

Audit Committee Report on the Details of Its Performance of the Duties and Responsibilities Set Forth in the Companies Law and its Implementing Regulations, Including Its Recommendations and Opinion on the Adequacy of the Company's Internal Control, Financial Control, and Risk Management Systems for the Fiscal Year 2025, and a Summary of the Report to Be Presented During the General Assembly Meeting.

Introduction:

Article (88): Audit Committee Report, under Chapter Nine: Disclosure and Transparency, of the Corporate Governance Regulations states the following:

- a) The Audit Committee's report shall include details of its performance of the duties and responsibilities set forth in these Regulations, including its recommendations and opinion regarding the adequacy of the Company's internal control, financial control, and risk management systems.
- b) The Board of Directors shall deposit sufficient copies of the Audit Committee's report at the Company's head office and publish them on the Company's website and the market's website upon publishing the invitation to convene the General Assembly, to enable shareholders wishing to obtain a copy thereof. A summary of the report shall also be read during the General Assembly meeting.

Paragraph (d) of Clause (2) of Article (21): Main Functions of the Board of Directors, of the amended Corporate Governance Regulations, further stipulates, "An annual review of the effectiveness of the Company's internal control procedures." In addition, Paragraph (10) of Article (87): Board of Directors' Report, of the amended Corporate Governance Regulations, stipulates: "The results of the annual review of the effectiveness of the Company's internal control procedures, in addition to the Audit Committee's opinion regarding the adequacy of the internal control system in the company.

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First: Audit Committee Performance for the Fiscal Year 2025

A. Scope of the Report:

This report includes a brief overview of the Audit Committee's activities carried out during its meetings held in 2025.

B. Audit Committee Meetings during 2025:

During the year 2025, the Committee held six meetings in accordance with its approved plan and in compliance with the Corporate Governance Regulations, as follows:

- 1) The 106th Audit Committee Meeting, held remotely at 22:00 on Tuesday, 11/09/1446H, corresponding to 11/03/2025.
- 2) The 107th Audit Committee Meeting, held remotely at 13:00 on Wednesday, 09/11/1446H, corresponding to 07/05/2025.
- 3) The 108th Audit Committee Meeting, held remotely at 13:00 on Wednesday, 12/02/1447H, corresponding to 06/08/2025.
- 4) The 109th Audit Committee Meeting, held remotely at 16:00 on Sunday, 16/02/1447H, corresponding to 10/08/2025.
- 5) The 110th Audit Committee Meeting, held remotely at 10:00 on Thursday, 08/05/1447H, corresponding to 30/10/2025.
- 6) The 111th Audit Committee Meeting, held remotely at 15:00 on Sunday, 23/06/1447H, corresponding to 14/12/2025.

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C. Audit Committee Activities Conducted During 2025

The following topics were presented to the Audit Committee during 2025, reviewed by the Committee, and appropriate actions were taken in respect thereof:

1. Follow-up on topics arising from previous Committee meetings (this subject is presented at each meeting to monitor prior resolutions and track their implementation status).
2. Periodic reports issued by the Internal Audit Department (Nos. 1/2025, 2/2025, 3/2025, and 4/2025), which outlined the status of implementation of the approved Internal Audit Plan and highlighted key observations raised in internal audit reports, for the purpose of evaluating the adequacy and effectiveness of the internal control system.
3. Review of the Company's annual financial statements for the fiscal year ended 31/12/2024.
4. Review of the financial statements for the first, second, and third quarters of fiscal year 2025, in the presence of the Company's external auditor.
5. Formal approval of the interim financial statements for the quarters of fiscal year 2025.
6. Discussion of the Management Letter issued by the external auditor for fiscal year 2024.
7. Review of the draft Annual Report for fiscal year 2024.
8. A private session was held with the external auditor during the meeting dedicated to reviewing the Company's annual financial statements for the fiscal year ended 31/12/2024.
9. Recommendation to the Board of Directors regarding the nominated external auditor, and submission of the Committee's report to the General Assembly for the fiscal year ended 31/12/2025 and the first quarter of 2026.
10. Submission of 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, including the Committee's opinion on the adequacy of the Company's internal control and risk management system for the fiscal year ended 31/12/2024.
11. Review and recommendation of updates to some policies to align with amendments to the Companies Law and other relevant laws and regulations. This included the Corporate Governance Regulations of Qassim Cement Company, the Board of Directors Charter, the Conflict of Interest and Code of Professional Conduct Policy, the Whistleblowing Policy, and the Disclosure and Transparency Policy.
12. Enhancement of the governance framework through the preparation and update of several policies and the issuance of related recommendations. This included the Company's Risk Management Policy, the Risk Management Framework, the Business Continuity Plan, the Cybersecurity Strategy, as well as discussion and guidance regarding detailed cybersecurity policies.

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13. A report is presented at each meeting regarding the reporting of observations concerning any irregularities in financial reporting or otherwise, in accordance with the requirements of the Corporate Governance Regulations.
14. Review of the external auditor's audit plan for fiscal year 2025 and provision of comments thereon, with the Committee confirming the independence of the Company's external auditor.
15. Updates on the Internal Audit Plan for fiscal year 2025.
16. Follow-up reports on the implementation plans of Internal Audit recommendations for fiscal year 2025.
17. The risk-based Internal Audit Plan for fiscal year 2026.
18. The planned Audit Committee meeting schedule for 2026.
19. The Audit Committee's annual self-assessment (confirmation) form for fiscal year 2024.

Second: 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 and the adequacy of the internal control and risk management system for the fiscal year ending on 31/12/2025.

The Audit Committee continuously works on developing and supporting internal control systems. The Internal Audit Section 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 section 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 Company's internal control system is adequate and effective.

The Committee discussed this report at its Meeting No. (113), held in person on Wednesday, 23/08/1447H, corresponding to 11/02/2026, and recommended its approval to the Board of Directors.