabi
Director-Independent

Mr. Khaled Mohamed Abdulla Alalkeem Al Zaabi was appointed as a member of the Board of Directors as of the establishment of the Company. Mr Al Zaabi is the current Acting Group Chief Financial Officer of ADNOC. Mr. Al Zaabi previously served as the Senior Vice President of the Financial Planning, Reporting and Group Performance Management function of ADNOC from February 2021 to December 2021, and as the Senior Vice President of the Financial Planning, Budgeting and Reporting function of ADNOC from January 2020 to January 2021. He also serves as a member of the Board of Directors of Abu Dhabi Oil Refining Company (Takreer), ADNOC Trading Ltd. as well as a committee member on several ADNOC-affiliated companies. Mr. Al Zaabi holds a Bachelor's degree in Finance from Deakin University, Victoria, Australia.



Ms. Tasnim Ahnaish
Director-Independent

Ms. Tasnim Faraj Abdulla Ahnaish was appointed as a member of the Board of Directors as of the establishment of the Company. Ms. Ahnaish is currently Vice President of ADNOC's Value Chain Optimisation and Analytics function. She previously served as a Manager of ADNOC's Value Chain Optimisation and Analytics function from January 2019 to June 2020 and various roles such as a Principle Research Investigator at Standards and Technology Division, Research and Development and Environmental Engineer at Standards and Technology Division, Environmental and Energy Efficiency Department at ADNOC Gas Processing from November 2012 to December 2017, which included a three-month secondment to TotalEnergies in 2016. In addition, between 2012 to 2014, Ms. Ahnaish worked as an Operations and Environmental Engineer at ADNOC Gas Processing in its Al Ruways and Habshan plants and responsible for leading and executing ADNOC's digitisation scope of work.

Ms. Ahnaish holds a Bachelor of Science degree in Chemical Engineering from the American University of Sharjah, United Arab Emirates, a Masters of Law in International Law and Sustainable Development from the Sorbonne University, United Arab Emirates and an Executive Master of Business Administration degree from Cambridge University, United Kingdom.



Mr. Mark J. S. Tonkens
Director

Mr. Mark J. S. Tonkens was appointed as a member of the Board of Directors as of the establishment of the Company. Mr. Tonkens joined Borealis AG in 2009 and has been the Chief Financial Officer since November 2014. Before that, Mr. Tonkens was the Senior Vice President of Group Controlling. Before joining Borealis, Mr. Tonkens held a number of senior management roles in the Royal Philips group, including as Chief Financial Officer and Senior Vice President of various major global Business Units or Country Organisations located in cities across the world, from the Netherlands and Greece in Europe to Taiwan and Hong Kong in Asia. Mr. Tonkens is also a member of the Board of Directors of Bayport Polymers LLC.

Mr. Tonkens has a Master of Science degree in Business Economics and a post graduate Chartered Accountant (Register accountant) degree from the University of Groningen in the Netherlands.



Mr. Philippe René M. Roodhooft
Director

Mr. Philippe Roodhooft was appointed as a member of the Board of Directors as of the establishment of the Company. Mr. Roodhooft was appointed Executive Vice President Joint Ventures and Growth Projects of Borealis AG in January 2018. From 2013 to 2017, Mr. Roodhooft was Chief Operating Officer of ADP. Between 2007 and 2013, Mr. Roodhooft held several senior management positions within Borealis, including as General Manager for the Central European production sites, Senior Vice President Operations for the Borealis group of companies and Senior Vice President Supply Chain and Product Management for Polyolefins. Mr. Roodhooft is also a member of the Board of Directors of Bayport Polymers LLC..

Mr. Roodhooft holds a Master's degree Cum Laude in Applied Science from the "Katholieke Universiteit Leuven", Belgium, with a specialisation in Production Management and Electro Mechanical Engineering.



Mr. Thomas Michael Boesen
Director

Mr. Thomas Boesen was appointed as a member of the Board of Directors as of the establishment of the Company. Mr. Boesen was appointed Vice President Middle East of Borealis AG in May 2018. Prior to this role, Mr. Boesen was Chief Financial Officer and Senior Adviser with responsibility for strategy in Borouge. Mr. Boesen first joined Borealis in 1994 and has since held several roles including Director of Business Planning and Analysis, Director of Decision Support, Business Development Manager of Innovation and Middle East and Asia, Business Project Manager and Business Unit Controller of Engineering Applications. Mr. Boesen was seconded by Borealis to Borouge from 2005 to 2008 and again from 2011 to 2018. Mr. Boesen is also a member of the Board of Directors of Borouge 4 LLC.

Mr. Boesen holds a Master's degree in Economics and Business Administration from Copenhagen Business School, Denmark, with a specialisation in Finance, Accounting and International Business.

