

Saudi Industrial Investment Group

"Saudi Listed Joint Stock Company"

Adjustment on SIIG Audit Committee Charter

Before Adjustment		After Adjustment	
Item No.	Article	Item No.	Article
	New Item	1. Purpose	<p>These Regulations aim to organize the Audit Committee affiliated to the Company's Board of Directors – BOD (hereinafter referred to as the "Committee") through the definition and determination of its tasks and powers, in addition to the controls and procedures of the Committee's work, the rules for selecting its members, and the manner of their nomination, in accordance with the Company's Articles of Association and the Capital Market Authority's Regulations.</p> <p>Words and phrases mentioned herein shall have the meanings assigned thereto in the relevant regulations of the Capital Market Authority unless the context requires otherwise.</p>



**Item 3 (Audit Committee).
Chapter 5
(Company Committees)**

First: Rules for Selecting Audit Committee Members, Term of Membership and Remuneration

1. The audit committee shall be formed by a resolution of the Company's Ordinary General Assembly based on the Board's recommendation, and the members of the audit committee shall be from the shareholders or others, provided that at least one of its members is an Independent Director and that no Executive Directors or those who perform technical or administrative work in the Company are among its members, even if for consultation purposes. The number of the members of the audit committee shall not be less than three or more than five, provided that one of its members is specialized in finance and accounting. The Board may dismiss the members of the Audit Committee in the event that any of them violates the provisions of these Regulations, or for any other reasons deemed appropriate by the Board. The Committee member has the right to withdraw provided that this is at an acceptable time for the Board, otherwise he is liable by the Company.
2. If the position of one of the members of the Audit Committee becomes vacant during the term of membership, the Board shall appoint another member to the vacant position and the new member shall complete the term of his predecessor, and the decision of the Board shall be submitted to the Assembly for approval.
3. The term of membership of the Audit Committee shall not exceed three years and not less than one year.
4. A member of the Audit Committee shall be entitled to an annual remuneration of SAR 100,000 for their work during the fiscal year.
5. A member of the Audit Committee shall be entitled to an attendance allowance of 3,000 riyals for each meeting.
6. A person who has worked or has been working during the past two years in the Company's executive or financial management, or for the Company's auditor, may not be a member of the Audit Committee.

Second: Audit Committee Controls and Procedures

2. The Committee's Formation

- 2.1 The Committee shall be formed by a decision of the Board of Directors, and the number of the Committee's members shall not be less than three (3) and not more than five (5) members, who shall be appointed for a period similar to the Board of Directors' session.
- 2.2 The Committee shall be composed of shareholders or other parties, provided that among its members is at least one independent member of the BOD, and that it does not include any of the BOD's Executive Members.
- 2.3 The Committee's members shall choose from among themselves a chairman for the term of the Committee's session. In the event that the Committee chairman is absent from the Committee meeting, where the legal quorum is fixed, the Committee members present shall appoint a chairman for the meeting.
- 2.4 The Committee may appoint a secretary from among its members or others, who will be responsible for preparing the minutes of its meetings and undertaking its administrative work. The Committee may determine remuneration for the secretary in return for these tasks, after obtaining the approval of the Board of Directors.
- 2.5 The Committee's session shall be identical to BOD's session, and the Committee member shall carry out his duties from the date of his appointment decision, and his membership shall be ended in one of the following cases, whichever comes first:
 - (A) The end of the Board of Directors session.
 - (B) Resignation, without prejudice to the Company's right to obtain compensation, in the event that the resignation occurred at an inappropriate time.
 - (C) Having a mental illness or a physical disability that prevents him from carrying out his duties in the Committee.
 - (D) Issuance of a court ruling declaring his bankruptcy or insolvency, or request to conclude a settlement with his creditors.
 - (E) His absence from three (3) consecutive or (5) disconnected meetings during the term of the board period without a legitimate excuse,



