

**A SUMMARY OF THE PROPOSED TRANSACTION, AS REQUIRED UNDER REGULATION 13(1A)
OF THE COMPETITION COMMISSION OF INDIA (PROCEDURE IN REGARD TO THE
TRANSACTION OF BUSINESS RELATING TO COMBINATIONS) REGULATIONS, 2011 (AS
AMENDED)**

This Form II notification (**Notification Form**) is being filed with the Hon'ble Competition Commission of India (**Commission**) under Section 6(2) of the Competition Act, 2002 in relation to the proposed acquisition by Saudi Arabian Oil Company (**SAOC / Notifying Party**) (hereinafter referred to, together with the entities it directly or indirectly controls, as **Saudi Aramco / Acquirer**) of the 70% shareholding in Saudi Basic Industries Corporation (hereinafter referred to, together with the entities it directly or indirectly controls, as **SABIC / Target**), currently held by the Public Investment Fund of Saudi Arabia (**PIF**). Through this acquisition of shares, Saudi Aramco will acquire sole control over SABIC (**Proposed Transaction**). Saudi Aramco and SABIC are collectively referred to as the **Parties**.

(a) Name of the parties to the combination

1. **Saudi Aramco** is a joint stock company established in the Kingdom of Saudi Arabia (**KSA**) and headquartered in Dhahran. Saudi Aramco is primarily engaged in the exploration, production and marketing of crude oil and natural gas. It is also active, to a lesser extent, in the production and marketing of refined products and petrochemicals. In India, Saudi Aramco is mainly active in the supply of crude oil, liquefied petroleum gas, base oil and petrochemical products.
2. **SABIC** is a listed joint stock company listed on the Saudi Stock Exchange (ticker: Tadawul: 2010) and headquartered in Riyadh. Its main shareholder is the PIF, a wealth fund established in 1971 wholly owned by the KSA which invests locally and globally in various sectors and asset classes, including telecom, aerospace, energy, green technologies, and security. SABIC is primarily active in the production and sale of commodity chemicals (including petrochemicals), intermediates, polymers, fertilizers and to some extent metals. In India, SABIC is mainly active in the supply of agri-nutrient and

petrochemical products.

(b) Nature and purpose of the combination

3. The Proposed Transaction is in the nature of an acquisition. Saudi Aramco and the PIF executed a Share Purchase Agreement dated 27 March 2019 (***Share Purchase Agreement***). By way of the Share Purchase Agreement, Saudi Aramco intends to acquire the 70% shareholding in SABIC currently held by the PIF.
4. Saudi Aramco expects that the Proposed Transaction will allow it to benefit from SABIC's experience in the downstream petrochemicals segment and to develop its operations in this segment. From SABIC's perspective, the Proposed Transaction will introduce a strategic shareholder that can add considerable value to SABIC and offer expanded growth opportunities.
5. For further information on the Proposed Transaction, please refer to the Parties' press releases, which are available at Saudi Aramco's website¹ and SABIC's website².

(c) Products, services and business(es) of the parties to the combination

Saudi Aramco

6. Saudi Aramco is primarily engaged in the exploration, production and marketing of crude oil and natural gas. It is also active, to a lesser extent, in the production and marketing of refined products and petrochemicals.
7. The four product segments in which Saudi Aramco is active globally are:
 - *Oil*: Saudi Aramco produces and sells five grades of crude oil. Saudi

¹ <https://www.saudiaramco.com/en/news-media/news/2019/aramco-sabic>

² <https://www.sabic.com/en/news/17819-saudi-aramco-signs-share-purchase-agreement-to-acquire-70-majority-stake-in-sabic-from-public-investment-fund>

Aramco also produces crude oil-based products.

- *Gas:* Saudi Aramco produces and sells ethane, natural gas liquids and condensate, which it supplies as feedstock for petrochemical and building materials industries.
 - *Refined Products:* Through its refineries, Saudi Aramco produces naphtha, gasoline, jet fuel / kerosene, diesel, fuel oil, and asphalt.
 - *Chemicals:* Saudi Aramco's chemicals portfolio consists of petrochemicals, and a smaller number of chlorine-based chemicals that are produced as part of the petrochemical process.
8. In India, Saudi Aramco is mainly active in the supply of crude oil, liquefied petroleum gas, base oil and petrochemical products.

SABIC

9. SABIC is primarily active in the production and sale of commodity chemicals, (including petrochemicals), intermediates, polymers (also referred to as plastics), fertilizers and, to some extent, metals.
10. In India, SABIC is mainly active in the supply of agri-nutrient products and petrochemical products.

(d) Respective market(s) in which the parties to the combination operate

11. In line with the Hon'ble Commission's past practice, it is submitted that the relevant product and geographic markets may be left open, as the Proposed Transaction will not cause an appreciable adverse effect on competition in India in any segment, on account of the limited presence of the Parties and of the negligible share increments.
12. The Parties' activities in India overlap in relation to a limited number of

segments, namely:

- a. *Ethylene*
- b. *Paraxylene*
- c. *Polybutadiene Rubber (PBR)*
- d. *Ethylene-Propylene (Diene) Monomer Rubber (EP(D)M)*
- e. *Polyethylene (PE)*
- f. *Polypropylene resins (PP resins)*
- g. *Methyl Methacrylate (MMA)*
- h. *Polymethyl Methacrylate (PMMA)*