FORMER MEMBERS OF THE BOARD OF DIRECTORS

Roger Brown (Until 19 August 2022)
Former Director, Former Member Of The Executive Committee.

Mr. Roger Brown was appointed as a member of the Board of Directors as of the establishment of the Company and ceased to hold office on 19 August 2022. Mr. Brown was also Executive Vice President of Downstream and Asset Management at ADNOC until 19 August 2022. Prior to joining ADNOC in March 2022, Mr. Brown was the Chief Executive Officer of Varo Energy. Prior to that, Mr. Brown had senior roles at BP and Klesch Petroleum. Mr. Brown holds a degree of Engineering Science and Technology from Loughborough University, England.

FEMALE REPRESENTATION ON THE BOARD OF DIRECTORS

Ms. Tasnim Ahnaish was appointed to the Board of Directors on 27 July 2022 as an independent Director. Borouge is therefore in compliance with SCA Corporate Governance Rules which require one female member of the Board.



DIRECTORS' REMUNERATION

As per the Companies Regulations, the remuneration of the members of the Board of Directors should be approved by the Board of Directors. This is then submitted for the approval of the shareholders at the Annual General Meeting.

As at the date of the issuance of this Report, the Board of Directors have not approved the remuneration to be paid to the members of the Board of Directors for the year of 2022 and therefore no payments have been made. The amount of the 2022 remuneration is expected to be approved at the Annual General Meeting to be held in 2023.

ALLOWANCES PAID TO COMMITTEE MEMBERS

In 2022, no allowances, salaries or additional fees were paid to committee members.

BOARD MEETINGS – ATTENDANCE RECORDS

Our Articles of Association require that the Board of Directors meets a minimum of four times each year. The quorum for meetings is at least two Directors appointed by ADNOC and two Directors appointed by Borealis. Decisions on Board Reserved Matters also require the approval of at least two ADNOC Directors and two Borealis Directors. Board Reserved Matters include the approval of:

01. the Borouge Group Strategy, Business Plan and budget;
02. annual financial statements;
03. entry by any member of the Borouge Group into joint ventures or partnerships with any third party in respect of any petrochemical project; and
04. the creation or dissolution of Board Committees, among other items.

The following table sets out the meetings held by our Board of Directors in 2022:

Director	Position	27 Jul	27 Oct
H.E. Dr. Sultan Ahmed Al Jaber	Chairman	P	P
Thomas Gangl	Vice Chairman	P	P
Khaled Salmeen	Director	A (*)	P
Abdulaziz Abdulla Alhajri	Director	P	P
Khaled Al Zaabi	Director	P	P
Omar Al Farsi	Director	P	P
Tasnim Ahnaish	Director	P	P
Mark J. S. Tonkens	Director	P	P
Philippe René M. Roodhooft	Director	P	P
Thomas Michael Boesen	Director	P	P
Roger Brown(**)	Director	P	-

(*) Mr. Salmeen appointed Mr. Roger Brown as his alternate.

(**) Member of the Board of Directors until 19 August 2022.

A: Absent / P: Present

WRITTEN RESOLUTIONS OF THE BOARD OF DIRECTORS

Since the Listing, the Board of the Directors have passed nine Written Resolutions. Below is a list of the dates when these Written Resolutions were issued.

Date	Number of Written Resolutions of the Board of Directors
19 October 2022	1
27 October 2022	2
8 November 2022	1
21 December 2022	3
30 December 2022	2
TOTAL	9

Details of material matters approved by the Board of Directors on these Written Resolutions can be found on the section "Material Events during 2022" below.