	<ol style="list-style-type: none"> 1. The Committee shall choose from its members a Chairman; and it may also choose, from its members or others, a Secretary who shall prepare the minutes of the meetings and undertake the administrative work of the Committee. 2. The Audit Committee shall meet periodically provided that it shall not be less than four meetings during the fiscal year. 3. The Audit Committee shall meet periodically with the Company's auditor and, if any, with the Company's internal auditor. 4. The Committee shall meet at the invitation of its Chairman, at the request of two members of the Committee, or at the request of the Internal Audit Department or the Auditor. 5. The meeting of the Committee shall not be valid unless attended by at least half of the members, and a member of the Committee may not delegate others to attend the meetings of the Committee. The decisions of the Committee shall be issued by the majority of the attending members, and the Committee's deliberations and decisions shall be recorded in minutes, which shall be signed by both the Chairman and the Secretary of the Committee; and the minutes shall be recorded in a special register, which shall be signed by both of them as well. A member of the Committee shall be deemed to have resigned if, without an acceptable excuse to the Committee, fails to attend the meetings of the Committee for more than three consecutive meetings. 		<p>where the BOD may, by virtue of their decision, consider such absence as a resignation.</p> <p>(F) Issuance of a decision by the Board of Directors to dismiss him from the Committee membership for any reason it deems appropriate, including his breach of his responsibilities, tasks and duties, without prejudice to the right of the dismissed member towards the Company to claim compensation, in the event that such the dismissal occurred for an unacceptable reason or at an inappropriate time.</p> <p>(G) Loss, at any time, any of the Committee membership's requirements prescribed by law or by virtue of these Regulations.</p> <p>2.6 In the event that the position of a Committee member becomes vacant for any of the aforementioned or other reasons during the Committee session, the BOD may appoint a substitute member in the vacant position, provided that he meets the appointment rules for Committee membership referred to in these regulations. The new member shall complete the term of his predecessor in accordance with to the controls referred to herein.</p> <p>2.7 The Company shall notify the Capital Market Authority and the Saudi Stock Exchange (Tadawul) (as the case may be) of the names of the Committee members and their membership descriptions and any changes occurs to the same within five working days of their appointment or from the date of any changes that require such notice, such as a change in the Committee formation or in the characteristics or term of memberships, as required by the relevant Laws and Regulations.</p> <p>2.8 Any change in the Committee formation shall be disclosed to the public without delay in accordance with the relevant Laws and Regulations.</p>
<p>Item 3 (Audit Committee). Chapter 5 (Company Committees)</p>	<p>Third: Audit Committee Tasks</p> <p>The audit committee shall be competent in monitoring the Company's activities and ensuring the integrity and effectiveness of the reports, financial statements, and internal control systems. The duties of the Audit Committee shall particularly include the following:</p>	<p>3. The Committee's Duties and Responsibilities</p>	<p>In light of the Articles contained in the Companies Law, and the provisions stipulated in the Audit Committee Regulations in the Corporate Governance Regulations issued by the Capital Market Authority, the Committee's Duties and Responsibilities shall be as follows:</p>

A) Financial Reports:

1. Analyzing the Company's interim and annual financial statements before presenting them to the Board and providing its opinion and recommendations thereon to ensure their integrity, fairness and transparency.
2. Providing its technical opinion, at the request of the Board, regarding whether the Board's report and the Company's financial statements are fair, balanced, understandable, and contain information that allows shareholders and investors to assess the Company's financial position, performance, business model, and strategy.
3. Analyzing any important or non-familiar issues contained in the financial reports.
4. Accurately investigating any issues raised by the Company's chief financial officer or any person assuming his/her duties or the Company's compliance officer or external auditor.
5. Examining the accounting estimates in respect of significant matters that are contained in the financial reports.
6. Examining the accounting policies followed by the Company and providing its opinion and recommendations to the Board thereon.

B) Internal Audit

1. Examining and reviewing the Company's internal and financial control systems and risk management system.
2. Analyzing the internal audit reports and following up the implementation of the corrective measures in respect of the remarks made in such reports.
3. Monitoring and overseeing the performance and activities of the internal auditor and internal audit department of the Company, if any, to ensure the availability of the necessary resources and their effectiveness in performing the assigned activities and duties. If the Company has no internal auditor, the committee shall provide a recommendation to the Board on whether there is a need to appoint an internal auditor.

3.1 Financial Reports

- (A) Consider the Company's initial and annual financial statements before submitting them to the Board of Directors and expressing an opinion and recommendation in their regard; To ensure its integrity, fairness, and transparency.
- (B) Express a technical opinion - at the request of the Board of Directors - as to whether the Board of Directors' report and the Company's financial statements are fair, balanced, and understandable and include information that allows shareholders and investors to evaluate the Company's financial position, performance, business model and strategy.
- (C) Consider any important or unusual issues contained in the financial reports.
- (D) Examine carefully any issues raised by the Company's Financial Director or whoever assumes his duties or the Compliance Officer in the Company or the Auditor.
- (E) Verify the accounting estimates in material matters contained in the financial reports.
- (F) Consider the accounting policies followed in the Company and express an opinion and recommendation to the Board of Directors in this regard.

3.2 Internal Audit

- (A) Consider and review the Company's internal and financial control and risk management systems.
- (B) Consider the internal audit reports and follow up the implementation of the corrective measures for the notes contained therein.
- (C) Monitor and supervise the performance and activities of the Internal Auditor and the Internal Audit Department in the Company, to verify the availability of the necessary resources and their effectiveness in performing the works and tasks entrusted to them.

