

05/09/1444 AH corresponding to March 27, 2023 AD

**Subject: Recommending the Appointment of an Auditor for Saudi Advanced Industries Company,
SAIC for the year 2023 & Determining his Fees**

In its first meeting in 2023 AD held on 05/09/1444 AH corresponding to March 27, 2023 AD, the Audit Committee audited the analysis prepared by the Company's management on the advanced accounting offices for the purpose of auditing the Company's accounts for review and audit the financial statements for the second and third and annual quarters of the financial year 2023 and the first quarter of 2024., which the Committee had previously nominated to submit proposals.

Name	Total
Ibrahim Ahmed Al-Bassam and Partners Company	265,000 riyals
Al-Kharashi & Co.	330,000 riyals

When auditing the fee offers submitted by audit offices and in order for the Committee to choose an auditor who is professional and familiar with the variables of international accounting systems, the Committee recommended that the Board of Directors shall nominate the offices referred to in the above table to examine, review and audit the financial statements for the second and third and annual quarters of the financial year 2023 and the first quarter of 2024.

Chairman of the Audit Committee

Abdul Rahman Nasser Al-Obaid

SAIC

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

Report of the Audit Committee of the General Assembly for the financial year 2022

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

In compliance with 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 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 2022 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, 2023, according to criteria that include technical and financial analysis, verifying his independence, and ensuring that there is 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 in order to strengthen and develop internal control procedures. The Audit Committee also monitors this periodically through its periodic meetings.

Abdullah Mohammed Al-Humaidhi
Chairman of the Audit Committee