MATTERS RESERVED TO THE BOARD OF DIRECTORS AND DELEGATED TO MANAGEMENT

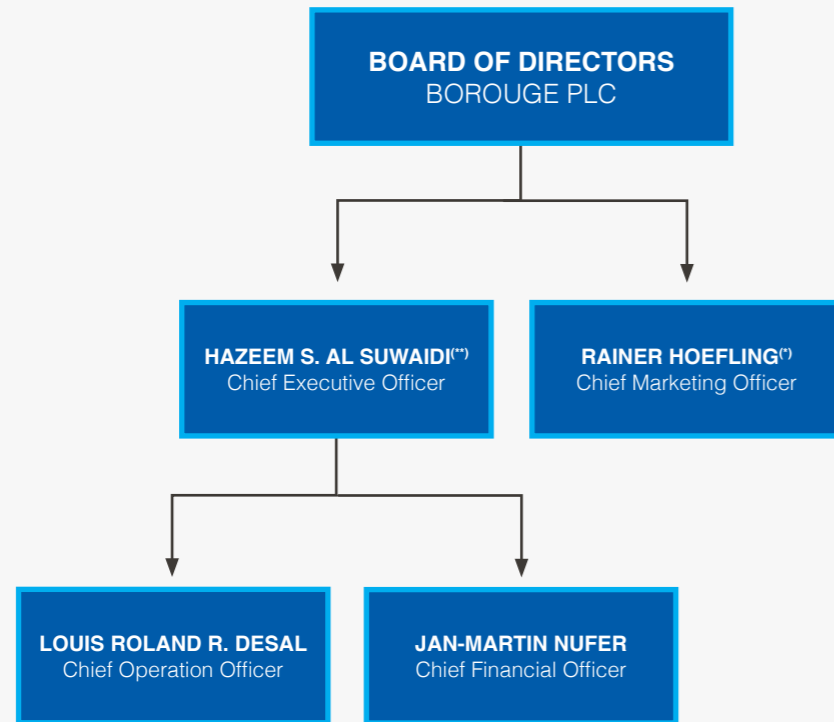
A delegation of authority for Borouge Group is under discussion and should be approved in 2023. In the meantime, the Board of Directors passed a Written Resolution on 2 June 2022 approving that the existing delegation of authority for each of ADP and PTE remains in place until otherwise amended.

DETAILS OF THE DELEGATION OF AUTHORITY ARE PROVIDED BELOW

	Borouge	ADP	PTE
Authorised person	-	Hazeem Al Suwaidi Chief Executive Officer – ADP	Rainer Hoefling Chief Executive Officer – PTE
Scope of Authority	Authority to conduct the daily management activities subject to appropriate limits as set down by the Board of Directors from time to time		
Duration of delegation	Until the authority is revoked by the Board of Directors		

Executive Management

BOROUGE ORGANISATION CHART



(*) Mr. Al Suwaidi is also Chief Executive Officer of ADP
 (*) Mr. Hoefling is also Chief Executive Officer of PTE



Hazeem Sultan Al Suwaidi
Chief Executive Officer

Mr. Hazeem Sultan Al Suwaidi has been the Chief Executive Officer of ADP since January 2020 and has been appointed as the Chief Executive Officer of Borouge. He has been leading the Company's production activities, boosting its growth projects and contributing to developing the UAE's petrochemicals industry. From 2017 to 2019, Mr. Al Suwaidi was the CEO of Al Ruways Fertilizer Industries LLC (Fertil), where he played a pivotal role in growing the business regionally and internationally and successfully transformed it into a high-performing, market-facing and people-centred company. Before moving to Fertil in 2017, Mr. Al Suwaidi was the Senior Vice President Regional Sales MEA at PTE, where he successfully secured a strong market position for Borouge's products in the MEA region with strong commercial performance during the high-growth period of Borouge 3 capacity ramp-up. In addition, Mr. Al Suwaidi is currently a board member of the Gulf Petrochemicals and Chemicals Association (GPCA).

Mr. Al Suwaidi holds a Bachelor's degree with honours in Business Administration majoring in Marketing from the California State University of San Bernardino, United States of America.



Rainer Hoefling
Chief Marketing Officer

Mr. Rainer Hoefling has been the Chief Executive Officer of PTE since November 2021 and has been appointed as the Chief Marketing Officer of Borouge. Mr. Hoefling joined Borealis in 2007 as Director of the Melamine Business Unit. Mr. Hoefling served as the Chief Executive Officer of Borealis' fertilizers, melamine and technical nitrogen business from October 2018 to November 2021 and as a Senior Advisor from August to October 2021. Mr. Hoefling previously worked at Teufelberger Ges.m.b.H, PCD Polymere Ges.m.b.H and c. Mr. Hoefling was appointed as Interim Executive Vice President Polyolefins and Innovation and Technology in April 2018. Mr. Hoefling is also a board member of Singapore Chemical Industry Council Limited.

Mr. Hoefling holds a Master of Science in Plastic Engineering from the University of Applied Sciences Würzburg, Germany, and a Master of Business Administration from the University of Toronto, Canada.



Jan-Martin Nufer
Chief Financial Officer

Mr. Jan-Martin Nufer joined Borouge on 1 November 2022 as Chief Financial Officer of Borouge. He has broad international experience in various finance roles, senior leading and board positions for more than 25 years. Mr. Nufer has managed projects globally and has led finance organisations in a variety of set-ups. Prior to Borouge, he spent 16 years in petrochemicals (Borealis) and before that in a number of multinational industries such as aviation, telecommunication, financial advisory, large conglomerates and banking.

