5 Year Business Plan

Saudi Petrochemical Company (Sadaf)
A Saudi Basic Industries Corp. & Shell Chemical Arabia L.L.C. Joint Venture
Your Guide To The Perfect Scorecard

FIVE-YEAR BUSINESS PLAN

This brochure is your guide to The Perfect Scorecard-Five-Year Business Plan. It includes:

Sadaf Operation Unit

A personal message to you from your President.

Sadaf's Leadership Statement: Our vision for the Company's future, Key Focus Areas (KFAs) and Core Values and Behaviours needed to make our vision a reality.

Key Focus Areas: A page-by-page guide to KFAs along with useful strategies that support them.

Actions you can take to build The Perfect Scorecard, improve your workplace and secure your future.

A picture of The Perfect Scorecard-Five-Year Business Plan.

Keep the Perfect Scorecard - Five-Year Business Plan handy so you can refer to it whenever you need it.
<table>
<thead>
<tr>
<th>Page</th>
<th>Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Message From Your President</td>
</tr>
<tr>
<td>5</td>
<td>2008 Perfect Scorecard</td>
</tr>
<tr>
<td>7</td>
<td>Key Focus Area : Safety</td>
</tr>
<tr>
<td>9</td>
<td>Key Focus Area : Health</td>
</tr>
<tr>
<td>11</td>
<td>Key Focus Area : Environment</td>
</tr>
<tr>
<td>13</td>
<td>Key Focus Area : People</td>
</tr>
<tr>
<td>15</td>
<td>Key Focus Area : Reliability</td>
</tr>
<tr>
<td>17</td>
<td>Key Focus Area : Cost Leadership</td>
</tr>
<tr>
<td>19</td>
<td>Key Focus Area : Growth</td>
</tr>
<tr>
<td>21</td>
<td>Actions You Can Take To Build The Perfect Scorecard</td>
</tr>
<tr>
<td>22</td>
<td>The 2008 Perfect Scorecard Poster</td>
</tr>
</tbody>
</table>

Dear Colleagues,

Thank you for all your hard work! I trust you will be satisfied with this booklet.

Best wishes,

[Signature]

25 March 2006
Dear Valued Employee:

As I page through this brochure, The Perfect Scorecard-Five-Year Business Plan, my thoughts turn to you.

YOU ARE AT THE HEART OF SADAF’S FIVE-YEAR BUSINESS PLAN

Because it is you—your dedication and hardwork, your ideas and creativity, and your dreams that have made Sadaf the success we are today.

It is because of you that we embrace a vision—to be the best petrochemical company.

And if we realize this vision, it will also be because of you.

YOUR ROLE AT SADAF - YESTERDAY, TODAY AND TOMORROW

If you’ve been part of the Sadaf team from the start, you remember our beginnings. If you’ve joined us more recently, you may not realize how far we’ve come.

In 1980 Sadaf opened as a partnership between Sabic and Shell Oil Company. Our operations depended on 1,500 employees and heavy staffing from Shell. We produced modest ethylene outputs and in 1987 - our first profitable year - we earned 381 million Saudi Riyals.

Today your outstanding efforts let us run a much leaner operation. With a Saudi-dominant team of 800 men - with continuous focused support from the partner - our expanded facilities produce more than 4 million metric tons of diverse petrochemical products annually. Net income in 2007 topped 2 billion Saudi Riyals.

In between those years you helped us through the difficult times, more volatile business cycles, rising feedstock prices and technological challenges.

Thanks to your operational excellence, we now stand at a strong vantage point — able to look with open eyes at our past, present and future.
WHERE WILL YOU TAKE OUR COMPANY IN THE NEXT FIVE YEARS?

With you, your family and our Company’s future in mind our leaders worked together to identify a vision.

They created The Perfect Scorecard-Five-Year Business Plan to guide us toward that vision. And they uncovered Key Focus Areas (KFAs) and strategies that will make our vision a reality.

As you explore this brochure filled with so many plans and goals, please think about this question: Where do you see yourself at Sadaf in five years?

Your answer decides our future. And your willingness to focus and stay motivated determines our success or failure.

I look forward to hearing your answers—and working with you to support your vision over the next five years.

Sincerely yours,

Fahad M. Al-Sharef
Sadaf President
SHARE OUR VISION
To Be The Best Petrochemical Company
SADAF’S STAR IS RISING: WILL YOU RISE WITH US?

This is an exciting time to be part of the petrochemical industry.
With global demand for petrochemical products higher than ever, the plant that meets demand will reap rich rewards.
We want to be that plant: Our vision is to be the best petrochemical company.
And we want you to be part of our vision.

