

## Audit Committee Report to the General Assembly for the year ended 31 December 2025

To the Shareholders of Arabian Pipes Company,

### First: Introduction

The Audit Committee (“the Committee”) of Arabian Pipes Company (“the Company”) has prepared this report to confirm that it has performed its duties in accordance with the Audit Committee Charter and the Corporate Governance Regulations issued by the Capital Market Authority. The Committee has carried out its responsibilities mentioned in this report in accordance with its powers stipulated in its charter that was approved by the Company's General Assembly and also by holding six meetings during the fiscal year 2025, in which the matters pertaining to the internal audit department and the external auditor and in regards to internal and financial Control systems and risk in the Company.

### Second: Committee Formation

The Audit Committee was approved by the Board of Directors on 22 May 2024, including defining its roles, responsibilities, working procedures, and members’ remuneration, starting from 22 of May 2024, until the end of the term on for a term ending on 21 May 2027.

The Committee consisted of the following members during the year 2025:

Mr. Saad Al-Qahtani – Chairman of the Committee and Board Member

Mr. Maan Aba Al-Khail – Member of the Committee and Board Member

Mr. Khalid Al-Turaifi – Member of the Committee (Non-Board Member)

Mr. Saleh Al-Yahya – Member of the Committee (Non-Board Member)

### Audit Committee Meeting Attendance for 2025

Name	Number of Meetings	Number of Attended Meetings	Attendance Percentage
Mr. Saad Al-Qahtani	6	6	100%
Mr. Maan Aba Al-Khail	6	6	100%
Mr. Khalid Al-Turaifi	6	6	100%
Mr. Saleh Al-Yahya	6	6	100%

### Third: Committee Work

The most important work of the Committee that it carried out during the fiscal year 2025, according to its responsibilities entrusted to its charter regarding to external auditing, financial reports, Internal Audit and Risk, as specified below:

#### **A. External Audit and Financial Reports**

- The Committee evaluated the performance of the external auditor, reviewed proposals submitted by audit firms, including scope of work, fees, and engagement terms, and verified their independence, objectivity, and effectiveness of audit methodologies, ensuring that no non-audit services were provided that could impair independence.

Based on the evaluation results, the Committee recommended that the Board of Directors nominate two candidates to audit and review the financial statements for the second and third quarters and the annual financial statements for the fiscal year 2025, in addition to the first quarter of 2026. The Board adopted the recommendation and submitted it to the General Assembly, which approved the appointment.

- Reviewing the results of the Company's operations and its financial position as it appeared in the interim and annual financial statements and reports for the fiscal year 2025, and its recommendations in this regard have been submitted to the Board of Directors
- Ensuring that there are no difficulties encountered by the external auditor during the audit. The Committee also made sure of the cooperation of the Management with the external auditor
- Reviewing external auditor's plan for the year 2025 submitted by the external auditor (Maham), and requested the Finance Department and the external auditor (Maham) to complete the audit work for the fiscal year ending on December 31st, 2025, in the agreed timing and not exceeding the deadline.

#### **B. Internal Audit**

- The Audit Committee approved Internal Audit Plan which was prepared based on the main risks that the company might face.
- The Committee reviewed the results of the internal audit and requested the executive management to follow up on the implementation of these recommendations.
- The Committee ensured the follow-up and implementation of corrective actions related to observations raised in internal audit reports, as per the Committee's recommendations.
- The Committee also reviewed the authority matrix related to executive management, the Board of Directors, and its committees.

#### **Fourth: Audit Committee Opinion on the Adequacy of Internal Control Systems**

Based on the scope of work mentioned above, and based on the audit reports submitted regularly by the internal audit department in the Company, external auditor and the discussions performed with all the related parties to the internal and financial Control systems and risk in the Company, The Audit Committee did not observe material findings which can affect the internal and financial Control systems and risk in the Company require to disclose for the fiscal year ending 31 December 2025, noting that any internal control system cannot provide absolute assurance of the efficiency, adequacy, solidity and effectiveness of the internal control system.

On behalf of the Audit Committee Mr. Saad Al-Qahtani Chairman of the Audit Committee and Board Member

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