4. Providing a recommendation to the Board on appointing the manager of the internal audit unit or department, or the internal auditor and suggest his/her remunerations.
5. The Committee shall study and change the accounting policies adopted by the Company before adopting them, and then submit any proposals the Committee deems appropriate thereon, taking into account the appropriateness of the accounting policies to the nature of the enterprise's business, its impact on the financial position of the enterprise, and the results of its activities.
6. The Committee shall verify the adequacy of the design of control activities in the enterprise and the effectiveness of their design in an appropriate manner that enables the minimization of fraud and errors as well as detecting them as soon as they occur. It shall also verify the effectiveness of the implementation of control activities in a way that enables verification of the quality of the implementation of control activities and stability in their implementation, and it shall also supervise the investigations related to fraud or errors that occur in the Company or any other matters that the Committee deems important to investigate. The Committee shall also evaluate the effectiveness of the Company's assessment of the important risks that may be exposed to, and the steps taken by the Company's management to monitor and face such risks.
7. The Committee shall do the following with regard to internal audit:
 - a. Supervising the Company's internal audit for the purpose of verifying its effectiveness in performing the work and tasks assigned to by the Board.
 - b. Approving the Company's internal audit procedures.
 - c. Reviewing and approving the annual internal audit plan.
 - d. Evaluating the performance of internal audit.
 - e. Verifying the independence of internal auditors.
 - f. Analyzing the internal audit reports and preparing a written report on its opinions and recommendations thereon.

- (D) Recommend to the Board of Directors the appointment of a Director for the Internal Audit Unit or Department, or Internal Auditor, and suggest his remuneration if necessary.
- (E) The Committee shall consider the accounting policies adopted by the Company prior to their approval and any change in these policies, it shall also submit whatever proposals the Committee deems appropriate in this regard, taking into consideration the extent to which the accounting policies are appropriate to the nature of the Company's business, and its impact on the Company's financial position, and the results of its operations.
- (F) The Committee shall verify the adequacy of the Company's control activities design, and the effectiveness of their design in an appropriate manner that enables the reduction and limitation of fraud and errors, and detects them immediately upon their occurrence, and the effectiveness of the implementation of control activities in a manner that enables verification of the quality of implementation of control activities and consistency in their implementation, and it also supervises the investigations related to fraud or errors that occur in the Company or any other matters that the Committee deems important to investigate. The Committee shall also evaluate the effectiveness of the Company's assessment of the important risks that it may be exposed to and the steps taken by the Company's Management to monitor and confront these risks.
- (G) The Committee shall perform and carry out the following works with regard to an internal audit:
 1. Supervise the Company's internal audit in order to verify its effectiveness in carrying out the works and tasks assigned to it by the Board of Directors.
 2. Approve the Company's internal audit procedures.
 3. Review and approve the annual internal audit plan.
 4. Evaluate the performance of the internal audit.



- g. Developing corrective actions for the observations contained in the internal audit reports.
- h. Reviewing the candidates for internal audit in the Company, their fees, nominating the most appropriate, with a statement of the reasons, considering the termination of the internal auditor in the event that his/her work is not performed as required, and submitting the recommendations reached in this regard to the Board.
- i. Meeting periodically with the Internal Auditor and discussing topics that the Committee deems necessary to discuss with in private.

8. The Committee shall be the liaison between the Board and the internal auditors.

C) Auditor

1. Recommending to the Board the nomination and dismissal of auditors, determining their fees and evaluating their performance, after verifying their independence and reviewing the scope of their work and the terms of their contract.
2. Verifying the auditor's independence, objectivity and fairness, and the effectiveness of the audit work, taking into account the relevant rules and standards.
3. Reviewing the Company's auditor's plan and activities, verifying that he/she does not offer any technical or administrative work outside the scope of the audit work, and providing its views thereon.
4. Answering the auditor's inquiries and observations on the financial statements and what was taken in this regard.
5. Analyzing the auditor's report and observations on the financial statements and following up on the decisions taken in this regard.
6. The Committee shall determine the scope of the external audit, which shall include, inter alia:
 - a. Evaluating the internal control system, including the accounting system, both in theory and practice.

5. Verify the independence of the internal auditors.
 6. Consider the reports of the internal audit, and prepare a written report on its opinions and recommendations in this regard.
 7. Develop corrective measures for the notes contained in the internal audit reports.
 8. Consider and evaluate the candidates for the Company's internal audit and their fees, nominate the most suitable one, with a statement of the reasons, consider the termination of the Internal Auditor's work in the event that he did not perform his work as required, and submit the recommendations concluded in this regard to the Board of Directors.
 9. Hold regular meetings with the Internal Auditor, and discuss issues that the Committee deems necessary to discuss with him privately.
- (H) The Committee shall be the link between the Board of Directors and the Internal Auditors.

