

Dear Valued Supplier,

As you may be aware, in accordance with the Framework Agreement between the Gulf Cooperation Council for the Arab States (GCC), Value Added Tax (VAT) will be implemented in the Kingdom of Saudi Arabia effective January 1, 2018.

The Government of Saudi Arabia has now published the final VAT Law and Implementing Regulations. Therefore, the Saudi Arabian Oil Company ("Saudi Aramco") has embarked on a VAT implementation initiative with the objective of ensuring a smooth transition to the VAT environment on January 1, 2018. This letter is part of that initiative.

Saudi Aramco confirms that it will comply with the applicable VAT Law and Implementing Regulations.

As Saudi Aramco's valued supplier, your readiness to comply with these new regulations will be critical to ensure the successful implementation of VAT. Therefore, the following points are being raised for your attention:

- All Suppliers who are required to be registered in the VAT System of the General Authority of Zakat & Tax in accordance with the VAT Law and Implementing Regulations must be so registered, and each registered Supplier must report its VAT registration number and supply a copy of its VAT certificate to Saudi Aramco.
- All goods and services invoices and credit notes to Saudi Aramco issued by Suppliers who are required to be registered in the VAT System must include such Supplier's VAT registration number, separately identify VAT amounts due and comply with any other requirements described in the VAT Law and Implementing Regulations. For those Suppliers registered for self-billing with Saudi Aramco, Saudi Aramco will include the relevant VAT amounts and VAT registration number in the invoices generated under Saudi Aramco's self-billing system.

We look forward to our continued relationship, and your cooperation in this regard would be highly valued.

Kind regards,

Procurement & Supply Chain Management (P&SCM)

(Saudi Aramco VAT Registration No.: 300000432300003)