BUILD A COMPANY YOU’LL BE PROUD TO BE PART OF
Sadaf leaders thought long and hard about what it takes to be the best petrochemical company.
To make our vision a reality, they created The Perfect Scorecard-Five-Year Business Plan.

With your support, The Perfect Scorecard will:
Improve your workplace
Help you advance at Sadaf
Provide security for you and your family
Meet new demand for our products
Boost shareholder value

KEY FOCUS AREAS OF THE PERFECT SCORECARD
The Perfect Scorecard Five-Year Business Plan identifies seven Key Focus Areas (KFAs):

SAFETY
HEALTH
ENVIRONMENT
PEOPLE
RELIABILITY
COST LEADERSHIP
GROWTH

Business Model
Core Values that help you build The Perfect Scorecard

Over the last 20 years you've helped build Sadaf into a company celebrated for operational excellence and profitability. But today our industry faces new challenges. Some challenges — rising feedstock prices, more competition — are beyond your control. But other challenges can be overcome with your efforts: You can help meet production targets. Reduce waste on the job. Run the plant more efficiently. And more.

What does it take for you to meet and beat these challenges today and tomorrow?

Sadaf leaders have identified Core Values and Behaviours to help you:

Core Value: DECISIVENESS
When you’re decisive, you’re in control. You find it easier to work with others, stay on top of tasks and meet department expectations.

- You strengthen **decisiveness** when you practice the following **Behaviours:**
  - Making decisions now not later
  - Prioritize tasks
  - Managing time
  - Communicating directly and clearly

Core Value: ACCOUNTABILITY
When you’re accountable, you feel empowered. You see how your actions affect company productivity, teamwork and plant safety.

- You strengthen **accountability** when you practice the following **Behaviours:**
  - Take responsibility for your actions
  - Accept your mistakes as learning opportunities
  - Follow rules and procedures

Core Value: TEAMWORK
When you work as a team you feel pride in your Company. Your co-workers listen to you, cooperate and do their part — because they see you lead by example.

- You strengthen **teamwork** when you practice the following **Behaviours:**
  - Listen with an open mind
  - Speak respectfully and thoughtfully
  - Take action, instead of waiting for others to start first

To learn more about these Key Focus Areas and strategies that strengthen them, turn the page.
Key Focus Area

SAFETY

OBJECTIVE
Safety First:
We want to keep you, your co-workers and Sadaf neighbors and contractors safe on-the-job.
Ask your manager how you can:

Strategy 1
Practice Proactive Safety Management

Strategy 2
Improve safety by learning from incidents

Strategy 3
Monitor and strengthen contractors’ safety performance

Strategy 4
Sign up for training that reduces on-the-job safety risks

Strategy 5
Strengthen security for yourself, your co-workers and company assets

Strategy 6
Contribute to improve Process Safety

“There’s good news on safety from Sadaf: On-the-job HSE incidents are at an all-time low, and dropping further each month. At Sadaf, safety is top priority. And we’re committed to providing our Company workers and contractors with the awareness and behavioural training you need to make safety a habit 24/7.”

- RASHEED M.A.S-HUBAILI
general manager-technical & maintenance
Key Focus Area

HEALTH

OBJECTIVE
Assure your health and well-being on-the-job through awareness, education and wellness programs.
Ask your manager how you can:

Strategy 1
Protect your health in the workplace through Occupational Health Management

Strategy 2
Develop health awareness and report on-the-job illness and health-related absences

Strategy 3
Learn about occupational health programs in place for you, and others

Strategy 4
Take advantage of wellness programs that prevent illness

"Your health is your first wealth. At Sadaf we’ve stepped up efforts to assure you stay healthy on-the-job. Stronger occupational health programs now protect both employees and contractors. And a range of fitness and wellness activities make it easier for you to get in shape and stay healthy."

- CAREL JAN DE BRUIN, senior vice president
ENVIRONMENT

OBJECTIVE
Reduce environmental impact of our manufacturing process.
Environment

Ask your manager how you can:

Strategy 1
Help close compliance gaps with environmental regulations

Strategy 2
Help reduce emissions and waste volumes

Strategy 3
Maintain key certification granted by International Standards Organization

“Environmental awareness has long been a Sadaf concern. While our conversion processes turn feedstocks into useful products with great efficiency, we’re always looking for new ways - through technology and self-regulation - that further reduce the environmental ‘footprint’ we leave on the Earth.”