3.3 The Auditor shall

- (A) Recommend to the Board of Directors the nomination and dismissal of auditors, determine their fees, and evaluate their performance, after verifying their independence and reviewing the scope of their work and the terms of the contract with them.
- (B) Verify the Auditor's independence, objectivity, fairness, and effectiveness of the audit work, taking into account the relevant rules and standards.
- (C) Review the Company's Auditor's plan and work, verify that he has not performed technical, administrative, or advisory work outside the scope of the audit work, and express its opinion in this regard.
- (D) Answer Auditor's inquiries and observations on the financial statements and the measures that have been taken in their regard.
- (E) Consider Auditor's report and his observations on the financial statements and follow up on the measures that have been taken in their regard.



	<p>b. Conducting tests on a selected sample of the Company's financial operations.</p> <p>c. Contacting the Company's debtors and creditors or others for the purpose of confirming balances or other purposes.</p> <p>d. Monitoring inventory operations, including those performed in the Company's branches and projects.</p> <p>e. Ensuring compliance with the auditing standards adopted in the Kingdom for the purpose of verifying that the financial statements as a whole:</p> <p>f. Fairly show the financial position of the Company and the results of its activities for the fiscal year ended on that date, in light of the presentation and disclosure of the information contained in the financial statements in accordance with generally accepted accounting standards, appropriate to the circumstances of the Company.</p> <p>g. Consistent with the requirements of the Companies Law and the Company Bylaws with respect to the preparation and presentation of financial statements.</p> <p>h. Informing the Company's officials in writing of the observations that the accountant finds when performing the audit.</p> <p>7. The Company's management shall invite the chartered accountants nominated by the Audit Committee, and this invitation shall include the scope of the task referred to in the preceding paragraph in addition to the conditions and obligations that the Company deems necessary to complete the audit process. The Board shall enable these accountants to have access to the data and clarifications they request for the purpose of identifying the size and nature of the Company's operations, and each accountant shall submit a presentation of the Company's accounts audit and an overview of their office, including in particular the following:</p> <p>a. Academic and professional qualification, names and nationalities of the team members who will conduct the audit.</p> <p>b. Overview of the quality control at the office.</p> <p>c. The entities that the office intends to employ for the purposes of auditing the Company's accounts (if any), the aspects in which they will</p>		<p>(F) The Committee shall determine the scope of the external review, provided that this includes several matters, including:</p> <ol style="list-style-type: none"> 1. Evaluate the internal control system, including the accounting system, from both theoretical and practical perspectives. 2. Conduct tests on a selected sample of the Company's financial operations. 3. Contact the Company's debtors and creditors or others for the purpose of confirming balances or for other purposes. 4. Monitor inventory operations, including the inventory made in the Company's branches and projects. 5. Commit to the audit standards approved in the Kingdom for the purpose of verifying that the whole financial statements fairly present the Company's financial position and the results of its operations for the fiscal year ending on that date, in light of the presentation and disclosure of the information contained in the financial statements in accordance with the generally accepted accounting standards, appropriate to the Company's circumstances and complies with the requirements of the Companies Law and the Company's Articles of Association with regard to the preparation and presentation of the financial statements. 6. Inform the company's officials in writing of the observations made available to the External Auditor when carrying out the audit. 7. The Company's Management shall invite the certified External Auditor who have been nominated by the Audit Committee, and such invitation shall include the scope of the task referred to in the previous paragraph in addition to the conditions and obligations that the Company deems necessary to complete the audit process, and the Board of Directors shall enable those External Auditor to have access to the data and clarifications they require for the purpose of identifying the size and nature of the Company's operations, and each External Auditor shall submit a proposal and
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	<p>participate, the nature of their participation, their qualifications, and the experience of the individuals who will be engaged in this regard.</p> <p>d. The office's previous experience in auditing similar companies.</p> <p>e. The size and description of the office's branches, and the number of professional staff working in the office.</p> <p>f. The number of hours scheduled for each member of the work team (partner, audit manager... etc.).</p> <p>g. The kinship between the chartered accountant or the team that will conduct the audit and the Board members (if any), and the working relationship between the chartered accountant and the Company or any the Board member (if any).</p> <p>h. The expected date for preparing the report on the Company's financial statements.</p> <p>i. Audit fees:</p> <p>1. The Company's management shall prepare a comparative table of the offers submitted by the chartered accountants in accordance with the data referred to in paragraph (7) and submit it to the Audit Committee accompanied by the offers and data submitted by the chartered accountants.</p> <p>2. The Audit Committee shall study the comparative table, presentations and data attached thereto; and it may invite the audit team of each office separately for a meeting during which their presentation will be discussed.</p> <p>3. The Committee shall prepare a letter to be presented to the Board stating the summary of the analysis of the submitted proposals, nominating one or more chartered accountants to audit the Company's accounts, and stating the basis on which the nomination was made.</p> <p>4. The Committee shall study the reports and observations submitted by the chartered accountant, and it shall act as the liaison between the external auditor and the Board, enabling the external auditor to perform the work without any restrictions or influences by the Company's Board and Management. The Committee shall also follow up the work of chartered</p>		<p>offer to audit the Company's accounts and an overview of his firm, including in particular the following.</p> <p>(A) The academic and professional qualification of the teamwork members that shall carry out the audit, as well as their names and nationalities.</p> <p>(B) A clarification on the quality control of the work in his firm.</p> <p>(C) The entities he intends to use for the purposes of auditing the Company's accounts (if any), the aspects in which they would participate, the nature of their participation, their qualifications, and the experiences of the individuals who would be used in this regard.</p> <p>(D) The Firm's previous experience in auditing the accounts of similar companies.</p> <p>(E) The size and an indication of the branches affiliated to the Firm, and the number of technical staff working therein.</p> <p>(F) The number of hours scheduled for each member of the teamwork (Partner, Audit Department Director, etc.).</p> <p>(G) The kinship relationship between the chartered External Auditor, or the teamwork that would carry out the audit, and the members of the Board of Directors (if any) and the working relationship between the External Auditor and the Company, or any member of its Board of Directors (if any).</p> <p>(H) The expected date for preparing his report on the Company's financial statements.</p> <p>(I) Audit fees.</p> <p>8. The Company's Management shall prepare a comparative table with the offers submitted by the certified External Auditors according to the data referred to in paragraph (7), and shall submit it to the Audit Committee, accompanied by the offers and data submitted by the certified External Auditor.</p> <p>9. The Audit Committee shall consider and review the comparative table, the offers, and the data attached therewith, and may invite</p>
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accountants and approve any activity outside the scope of the audit work assigned to them while performing the audit process.

