

الشركة السعودية للصناعات المتطورة

SAUDI ADVANCED INDUSTRIES COMPANY

س.ت: ١٠١٠٠٦٨٣٢١

**SAIC**

**Report of the Audit Committee  
to the General Assembly**

## Report of the Audit Committee to the General Assembly for the financial year 2021

M/s Shareholders of Saudi Advanced Industries Company, SAIC ESQUIRE

In compliance with Article No. (104) of the Companies Law issued by the Ministry of Commerce and Investment, which states the following:

**"The Audit Committee shall audit the Company's financial statements and the reports and notes provided by the auditor, and then it shall express its opinions about them, if any. In addition, it shall prepare a report on its opinion regarding the adequacy of the Company's internal control system and what it has done of other activities that fall within its competence."**

In compliance with Article (91) of the Corporate Governance Regulations issued by the Capital Market Authority, which states the following:

**"The report of the Audit Committee shall include details of its performance of its competencies and tasks stipulated in the Companies Law and its Executive Regulations, provided that it includes its recommendations and opinion on the adequacy of the internal and financial control and risk management system."**

The Audit Committee held (4) meetings during the year 2021 AD, during those meetings, it carried out the following:

Evaluating the internal control system through what was stated in the internal audit report and auditing the results of its work to verify the integrity of the internal control system and to ensure that Company's management complies with implementing the procedures and recommendations contained in the internal audit report.

Auditing updates of some of the Company's financial policies and procedures to ensure the level of internal control procedures in those policies.

Auditing the annual financial statements and the interim briefed quarterly financial statements and discussing them with the external auditor.

Studying the accounting policies used in the Company and ensuring that they are updated in line with international standards adopted in the Kingdom.

Recommending the appointment of the Company's external auditor for the financial year ending on December 31, 2021, according to criteria that include technical and financial analysis, verifying his independence, and ensuring that there are no restrictions on the exercise of his duties.

Based on the results of the works undertaken by the Company's external and internal auditor, the Audit Committee considers that the Company's internal control system is working effectively and adequately, as it became clear to the Committee that there are no fundamental deficiencies in the internal control procedures that require disclosure. It is worth mentioning that the Company's executive management is directed to carry out the recommendations contained in the internal auditor's report within a time frame to strengthen and develop internal control procedures. The Audit Committee also monitors this periodically through its periodic meetings.

**Khaled Muhammad Al-Muammar**

**Chairman of the Audit Committee**