- SAUD A. AL-SANEA, general manager - production
Key Focus Area

PEOPLE

OBJECTIVE
Provide a supportive, opportunity-filled workplace and reward decisiveness, accountability and teamwork.
Ask your manager how you can:

**Strategy 1**
Use Transformation Project Topics to help build decisiveness, accountability and teamwork.

**Strategy 2**
Make Transformation Project Topics part of your work day - every day.

**Strategy 3**
Take advantage of leadership training that moves you ahead.

**Strategy 4**
Learn about development programs and help with our recruitment efforts.

**Strategy 5**
Support Sadaf’s goal to increase Saudi maintenance hires.

**Strategy 6**
Strengthen community life; learn to balance work with family and social activities.

**Strategy 7**
Be more productive: Prioritize tasks and avoid activities that waste time.

“Our employees are Sadaf’s most precious resource. The Perfect Scorecard Five-Year Business Plan includes workplace improvements, skills training and stronger Saudi recruitment programs - so you can shine on the job and in your community.”

FAHAD M. AL-SHAREF
president
Key Focus Area

RELIABILITY

OBJECTIVE

Reliably meet customer commitments with products delivered on spec, and on time.
Ask your manager how you can:

Strategy 1
Consistently meet production targets by actively monitoring plant performance

Strategy 2
Develop faster, more effective turnaround processes

Strategy 3
Update and use Sadaf maintenance strategy

Strategy 4
Take advantage of Sabic Reliability Project learning tools

“Reliability plays a key role in boosting profitability – especially in today’s ultra-competitive petrochemical marketplace. Our staff are committed to apply innovative reliability systems. I’m confident we will make Sadaf reliability even better.” – ABDALLAH M. AL-SALEM, general manager - reliability & improvement
Key Focus Area

COST Leadership

OBJECTIVE

Assure job security and shareholder value by managing costs in every department.
Cost Leadership

Ask your manager how you can:

**Strategy 1**
Control costs in your department — find out how your efforts make a difference

**Strategy 2**
Make better use of management information systems

**Strategy 3**
Develop streamlined budget processes

**Strategy 4**
Learn more about SABIC cost-reduction initiatives

“We owe it to our employees and shareholders to maximize every single cost-control opportunity—from making smart day-to-day decisions, loss prevention to mastering plant-wide information systems.”

- ABDULLAH A. BU-ALI, manager - finance
Key Focus Area

GROWTH

OBJECTIVE
Increase value for shareholders by sustaining full production from our existing assets and by finding profitable opportunities.
Growth

Ask your manager how you can:

**Strategy 1**
Identify and eliminate bottlenecks at your plant and run operations efficiently

**Strategy 2**
Find new profitable assets

“As part of the Sadaf team, your future depends on our Company’s continued growth. Nothing inspires shareholder confidence better than a solid performance track record – and realistic, well thought-out plans for future expansion. I welcome any and all suggestions to help us operate more efficiently and identify new growth opportunities.” – FAHAD M. AL-SHAREF, president
Actions You Can Take To Build The Perfect Scorecard

SHARE YOUR VISION FOR SADAF WITH YOUR PRESIDENT

“Do you have an idea, innovation or inspiration to improve a Key Focus Area? Are you prepared to put together a plan and follow through with your co-workers? If so, I want to hear from you. Please email me at shareffm@sadaf.sabic.com”

- FAHAD M. AL-SHAREF
  president

Start today—and build a Company you’ll be proud of!

What’s your vision? Where do you want to be with Sadaf in five years? Make your vision a reality by taking an active role in creating The Perfect Scorecard - Five-Year Business Plan.

Get started by contacting a KFA Owner

Learn more about our focus on...
Safety: Contact Rasheed M. Al-Shubaili at shubailirm@sadaf.sabic.com
Health: Contact Carel Jan de Bruin at bruincj@sadaf.sabic.com
Environment: Contact Saud A. Al-Sanea at saneasa@sadaf.sabic.com
People: Contact Fahad M. Al-Sharef at shareffm@sadaf.sabic.com
Reliability: Contact Abdullah M. Al-Salem at salemam@sadaf.sabic.com
Growth: Contact Fahad M. Al-Sahref at shareffm@sadaf.sabic.com
Cost Leadership: Contact Abdullah A. Bu-Ali at bualiaa@sadaf.sabic.com
Five-Year Business Plan

Saudi Petrochemical Company (Sadaf)
P.O. Box 10025
Jubail Industrial City 31961
Kingdom of Saudi Arabia
Tel. 03 357 3999

A publication of SADAF Public Relations & Communications Section