5. The Committee shall comply with the following tasks in relation to the external audit:

Ensuring the independence of the Company's external auditor and the extent of commitment to impartiality and objectivity when presenting audit evidence and when reaching an opinion on the financial statements.

Examining the scope and method of the external auditor's work and the extent to which he coordinates his activity with the activity of the Company's internal audit department and the lack of duplication between his tasks and the tasks of internal audit.

Reviewing the financial disclosure submitted by the Company's management to the external auditor and providing its views thereon to the Board.

Analyzing the divergence of views that may arise between the external auditor and the Company's management.

Ensuring that external audit activities are coordinated in the event that there is more than one external auditor working for the Company.

Meeting with the external auditor to discuss the Company's financial statements and ensure that it reflects the fair financial position of the Company and the observations he/she deems thereon.

Discussing the report of the external auditor and making a relevant recommendation to the Board.

Checking the performance of the external auditor and recommending the Board to reassign or terminate his/her contract.

D) Ensuring Compliance

1. The Audit Committee shall meet periodically with the Company's auditor and the Company's internal auditor, provided that it shall not be less than four meetings during the Company's fiscal year.
2. Reviewing the findings of the reports of supervisory authorities and ensuring that the Company has taken the necessary actions in connection therewith.

the audit team of each firm separately for a meeting during which the offer submitted by them shall be discussed.

10. The Committee shall prepare a memorandum to be submitted to the Board of Directors, in which it shows a summary of its analysis of the submitted offers and nominates one or more External Auditor to audit the Company's accounts, and indicates the basis on which the nomination was made.
11. The Committee shall consider and review the reports and observations submitted by the External Auditor, and the Committee shall be the link between the external auditor and the Board of Directors in a manner that enables the external auditor to carry out his work without any restrictions or influences from the Board of Directors and the Company's Management. The Committee shall also follow up on the work of the External Auditor, and approve any work outside the scope of the audit work assigned to them while carrying out the audit work.
12. The Committee shall undertake the following tasks in relation to the external audit:
 - (A) Ensure the independence of the Company's external auditor and the extent of his commitment to impartiality and objectivity upon presenting audit evidence and upon reaching an opinion on the financial statements.
 - (B) Examine the scope and method of the external auditor's work and the extent to which he coordinates his activity with the activity of the Company's Internal Audit Department and the non-duplication between his duties and the duties carried out by the Internal Audit Department.
 - (C) Review the financial disclosure submitted by the Company's Management to the external auditor, and express its views thereon to the Board of Directors.
 - (D) Consider the divergence of points of view that may arise between the external auditor and the Company's Management.