He has been closely involved with Borouge from the shareholder side since 2007 for Borouge 2, 3 and 4 and the successful Listing in 2022. Mr. Nufer is a founding board member of ACTA, the Austrian Corporate Treasury Association and EACT (European Corporate Treasury Association) deputy chair.

Mr. Nufer is a trained banker and holds a degree (Diplomkaufmann, eq. Master) from the University of Mannheim, Germany.



Louis Roland R. Desal
Chief Operating Officer

Mr. Louis Roland R. Desal has been the Chief Operating Officer of ADP since November 2017 and has been appointed as the Chief Operating Officer of Borouge. Prior to joining ADP, Mr. Desal spent over 27 years in operations with Borealis. During his time at Borealis, Mr. Desal held various positions including HSE Manager responsible for the Belgian production locations, Head of the Process Safety Leadership team for the European locations of the Borealis Group, and Senior Vice President of Operations Base Chemicals where he was responsible for the Hydrocarbon and Fertilizer production units at different locations in Europe.

Mr. Desal holds a Master's degree in Chemical Engineering from Provinciale Industriële Hogeschool HOWEST – Kortrijk, Belgium in 1982, and an Executive Master's degree in Business Administration (MBA) from the Austrian Business School, Limak Linz, Austria in 2010.

Saeed Sultan Al Dhaheri (10 May 2022 - 31 October 2022)
Former Chief Financial Officer

Mr. Saeed Sultan Al Dhaheri was the Chief Financial Officer of ADP since April 2018 and was appointed as the Chief Financial Officer of the Company on 10 May 2022. Mr. Al Dhaheri has more than 22 years of experience in the oil and gas industry and was formerly the Chief Financial Officer of a number of ADNOC Group companies, including ADNOC Gas Processing, ADNOC Drilling PJSC and ADNOC Industrial Gases. In November 2022, Mr. Al Dhaheri stepped down from the role to pursue a new opportunity with ADNOC.

Mr. Al Dhaheri holds a Bachelor of Science degree in Business Studies from the University of Colorado, USA and an Executive MBA with Distinction from Zayed University, UAE. He is a Chartered Global Management Accountant (CGMA) from the Association of International Certified Professional Accountants and a Certified Manager from the Institute of Certified Professional Managers.

EXECUTIVE MANAGEMENT REMUNERATION

Details of the total salaries and benefits paid to the senior members of our executive management team in 2022 are provided in the table below:

Director	Position	Appointment Date	Salaries and Allowances (USD)	Total Bonuses	Other benefits or due in the near future ⁽¹⁾
Hazeem Sultan Al Suwaidi	Chief Executive Officer	10 May 2022	423,497.14	-	-
Jan Martin Nufer(*)	Chief Financial Officer	1 November 2022	151,412.20	-	-
Louis Roland R. Desal	Chief Operations Officer	10 May 2022	342,093.62	-	-
Rainer Hoefling	Chief Marketing Officer	10 May 2022	520,260.00	-	-
Saeed Al Dhaheri(*)	Chief Financial Officer	10 May 2022	269,119.42	-	-

(*) Mr. Nufer was appointed by the Board of Directors on 27 October 2022 with effect as of 1 November 2022, replacing Mr. Al Dhaheri as Chief Financial Officer (1) Bonuses in relation to 2022 payable in 2023 have not been determined or awarded.





TRANSACTIONS WITH RELATED PARTIES

ADP and PTE are and have been a party to various agreements and other arrangements with related parties comprising ADNOC and certain of its other subsidiaries and Borealis and certain of its other subsidiaries (collectively, the "Related Parties").

A list of these existing agreements and other arrangements with Related Parties can be found on the International Offering Memorandum ("IOM") published on 23 May 2022, (see the section entitled "Business – Material Agreements"). Since the publication of the IOM, the following transactions with related parties have taken place in the ordinary course of business and in accordance with the approval process under the articles of association:

01. Purchase of base resin by ADP from Borealis to support XLPE production.
02. Purchase of black carbon by ADP from ADNOC Refining.
03. Sublease between PTE and ADNOC Global Trading Asia Pte Limited in relation to part of the area under a Lease Agreement between SG OGS Pte Limited, as Lessor and PTE, as Lessee. The sublease is effective on October 17, 2022, valid until 31 October 2024..
04. Renewal of the Transportation, Handling and Storage Agreement (Carbon Black and Petroleum Fines) between ADP and ADNOC Refining effective as of 7 January 2022 (date when the original agreement expired). The renewed agreement is valid for a period of three years (January 2025).

None of the transaction values exceed the equivalent contractual amount equating to 5% of Borouge's share capital value.

