

## 2022 Audit Committee meeting attendance

Members	Mar 17	May 12	Aug 11	Oct 30	Dec 14
Ms. Lynn Laverty Elsenhans, Chair	•	•	•	•	•
H.E. Mohammed A. Al-Jadaan	•	•	•	•	•
Mr. Peter L. Cella	•	•	•	•	•
Mr. Mark A. Weinberger	•	•	•	•	•
Mr. Stuart T. Gulliver	•	•	•	•	•

The primary role of the Audit Committee is to monitor the Company's affairs and assist the Board and its Directors with oversight of the financial reporting and disclosure process, including oversight of:

- The integrity, effectiveness and accuracy of the Company's consolidated financial statements and reports, and the performance, soundness and effectiveness of the Company's internal controls, audit, financial reporting, and financial risk management systems;
- The qualifications and performance of the Company's internal auditor;
- The qualifications, independence, and performance of the Company's independent external auditor; and
- The Company's compliance with legal and regulatory requirements.

The Audit Committee met five times in 2022.

To enable the Audit Committee to fulfill its role, duties and objectives, the relevant key Company stakeholders and members of management participated in each of the Audit Committee meetings held in 2022 along with the Company's external auditor.

Key stakeholders and various members of management presented and provided input to the Audit Committee on certain matters including the integrity, effectiveness and accuracy of the Company's consolidated financial statements and reports, and the performance, soundness, and effectiveness of the Company's internal controls, audit, financial reporting and financial risk management.

The Audit Committee engages with:

- Management for the preparation and accuracy of the Company's consolidated financial statements;
- Management for the establishment of effective internal controls and procedures to ensure the Company's compliance with accounting standards, financial reporting procedures and applicable laws and regulations;

- The General Auditor for support in discharging the Audit Committee's responsibilities with respect to risk management, financial reporting processes, systems of internal control, and compliance with legal and regulatory requirements; and

- The external auditor in connection with the external auditor's annual audit and quarterly review, as applicable, of the consolidated financial statements.

As a matter of good governance, the Audit Committee performed its customary periodic review of the adequacy of its charter in light of practices of peers and global best practices.

Based on input and presentations from relevant key stakeholders and members of management, the Audit Committee endorsed several items in 2022 for Board approval, including:

- The 2021 Annual Report;
- The 2021 consolidated audited financial statements;
- The 2022 condensed consolidated interim (quarterly) financial reports; and
- The recommendation for the continued appointment of the Company's external auditor for the fiscal year 2023.

Further, the Audit Committee evaluated and received reports on various key issues including:

- A summary of the Company's internal auditing activities in 2021, covering areas such as assurance activities, advisory engagements, fraud risk management, and certain key initiatives taken during the year;
- Quarterly reports on the Company's ongoing internal auditing activities in 2022;
- The activities of the Company's Conflict of Interest and Business Ethics Committee;
- The financial performance in 2021 of the investments to fund the Company's benefit plans and approval of amendments to investment policies;

- A report on significant litigation matters;
- A review of the Company's financial risk management activities;
- A report on processes and internal controls for the subsidiary, Aramco Trading Company;
- A report on the Company's financing strategy;
- A review and approval of an amended Internal Auditing charter;
- The Company's 2023 global internal audit plan, including the related plan development approach and process;
- A report on the Company's financial framework;
- A report on the Company's Enterprise Tax Risk Management Framework;
- A report on managing enterprise-wide regulatory compliance risks through a global compliance framework; and
- A report on the Company's internal controls over financial reporting.

The Company's General Auditor was present at each of the Audit Committee meetings held in 2022. As part of his presentations to the Audit Committee, the General Auditor reported on the Company's internal auditing activities undertaken during the year. As part of the Audit Committee's review of the 2023 global internal audit plan, the Audit Committee sought to ensure that the plan is aligned with the key risks of the business.

### **Financial reporting and external audit**

Two of the Audit Committee's key responsibilities are to monitor the integrity of the financial statements and to assess the effectiveness of the external auditor.

The Audit Committee has assessed that appropriate accounting policies have been adopted throughout the accounting period and that management has made reasonable estimates and judgments over the recognition, measurement, and presentation of the financial results.

At the Audit Committee's meetings in 2022 there were extensive reports and discussions with the external auditor and members of management regarding the financial statements, including detailed analysis of the financial performance and changes in the financial position of the Company, the process to prepare the final financial statements and the related independent review by the external auditor for the first, second and third quarters of the year.

The external auditor also presented to the Audit Committee members the 2022 External Audit Plan reviewing the process they would undertake to complete the audit of the 2022 annual financial statements. Also, at this meeting, the Audit Committee reviewed the external auditor's performance and independence for 2022 and did not identify any deficiencies.

At the 2021 AGM, the Company's shareholders appointed PricewaterhouseCoopers (PwC) for the 10-year period from 2021-2030 up to and including the first quarter of 2031. Therefore, PwC will not have to be appointed by the shareholders until fiscal year 2031. The Audit Committee endorsed, for approval by the Board, the continued appointment of PwC for 2023 and approved the engagement letter with PwC, setting out the terms and conditions for its services in 2023. Regardless of this shareholder appointment, the Company may, in its discretion, appoint, for approval by the shareholders, a different external auditor prior to the end of PwC's term.

In 2021, when recommending the appointment of PwC as the external auditor for 2022, the Audit Committee authorized management to engage PwC to perform certain limited other services, to ensure they, as external auditor, remain independent under the Saudi Organization for Chartered and Professional Accountants (SOCPA) standards and under guidance issued by the International Federation of Accountants. The principal limited other services provided by the external auditor in 2022 are mainly related to tax compliance.

The current audit partner will continue to act as global engagement audit partner for PwC, until the conclusion of the fiscal year-end 2023 audit, subject to satisfactory performance and continued engagement of PwC, as external auditor.

### **Internal controls**

The Audit Committee is responsible for reviewing the adequacy and effectiveness of the Company's internal control and financial risk management systems. During the course of the year, the Audit Committee has considered various material controls, including financial, operational and compliance controls, and the Audit Committee is of the opinion that the Company's internal and financial control systems and risk management systems are effective and adequate.