	<ol style="list-style-type: none"> 3. Ensuring the Company's compliance with the relevant laws, regulations, policies and instructions. 4. Reviewing the proposed Related Party transactions and contracts and providing its recommendations to the Board in connection therewith. 5. Reporting to the Board any issues in connection with what it deems necessary to take action on and providing recommendations as to the steps that should be taken. 		<ol style="list-style-type: none"> (E) Ensure the coordination of the external audit work in case that there is more than one external auditor for the Company's Accounts. (F) Meet with the external auditor to discuss the Company's financial statements and ensure that they indicate the Company's fair financial position and whatever observations he deems appropriate thereon. (G) Discuss the external auditor's report and make recommendations regarding its contents to the Board of Directors. (H) Consider the external auditor's performance and make recommendations to the BOD to reassign him or terminate the contract concluded with him. <p>3-4 Commitment</p> <ol style="list-style-type: none"> (A) Review the results of the Regulatory Authorities' reports and verify that the Company has taken the necessary measures in this regard. (B) Verify the Company's compliance with relevant laws, regulations, policies, and instructions. (C) Review the contracts and transactions proposed to be conducted by the Company with the related parties, and submit its opinions on this matter to the Board of Directors. (D) Submit to the Board of Directors the matters and issues it deems necessary to take action thereon and make its recommendations regarding the actions to be taken. <p>3.5 Other Obligations</p> <p>The Board of Directors may assign the Committee to consider and review other issues - not specified herein - and to make recommendations thereon.</p>
<p>Item 3 (Audit Committee). Chapter 5 (Company Committees)</p>	<p>Fourth: Audit Committee Powers</p> <p>In order to perform its duties, the Audit Committee may:</p> <ol style="list-style-type: none"> 1. Review the Company's records and documents. 2. Request any clarification or statement from the Board members or the Executive Management. 	<p>4. The Committee's Powers</p>	<p>The Audit Committee, in order to perform its duties, shall have the following powers:</p> <ol style="list-style-type: none"> 4.1 The right to examine the Company's records and documents and have access thereto.

	<p>3. Request that the Board calls for a General Assembly Meeting if its activities have been impeded by the Board or if the Company has suffered significant losses and damages.</p>		<p>4.2 Ask for any clarification or statement from the Board of Directors members of the Executive Management.</p> <p>4.3 Request the Board of Directors to call the Company's General Meeting to convene, in the event that the Board of Directors impedes its work or in the event that the Company suffers serious damage or losses.</p>
<p>Item 1 (General Provisions). Chapter 5 (Company Committees)</p>	<p>Second: Committees Membership and Studying Subjects</p> <p>1. A sufficient number of Non-Executive Directors shall be appointed to the committees which perform duties that may involve conflicts of interest, such as ensuring the integrity of financial and non-financial reports, reviewing Related Party transactions, nomination to membership of the Board, appointment of Senior Executives and determining the remuneration.</p> <p>2. The Company shall take into consideration while forming the Remuneration and Nomination Committees that their members are of the Non-Executive Board Members. The Board may appoint non-board members either from shareholders or others, provided that the chairmen of committees mentioned in this paragraph are of the Independent Directors.</p> <p>3. Chairman of the Board shall not be a member of the Audit Committee, yet he may be a member of other committees.</p> <p>4. Chairman of the Board shall not chair the Remuneration, Nomination, Risks, or Governance Committees, yet he may chair any other administrative committees.</p> <p>5. The committees may seek assistance from any experts or specialists, whether internal or external, within the scope of its powers. This shall be included in the minutes of the committee meeting, and the minutes shall state the name of the expert and his/her relation to the Company.</p> <p>6. Each committee shall assess the matters that fall within its authority or those referred to it by the Board and shall communicate its recommendations to the Board to issue decisions in connection therewith. The committees shall take decisions with regard to such matters if delegated by the Board.</p>	<p>5. Controls of the Committee Work</p>	<p>5.1 Powers and functions of the Committee's Chairman</p> <p>The Committee's Chairman shall:</p> <p>(A) Manage the Committee meetings and work to enhance their effectiveness.</p> <p>(B) Represent the Committee before the General Meeting and the BOD.</p> <p>(C) Invite the Committee to convene, and specify the time, date, and location of the meeting, after coordination with the Committee members.</p> <p>(D) Prepare the agenda, taking into account the subjects that a committee member wishes to include.</p> <p>(E) Ensure that the subjects presented to the Committee are accompanied by sufficient information that enables the Committee to take decisions in their regard.</p> <p>(F) Ensure the availability of sufficient time to discuss the items and clauses contained in the agenda of the Committee meeting.</p> <p>(G) Enhance the effective participation of members in the Committee's meetings by considering and discussing the issues contained in the agenda of its meetings, and by expressing their opinions in a way that contributes to achieving the Committee's purposes.</p> <p>(H) Ensure that complete and correct information is available to the Committee's members in a timely manner; to enable them to perform their duties.</p> <p>(I) Supervise the preparation of periodic reports on the Committee's activities and submit its recommendations and findings to the BOD.</p>



Third: Committees Meetings

1. No member of the Board or the Executive Management except the secretary or a member of the committee may attend the meetings of a committee unless such committee requests his/her opinion or advice.
2. Committee meetings are valid if attended by a majority of its members. Resolutions of the committees shall be issued by a majority of the votes present and, in case of a tie, the chairman of the relevant committee shall have the casting vote.
3. Board meetings shall be documented and minutes including the discussions and deliberations carried during such meetings shall be prepared. Recommendations of the committees and voting results shall be documented and retained in a special and organized register, including the names of the attendees and any reservations they expressed (if any). Such minutes shall be signed by all of the attending members.