The value of all transactions with Related Parties undertaken by the Borouge Group since the Listing, including those relating to contracts signed prior to the Listing and disclosed in the IOM (as disclosed in our 2022 financial statements) is as follows:

As per 2022 Financial Statements	USD'000
Revenue– ADNOC Group*	148,132
Revenue– Borealis AG*	219,987
Purchase– ADNOC Group*	998,197
Purchase– Borealis AG*	409,113
Sales and Distribution Cost– ADNOC Group*	106,793
Pension Cost– Group*	81,868
Sub-lease to Related party**	135,052
Lease Liability to Related Party**	163,378

(*) Please refer to note 11(b) in the 2022 Financial Statements.

(**) Please refer to note 7(b)(c) in the 2022 Financial Statements.

Out of all existing contracts with Related Parties, two of them had a total amount of transactions exceeding 5% of Borouge's share capital (considering the total amount of transactions undertaken under each of them as of the Listing): (i) the Feedstock Supply Agreement signed with ADNOC; and (ii) the Catalyst Supply Agreement signed with Borealis, both of them entered into prior to the Listing. More details on these contracts can be found in the IOM (see the section entitled "Business – Material Agreements").

EXTERNAL AUDITORS

Borouge entrusted the external audit function for Borouge's yearly accounts to Ernst and Young Middle East.

Number of years served as an external auditor for the Company	1 year
Number of years served by the responsible partner in auditing the Company's accounts	1 year
Total fees for auditing the financial statements of 2022 (in AED)	AED 2,381,830
The details and nature of other services provided (if any), and in case there are no other services, this shall be expressly stated	Income tax audit: AED 75,000 ICFR opinion: AED 130,000
A statement of the other services performed by an external auditor other than the Company's auditor in 2022 (if any), and in case there is no another auditor, this shall be expressly stated	None
The fees and costs of the special services other than the auditing of the financial statements in 2022 (in AED), if any, and in case there are no other fees, this shall be expressly stated	None

For our annual financial statements for the year ended 31 December 2022, Ernst and Young Middle East issued an unqualified audit opinion.

EXECUTIVE COMMITTEE

The Executive Committee assists the Board in discharging its responsibilities, including in relation to the Company's commercial performance. The Board has delegated to the Executive Committee approval of related party transactions. However, certain related party transactions will not require such approval (including transactions entered into pursuant to the related party agreements already existing on the date of the Listing).

Decisions regarding related party transactions are generally made by way of a vote of non-conflicted committee members, although in certain circumstances all members of the Executive Committee will be entitled to vote (these matters include (without limitation) related party transactions entered in relation to any proposed acquisition of the business or assets, or any proposed acquisition of any shares in the capital of Borouge 4 LLC, the purchase of polyolefin technology licences, certain research and development matters and certain other ordinary course transactions).

Along with related party transactions, various other decisions are reserved to the Executive Committee, including the approval, amendment or termination of Group policies relating to finance, budget and business planning, procurement, investment and business continuity.

The Executive Committee also receives information and reporting relating to the business and operations of the Group. All members of the Executive Committee are required to comply with the Group's

information sharing protocol which sets out guidelines on matters relating to the sharing of non-public confidential information and insider trading.

The members of the Executive Committee acknowledge their responsibility for the Executive Committee's systems, review of their work mechanism, and ensuring their effectiveness. The Chairman of the Executive Committee also acknowledges his responsibility for the committee's policy, review of its work mechanism and ensuring its effectiveness.

The following table sets out the meetings held by the Executive Committee in 2022:

Director	Position	5 July	13 Sept	26 Oct	14 Dec
Khaled Salmeen	Chairman and Member	A	P	P	P
Philippe René M. Roodhooft	Vice Chairman and Member	P	P	P	P
Khaled Al Zaabi	Member	P	A	P	A
Thomas Michael Boesen	Member	P	P	P	P
Ahmed Omar Abdulla(*)	Member	-	-	-	P
Roger Brown(**)	Member	P	-	-	-

(*) Mr. Omar Abdulla was appointed as a member to the Executive Committee on 27 October 2022.

(**) Mr. Brown ceased to be a member of the Executive Committee on 19 August 2022.

A: Absent / P: Present

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee assists the Board in setting and overseeing the nomination and remuneration policies in respect of the Board, any committees of the Board and senior management. In such capacity, it is responsible for evaluating certain matters relating to Borouge's executive management, evaluating the balance of skills, knowledge and experience of the Board and committees of the Board and, in particular, monitoring the independent status of the independent Directors.

In addition, and subject to the Articles, the Nomination and Remuneration Committee assists the Board in determining its responsibilities in relation to remuneration, including making recommendations to the Board on the Company's policy on executive remuneration and decisions on certain of the Group's human capital policies, setting the overarching principles, parameters and governance framework of our remuneration policy and overseeing remuneration and benefits packages.

