



## Audit Committee Report for the year 2022 AD

Respected Shareholders of Anaam International Holding Group Company  
Peace be upon you and God's mercy and blessings be upon you :

**The Audit Committee** is pleased to present to the shareholders its annual report on the work and performance of the committee for the fiscal year ending December 31, 2022:

### **First: Composition of the Audit Committee:**

The Audit Committee approved by the company's general assembly on 11/22/2021, for the beginning session on 11/28/2021 to 11/27/2024. From each of the following members:

Mr. Ahmed Tariq Abdul Rahman Murad - Chairman of the Committee  
Mr. Raied Mohammad Abdullah Katy - Member of the Committee  
Dr. Khalid bin Waheeb Muhammad Mglad - Member of the Committee

### **Second: Functions of the Audit Committee:**

The audit committee is responsible for monitoring the company's business and verifying the integrity of the reports, financial statements, and internal control systems therein. The most important tasks of the committee include the following:

1. Study the company's preliminary and annual financial statements before submitting them to the Board of Directors and expressing their opinion and to provide the recommendation to ensure its integrity, fairness and transparency, and also to express an opinion on whether the report to the Board and the Financials are presenting fair and balanced position of the company.
2. Study any important or unusual issues included in the financial reports and look for any issues raised by the Financial manager or auditor and verification of estimates in such material matters included in the financial reports.
3. Verification of accounting estimates in the core issues mentioned in the financial reports.
4. Study, review and ensure the adequacy of the internal and financial control and risk management systems and study Reports of Internal audit.
5. Recommend to the Board of Directors to nominate and dismiss the financial auditors, determines their fees, and assesses their performance afterwards, verify their independence and review the scope of their work and the terms of contracting with them.
6. Study the references and comments presented on their report and follow-up what action was taken in that regard and the answer to their inquiries.
7. Review the results of the regulatory authorities reports and verify that the company has taken necessary actions in this regard according to the company's commitment to the relevant laws, regulations and instructions.

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The Audit Committee has held (5) Meetings during the year 2022, in attendance of its all members, during which the initial and annual financial statements of the company were discussed, and their observations and recommendations were expressed to the Board. They also studied the accounting policies used, and carried out all their tasks stipulated in the regulations governing their work.

**Third: The effectiveness and procedures of internal control and the results of internal control:**

Within year 2022, the Audit Committee devoted it's time to performing its main control responsibilities in reviewing the design and implementation of the company's systems in risk management and internal control, monitoring the integrity of the company's financial reports and assessing the effectiveness of the internal control system. The committee carries out these tasks regularly with management, the internal auditor and the external auditor in periodic meetings other than key meetings to ensure that the information received by the committee is accurate, complete and received in a timely manner in order to reach appropriate conclusions and recommendations.

The committee examined the financial and non-financial information included in the report of the Board of Directors and was assured of the integrity of the report and that it provides a fair and balanced assessment of the company's financial expectations and provides the necessary information to evaluate the business strategy and performance; the results of the aforementioned audit did not show any fundamental weakness in the internal control system and procedures, and the committee recommended some observations that are concerned with examining and collecting information and suggestions submitted by auditors to improve the internal control system.

With regard to the offers submitted by the audit offices approved to audit the company's financials (examining the initial quarters review and the annual budget), the committee reviewed the offers, evaluated them and selected the auditor that fits the company's needs and according to the required experiences in the coming period and those with experience in applying international standards in accordance with the International Standards transformation plan and the Committee has submitted its nomination to the General Assembly for the adoption of the appropriate chartered accountant of the company.

The committee also confirmed the integrity of the procedures that enable the company to prepare its financial statements in accordance with international standards.

God bless ,,,

Chairman of the Audit Committee  
Ahmed Tariq Abdul Rahman Murad



Based on the offers submitted by the external audit offices to audit the accounts of Anaam International Holding Group for the year 2023 AD and the first quarter of the year 2024 AD, and after reviewing and studying the offers submitted by (three offices) of the advanced offices on time.

The Audit Committee shall recommend the selection of one of the following offices :

1) **Messrs. / Dr. Mohamed Al-Amri & Partners BDO - Chartered Accountants and Auditors** ,To examine, review and audit the financial statements for the second, third, fourth and annual quarters of the year 2023 AD and the first quarter of 2024 AD for the group, with a total fee of (430,000) four hundred and thirty thousand riyals .

2) **Messrs. / Ernst & Young & Co. EY - Chartered Accountants**  
To examine, review and audit the financial statements for the second, third, fourth and annual quarters of the year 2023 AD and the first quarter of 2024 AD for the group, with a total fee of (719,000) seven hundred nineteen thousand riyals .