Fifth: General Provisions

1. A member of the Committee may not have a direct or indirect interest in the businesses and contracts made for the Company's account, nor may the Committee member participate in any business that would compete with the Company, or trade in one of the branches of the activity it is engaged in; otherwise, the Company may claim compensation from him, or the operations he undertook for his own account shall be considered to have been conducted for the Company's account.
2. The Company may not provide a cash loan of any kind to the members of the Audit Committee, or guarantee any loan concluded by one or more of them with third parties, and any contract concluded in violation of the provisions of these Regulations shall be considered null and void.
3. The members of the Audit Committee may not disclose to shareholders or to third parties the Company's secrets as a result of their work, otherwise they shall be removed and held accountable for compensation.

- (j) Follow up on the implementation of the decisions issued by the Committee.

5.2 The Committee Secretary's Competencies

The Secretary shall:

- (A) Coordinate the Committee's meetings, and develop a proposal for its agenda, in coordination with the Committee's Chairman.
- (B) Inform the Committee's Members of the meetings' dates, and provide them with its agenda and the necessary documents; to consider the items of the Committee's meeting.
- (C) Attend and document the Committee's meetings, prepare its minutes, and keep them in a special register.
- (D) Keep documents, registers, and reports submitted to or issued by the Committee.

5.3 Duties of a Committee Member

The Committee Member shall:

- (A) Comply with the provisions of the Companies Law, the Capital Market Law and its Implementing Regulations, the relevant Laws, and the Company's Articles of Association upon exercising his duties, and refrain from doing or participating in any activities that may harm the interests of the Company.
- (B) Be aware of the Committee's tasks and responsibilities, and he shall allocate sufficient time to carry out his role in achieving them.
- (C) Carry out his duties away and far from any external influence, whether from inside or outside the Company, and he shall not put his personal interests ahead of the Company's interests.
- (D) Not accept gifts from any person who has business dealings and commercial transactions with the Company.
- (E) Prepare for meetings, attend them, and not to be absent from them except for acceptable reasons notified to the Committee's Chairman in advance and accepted by the Committee.



**Item 3 (Audit Committee).
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4. The Committee shall take the necessary measures to ensure that the Company does not violate the laws and regulations in force in the Kingdom.
5. The Committee may, whenever necessary, seek the assistance of independent consultants to conduct specialized studies to assist the Committee in performing its tasks; and the Committee shall also determine their fees.
6. The Committee shall prepare an action guide indicating the executive procedures that the Committee must adhere to in order to perform its tasks as well as the provisions contained in the general rules governing the work of the Internal Audit Committee.
7. If there is a conflict between the recommendations of the Audit Committee and the decisions of the Board, or if the Board refuses to take into account the Committee's recommendation regarding the appointment and removal of the Company's auditor, determining his/her fees, evaluating his/her performance or appointing the internal auditor, the Board's report shall include the Committee's recommendation, its justifications, and the reasons for not taking it into account.
8. The Committee shall establish a mechanism that allows the Company's employees to submit their observations on any violation in financial or other reports confidentially. The committee should verify the application of this mechanism by conducting an independent investigation commensurate with the magnitude of the error or violation and adopting appropriate follow-up procedures.

- (F) Participate effectively in the Committee's meetings through prior consideration and discussions of the issues on the agenda of its meetings.
 - (G) Work to enhance knowledge of organizational developments in areas and subjects related to the Committee's tasks and responsibilities.
 - (H) Work to enhance knowledge of developments in the field of the Company's activities, business and other related fields.
- 5.4 The Committee's Meetings
- (A) The Committee shall meet at least 4 times, based on an invitation from its Chairman. The Committee Chairman shall also invite the Committee to meet in exceptional cases, that includes for example, if requested by the BOD, Two Members of the Committee, the Auditor, the Director of the Internal Audit Department, or the occurrence of circumstances so require, with an explanation of the reasons for calling for the extraordinary meeting.
 - (B) The Committee shall approve the dates and agenda of the meetings of the fiscal year before its start and invites to attend the Committee meeting at least (5) days prior to its date. The meeting invitation shall be accompanied by the agenda, documents, and information necessary to discuss the issues presented to the Committee meeting and take decisions in their regard.
 - (C) In exceptional cases, an invitation to attend the meeting may be sent at least one (1) day prior to its date, in accordance with the invitation procedures specified herein.
 - (D) The Committee shall hold its meetings in the Company's head office, and it may meet outside the head office after the approval of the BOD. Committee meetings may be held by videoconference or any other similar electronic means to ensure the participation of Committee members and their ability to debate and vote effectively.