The Board has delegated to the Nomination and Remuneration Committee decisions in relation to the appointment, removal and replacement of personnel reporting directly to the Company's chief executive officer, senior

vice-presidents of the Group and management personnel reporting directly to the Group's senior vice-presidents.

The Nomination and Remuneration Committee Terms of Reference require that the Nomination and Remuneration Committee must comprise four members. At least three of the members of the Nomination and Remuneration Committee will need to be Non-Executive Directors (of whom at least two will need to be independent), in each case within the meaning of those terms in the Governance Rules. The Nomination and Remuneration Committee meets at least four times per year, and otherwise from time to time based on the Company's requirements.

All members of the Nomination and Remuneration Committee are required to comply with the Group's information sharing protocol which sets out guidelines on matters relating to the sharing of material non-public information and insider trading.

The members of the Nomination and Remuneration Committee acknowledge their responsibility for the Nomination and Remuneration Committee's systems, review of their work mechanism, and ensuring their effectiveness. The Chairman of the Nomination and Remuneration Committee also acknowledges his responsibility for the committee's policy, review of its work mechanism and ensuring its effectiveness.

The following table sets out the meetings held by the Nomination and Remuneration Committee in 2022:

Director	Position	5 Jul	25 Oct	14 Dec
Khaled Salmeen	Chairman and Member	P	P	P
Philippe René M. Roodhooft	Vice Chairman and Member	P	P	P
Ayesha Al Hammadi	Member	P	P	P
Thomas Michael Boesen	Member	P	P	P

A: Absent / P: Present

AUDIT COMMITTEE

The Audit Committee assists the Board in discharging its responsibilities relating to financial reporting, external and internal audits and controls, including reviewing and monitoring the integrity of our financial statements, reviewing and monitoring the extent of the non audit work undertaken by external auditors, advising on the appointment of external auditors, overseeing the relationship with our external auditors, reviewing the effectiveness of the external audit process, and reviewing the effectiveness of our internal control review function. The ultimate responsibility for reviewing and approving the annual report and accounts remains with the Board. The Audit Committee gives due consideration to the applicable laws and regulations of the UAE, the ADGM, the SCA and the ADX.

The Audit Committee Terms of Reference requires that the Audit Committee must comprise six members. At least three members of the Audit Committee must be Non-Executive Directors (of whom at least two must be independent). In addition, at least one member is required to have practical audit, finance or accounting experience. The Audit Committee is chaired by one of the independent members and includes other members elected by the Board from time to time. The members of the Audit Committee are appointed in accordance with the relevant terms of reference. The Audit Committee meets not less than four times per year. All members of the Audit Committee are required to comply with the Group's information sharing protocol which sets out guidelines on

matters relating to the sharing of material non-public information and insider trading.

The Audit Committee takes appropriate steps to ensure that the Company's external auditors are independent of the Company as required by applicable law.

The members of the Audit Committee acknowledge their responsibility for the Audit Committee's systems, review of their work mechanism, and ensuring their effectiveness. The Chairman of the Audit Committee also acknowledges his responsibility for the committee's policy, review of its work mechanism and ensuring its effectiveness.

The following table sets out the meetings held by the Audit Committee in 2022:

Director	Position	20 Jun	22 Jul	25 Oct	15 Nov
Khaled Al Zaabi	Chairman and Member	P	P	P	P
Mark J. S. Tonkens	Vice-Chairman and Member	P	P	P	P
Tasnim Ahnaish	Member	P	P	P	P
Ahmed K. Matar Abujarad	Member	P	A	P	P
Sandra Mueller (*)	Member	P	P	P	P
Thomas Michael Boesen	Member	P	P	P	P
Philippe Roodhooft (*)	Member	-	-	-	-

Mrs Mueller replaced Mr. Philippe Roodhooft on 16 June 2022.
A: Absent / P: Present

INSIDER TRADINGS COMMITTEE

Trading requests of Borouge Insiders are monitored and managed by the Head, Ethics, Compliance & Risk and the Borouge Ethics and Compliance team. All Insiders and their connected parties are required to obtain clearance from the Borouge Ethics and Compliance team to deal in Borouge's securities before proceeding to transact, and must provide verification post transaction. Insiders must attest and certify that they are not acting on inside information prior to dealing in the shares of Borouge and commit to all requirements of the Borouge Inside Information and Insider Dealing Policy. The Borouge Head, Ethics, Compliance & Risk acknowledges her responsibility for managing and monitoring Insider trading activity and the Borouge Insider register.



