

The audit committee's report to the general assembly on the results of the annual review of the effectiveness of the company's internal control procedures and the adequacy of the company's internal control and risk management system for the fiscal year ending 31-12-2024.

Introduction:

Article (88): The Audit Committee report, of chapter number 9 (Disclosure & Transparency) from the Corporate Governance Regulations states:

- a) The Audit Committee's report must include details of its performance of the duties and tasks stipulated in these regulations, including its recommendations and opinion on the adequacy of the company's internal control, financial systems, and risk management.
- b) The Board of Directors must deposit sufficient copies of the Audit Committee's report at the company's main office and publish it on the company's website and the market website when the invitation to the General Assembly is issued, to enable interested shareholders to obtain a copy. A summary of the report is also read during the General Assembly meeting.

As stipulated in item (d) of paragraph (2) of Article "Twenty-One": Basic Functions of the Board of Directors, from the amended Corporate Governance Regulations, "Annual review of the effectiveness of internal control procedures in the company." Paragraph (10) of Article "Eighty-Seven": Board of Directors Report, from the amended Corporate Governance Regulations, states: "Results of the annual review of the effectiveness of internal control procedures in the company, in addition to the Audit Committee's opinion on the adequacy of the company's internal control system."

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First: The performance of the audit committee for the fiscal year 2024

A. Report Scope:

This report contains a summary of the audit committee's activities that took place in the committee's meetings during the year 2024.

B. Committee meetings during the year 2024:

During the year 2024, the committee held four meetings in accordance with the approved committee's plan that is consistent with the Corporate Governance Regulations, as follows:

- 1) The 102nd Audit Committee meeting held remotely at 13:00 on Monday, 12/02/2024 corresponding to 02/08/1445 (H).
- 2) The 103rd Audit Committee meeting held remotely at 13:00 on Wednesday, 15/05/2024 corresponding to 07/11/1445 (H).
- 3) The 104th Audit Committee meeting held remotely at 13:00 on Thursday, 08/08/2024 corresponding to 04/02/1446 (H).
- 4) The 105th Audit Committee meeting held remotely at 13:00 on Thursday, 07/11/2024 corresponding to 05/05/1446 (H).

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C. Activities of Audit committee performed during the year 2024:

The following are the topics that were presented to the Audit Committee during the year 2024 and which the Committee studied and made its decisions regarding it:

1. Follow-up to what happened in previous committee meetings (presented at each committee meeting to follow-up on the previous committee's decisions and to know the position of their implementation).
2. The periodic reports from the internal audit section, numbers 4/2023, 1/2024, 2/2024 and 3/2024, (which are reports presenting the position of implementation of the approved internal audit plan and the most important observations that appeared in the internal audit reports).
3. Study the company's closing accounts for the fiscal year ended on 31-12-2023.
4. Study the interim financial statements for the first, second and third quarter of the fiscal year 2024 in the presence of the company's external auditor.
5. Statuary approval for the interim financial statements for year 2024.
6. Discussing the management letter submitted by the external auditor for the fiscal year 2023.
7. Review the draft annual report for the fiscal year 2023.
8. The committee met separately with the external auditor during the meeting for the fiscal year 2023.
9. The committee's recommendation to the board regarding the nominated external auditor and the committee's report to the General Assembly for the fiscal year ended on 31-12-2024 and the first quarter of 2025.
10. The audit committee's report to the Board of Directors on the results of the annual review of the effectiveness of the company's internal control procedures, in addition to the audit committee's opinion on the adequacy of the company's internal control and risk management system for the fiscal year ending 31-12-2023.
11. At each meeting, a report on the notification of observations regarding any infringement of financial reports or others is presented in accordance with the requirements of governance.
12. Study the audit plan with the external auditor for the year 2024 and make its observations on it, and the committee ensures the independence of the external auditor.
13. Discussing the updates on the internal audit plan for 2024.
14. Follow-up reports on the implementation plans of the internal audit recommendations for the year 2024.
15. Risk-based internal audit plan for the year 2025.
16. Audit Committee meeting schedule planned for 2025.
17. Form for confirming the implementation of the tasks of the Audit Committee for the year 2023.

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Second: The Audit Committee report to the Board of Directors on the results of the annual review of the effectiveness of the company's internal control procedures and the adequacy of the internal control and risk management system for the fiscal year ending on 31/12/2024.

The Audit Committee continuously works on developing and supporting internal control systems. The Internal Audit Department conducts audits based on the annual risk-based audit plan, which is approved and continuously monitored by the Audit Committee. The audits aim to evaluate the internal control system, and the audits conducted by the Internal Audit Department did not reveal any significant weaknesses in the company's internal control system.

Based on the above, the Audit Committee has a reasonable basis to report that the internal control system is effective and adequate for the company.

The committee discussed the report in its 106th meeting held remotely on Tuesday, 11/03/2025 corresponding to 11/09/1446 (H), and recommended its approval to the Board of Directors.

Best Regards,