- (E) For the validity of the meeting, the majority of the Committee members shall be present.
- (F) No member of the BOD or the Executive Management, who is not a member of the Committee, shall be entitled to attend its meetings except upon an invitation from the Committee to listen to his opinion or obtain his advice.
- (G) The Committee's resolution shall be issued by the majority of the present members votes, and in the event of an equality of votes, the opinion which the chairman of the meeting voted on shall prevail.
- (H) A Committee member shall be entitled to object to any resolution taken by the Committee, provided that his objection is expressly recorded in the minutes of the meeting with a statement of the reasons for his objection, and his absence from the meeting in which the resolution is taken shall not be considered as a reason for exemption from liability unless it is proved that he was unaware of the resolution or was unable to object immediately after he became aware of it.

5.5 Documentation of the Committee meetings

- (A) The Committee's Secretary shall prepare the minutes of documenting the Committee meetings, provided that they include at least the following:
1. The place, date, start, and end time of the meeting.
 2. The names of the members present and not present, indicating the names of those invited to attend the meeting, who are not members of the Committee.
 3. The Committee's deliberations and resolutions, indicating the results of voting thereon and the reasons for the objections, if any.
 4. Determination of the Entity responsible for implementing the resolution taken, the time frame for implementing them, and the mechanism for following them up.

			<p>(B) The Committee's Secretary shall send the meeting minutes copy to the Committee's members, and the Committee's members shall express their observations on the minutes copy- if any - within a maximum period of (5) working days from the aforementioned date of dispatch.</p> <p>(C) After addressing the Committee members' comments on the minutes copy, and after the approval of the meeting Chairman, the Committee Secretary shall send the amended copy to the Committee members in preparation for its approval at the next Committee meeting.</p> <p>(D) The meeting minutes, along with the meeting agenda and all the accompanying documents, shall be kept in a special register signed by the Committee Chairman and Secretary.</p> <p>5.6 Follow up on the Committee's Work The Committee Chairman shall submit its recommendations and findings to the Board of Directors, at the First BOD's meeting following the Committee meeting.</p> <p>5.7 Evaluation of the Committee's work The Committee shall periodically evaluate the results of its work based on performance indicators, such as the level of the Committee's effectiveness in carrying out the tasks assigned to it.</p>
	New Item	6. The Committee's Report to the General Meeting	The Committee shall prepare a report for the General Meeting, in accordance with the relevant laws and regulations, on its opinion on the adequacy of the Company's internal control system and on the other works it has undertaken that fall within the scope of its competence.
	New Item	7. Confidentiality of the Committee's Work	With the exception of the items that the regulations stipulated the contrary, the Committee's member shall maintain the confidentiality of the information made available to him and the documents he reviews, and he shall not be permitted under any circumstances - even in the event of the termination of his membership - to disclose it to any individual or entity unless he is authorized to do so by the Board of Directors, or to use any of this information to achieve personal benefit for himself or for one of his relatives or for others,

			and the Company shall be entitled to claim compensation from him in the event of a breach of the provision stipulated in this Article, as this provision shall be applied to the Committee's Secretary.
	New Item	8. The Committee Members' Remuneration	<p>8.1 The Committee member shall be entitled to remuneration in accordance with the Remuneration Policy.</p> <p>8.2 In the event that a resolution is issued by the Board of Directors to exempt a member from membership of the Committee due to absence from three (3) consecutive or (5) disconnected meetings within the term of the Board period without an excuse accepted by the BOD, such member shall not be entitled to any remuneration or compensation for the period following the last meeting he attended, and he shall return all the remuneration and compensation that were paid to him for that period.</p> <p>8.3 The Company shall be entitled to claim compensation for the damage it incurs and to recover what was paid in terms of remuneration, compensation, and any other costs incurred by the Company to facilitate the member's fulfillment of his responsibility, in the event that the member commits an act that is fraudulent, against honor and trust, or violates the laws and regulations in force and applicable in the Kingdom of Saudi Arabia or in any other country or when he fails to carry out his responsibilities, tasks and duties.</p>
	New Item	9. The Regulations Review	The regulations shall be subjected to periodic review for the purpose of developing and updating it in line with the relevant laws and regulations, and no amendment may be made to it except with the recommendation of the BOD and the approval of the General Meeting.
	New item	10. Enforcement and effectiveness	The Regulations shall be effective from the date of its approval by the General Meeting, which is 18/9/1444 AH (corresponding to 9/4/2023 AD).