INTERNAL CONTROL SYSTEM

The Abu Dhabi Accountability Authority (ADAA) Regulation #1 in 2017 requires the executive management of all entities based in the UAE and its auditors to collaborate and establish a process for assessing the Internal Controls over Financial Reporting (ICFR) and report effectiveness of the controls on an annual basis. Borouge, is required to demonstrate having an effective system for internal controls over financial reporting.

The Board of Directors is responsible for the internal control system within Borouge and has established a number of processes and procedures which are designed to ensure the effectiveness of Borouge's internal control system.

Borouge has an Internal Controls Financial Reporting Framework Procedure that sets out the principles, approach, defined process roles and responsibilities under the supervision of executive management to provide assurance on the reliability of financial reporting. This includes the identification of key processes and controls in the key areas to ensure the effectiveness of these areas:

- Entity Level Controls;
- Process Level Controls; and
- IT General Controls

In Borouge, the internal control system is based on the Committee of Sponsoring Organisations of the Treadway Commission ("COSO") framework and our three lines of defence:

01. The first line of defence lies with the business and process owners whose activities create and/or manage the compliance risks.
02. The second line of defence lies mainly with the Ethics and Compliance team and is in place to support management by bringing compliance expertise, process knowledge, and management monitoring alongside the first line to help ensure that compliance risk and control are effectively managed. The second line of defence functions are separate from the first line of defence.
03. The third line of defence lies mainly with the internal audit function and provides assurance to the Board of Directors over

both the first and second lines' efforts consistent with the expectations of the Board of Directors. In principle, the third line of defence does not perform compliance management functions to protect its objectivity and organisational independence.

Internal audit validates the design and effectiveness of the internal controls applicable to the areas included to the scope of the risk based Internal Audit plan.

In 2022, no significant issues were identified with respect to our internal control systems including areas such as anti-corruption, anti-trust, fraud, financial misappropriation, competition law, human rights or data privacy breaches. Consequently, no penalties, fines or other sanctions were imposed on Borouge.

There are no material risks or uncertainty that can reasonably be expected to have a material adverse effect on the continuity of the Borouge business in the coming 12 months.²

General Information

COMPANY'S SHARE PERFORMANCE DURING 2022

Trading of Borouge shares on the ADX started on 3 June 2022 under the symbol BOROUGE. The share price on 31 December 2022 was AED 2.53. Borouge's market capitalisation on 31 December 2022 was AED 76.0 billion. The following table sets out the closing price and the high and low share prices of our shares at the end of each month during 2022 that the Company has been publicly listed.

	High (AED)	Low (AED)	Close (AED)
June	3.19	2.92	2.93
July	2.94	2.80	2.94
August	3.08	2.95	3.07
September	3.02	2.85	2.85
October	2.85	2.71	2.72
November	2.75	2.66	2.68
December	2.71	2.50	2.53

Source: Bloomberg

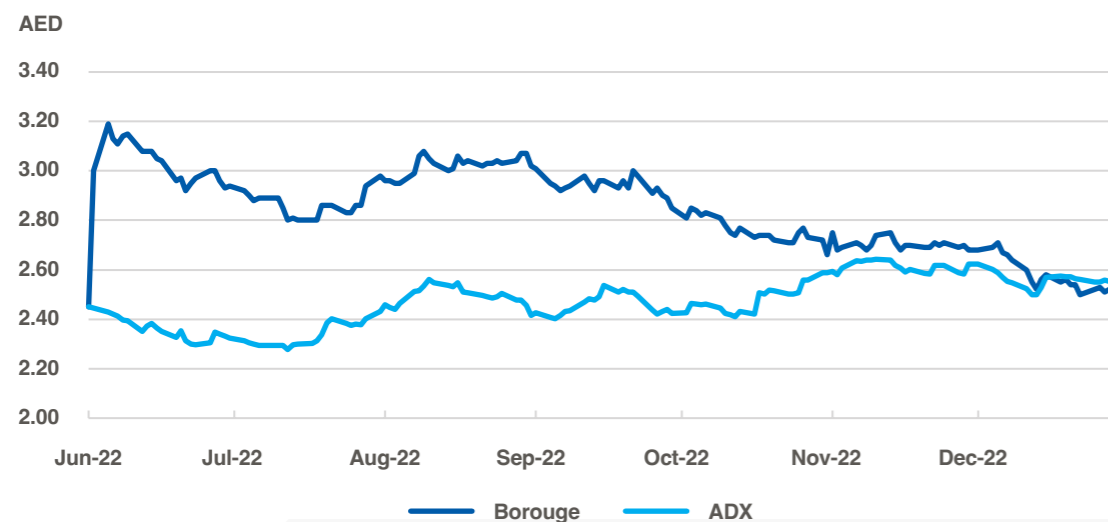
NO VIOLATIONS WERE COMMITTED BY BOROUGE IN 2022



²The above statements do not imply that our systems and procedures provide absolute assurance as to the realisation of our business objectives, or that they can prevent all misstatements, inaccuracies, errors, fraud and any non-compliance.



COMPARATIVE PERFORMANCE OF BOROUGE'S SHARE PRICE WITH THE GENERAL MARKET INDEX AND SECTOR INDEX DURING 2022



Source: Bloomberg

BREAKDOWN OF SHAREHOLDINGS AS AT 31 DECEMBER 2022

Shareholder Category	Percentage of shares held			
	Individual	Companies	Government	Total
Local	2.89%	59.41%	0.50%	62.81%
GCC	0.09%	0.15%	-	0.24%
Arab	0.13%	-	-	0.13%
Foreign	0.15%	36.68%	-	36.83%
Total	3.26%	96.24%	0.50%	100%

Source: ADX

SHAREHOLDERS WHO HELD 5% OR MORE OF BOROUGE'S CAPITAL AS AT 31 DECEMBER 2022

Name	Number of Shares Held	% of the Shares Held of the Company's Capital
Abu Dhabi National Oil Company	16,231,153,455	54%
Borealis Middle East Holding GmbH	10,820,768,970	36%

Source: ADX

SHAREHOLDERS WHO HELD 5% OR MORE OF BOROUGE'S CAPITAL AS AT 31 DECEMBER 2022

Share(s) Owned	Number of Shareholders	Number of Share Held	% of the Shares Held of the Capital
Less than 50,000	24,205	330,268,530	1.1%
From 50,000 to less than 500,000	1,493	330,244,325	1.1%
From 500,000 to less than 5,000,000	421	267,526,135	0.9%
More than 5,000,000	71	29,129,652,593	96.9%

Source: ADX

PROCEDURES TAKEN WITH RESPECT TO THE CONTROLS OF INVESTOR RELATIONS

Throughout the year, Borouge's Investor Relations Department publishes earnings releases and arranges briefings, conference calls and webcasts to raise investors' awareness globally about the Company's attractive value proposition among listed companies and provide updates on Borouge's strategy and performance. Each quarter, Borouge holds earnings conference calls and webcasts to communicate its quarterly and annual results to analysts, shareholders, and investors to discuss its financials and outlook. Copies of all presentations, releases and investor information are available on its investor relations website. A proactive Investor Relations strategy is key to sustaining investor trust and maximising shareholder value, particularly during volatile market conditions and global uncertainty.

INVESTOR RELATIONS CONTACT INFORMATION

Investor Relations Officer: [Samar Khan](#)
Contact: ir@borouge.com
<https://www.borouge.com/en/investor-relations/Pages/home.aspx>

GENERAL ASSEMBLY AND SPECIAL RESOLUTIONS PRESENTED TO THE GENERAL ASSEMBLY

On 22 September 2022, the general assembly passed a special resolution in accordance with the Companies Regulations approving the distribution of an interim dividend in the amount of USD 325 million (equivalent to approximately AED 1.2 million) amounting to approximately 3.97 fils per share for the first half of the 2022.

THE SECRETARY TO THE BOARD OF DIRECTORS

On 27 April 2022, Seif Al Hijazi, Borouge's Regional Legal Counsel based in Abu Dhabi, was appointed Secretary to the Board of Directors. Mr. Hijazi is a legal professional with over 15 years of experience in both multinationals and international law firms. Mr. Hijazi holds a Bachelor of Law from Philadelphia University and an LL.M. in International Business Law from Exeter University.

MATERIAL EVENTS DURING 2022

Since the Listing, the following material events have taken place:

July 2022:

The Board of Directors approved the payment of dividends in the amount of USD 325 million and calling of a General Meeting so that such payment can be approved by the shareholders.

October 2022:

The Board of Directors appointed Mr. Jan-Martin Nufer as Chief Financial officer replacing Mr. Saeed Al Dhaheri with effect as of 1 November 2022.

December 2022:

The Board of Directors approved the partial prepayment and cancellation of the USD 3.65 billion Commercial Term Facility entered into by ADP in December 2021 in a principal amount of up to USD 500 million.



CASH AND IN-KIND CONTRIBUTIONS TOWARD THE LOCAL COMMUNITY DEVELOPMENT AND ENVIRONMENTAL CONSERVATION

During 2022, Borouge has paid the following cash and in-kind contributions: (i) USD 290,000 in relation to local community development and (ii) USD 13.6 million in relation to environment conservation (*).

EMIRATISATION PERCENTAGE IN BOROUGE

As at
31 December
2022,

our Emiratisation
rate was **51.77%**.



(*) These amounts are not given in physical, hard currency, but payable via wire transfer, cheque etc.