

**Audit Committee Annual Report to the General Assembly of
(Retal Urban Development Company) for the year ended Dec. 31st, 2024**

The Audit Committee of Retal Urban Development Company is pleased to present to its valued Shareholders the annual report for the financial year ending on December 31st, 2024, about the adequacy of the Company's internal control system, which is one of its main responsibilities. The objectives of the Audit Committee are to monitor the Company's activities in terms of the control environment and financial matters, including the Company's financial reports, audit work, and compliance. The Committee also makes regular recommendations to the Board of Directors to enhance and develop control procedures and related business processes in a way that supports the Company in achieving its goals and protecting the interests of its Shareholders.

Results of the annual review of the effectiveness of the Company's internal control procedures:

The Audit Committee carries out its duties and responsibilities in accordance with its Charter approved by the Company's General Assembly, which complies with regulatory requirements. The Committee exercises its oversight role over the Internal Audit Department, discusses its reports, and recommends to the Board of Directors the approval of its audit plan. The Committee also ensures the integrity and effectiveness of the internal control system and reviews the quarterly and audited annual financial reports. In addition, the Committee studies the financial and accounting policies followed by the Company and makes recommendations to the Board of Directors regarding the nomination of the Company's External Auditors, the determination of their fees, and the evaluation of their performance. The Committee also verifies the Company's compliance with the relevant regulations, policies, and instructions. The Committee held 5 regular meetings during 2024, which were attended by all its Members. The following is a detail of the Committee's activities in relation to these tasks:

A- Internal Audit:

- Oversighting the Internal Audit Department, which in turn studied and reviewed the internal control systems for the business processes that were reviewed according to an approved Risk-Based Internal Audit Plan that the Company may face and recorded in a detailed risk register.
- Discussing the Internal Audit reports issued and following up on the implementation of corrective actions for the observations contained therein.
- Monitoring and supervising the performance and activities of the Internal Audit Department in the Company to verify the availability of the necessary resources and their effectiveness in performing the work and tasks assigned to them.

- Providing the required support to Internal Audit Management by adopting the Internal Audit Charter which describes its tasks, scope of work, responsibilities, authorities, work mechanism, and interaction with the various departments in the Company.
- Ensure that there are no restrictions or obstacles that could affect the conduct of the internal audit work.

B- Financial Reports:

- Study and discuss the Company's audited preliminary quarterly and audited annual financial statements before presenting them to the Board of Directors and expressing an opinion and recommendation regarding them to verify their integrity, fairness, and transparency.
- Expressing a technical opinion on whether the Board of Directors' report and the Company's financial statements are fair, balanced, and clear, and include information that allows Shareholders and Investors to evaluate the Company's financial position, performance, business model, and strategy.
- Study any important or unusual issues included in the financial statements.
- Carefully research any issues might be raised by the Company's Chief Financial Officer, or whoever assumes his duties, the Company's GRC Officer, and the External Auditor.
- Verifying the accounting estimates used in the Company and expressing an opinion and recommendation to the Board of Directors regarding them.
- Study the accounting policies followed in the Company and express an opinion and recommendation to the Board of Directors regarding them.

C- External Audit:

- Recommending to the Board to nominate External Auditors, determine their fees, and evaluate their performance after verifying their independence and reviewing the scope of their work, the terms of contracting with them, and the effectiveness of the audit works, considering the relevant rules and standards.
- Reviewing the Company's External Auditor's plan and work, verifying that they do not submit technical or administrative work that falls outside the scope of audit work, and expressing their views on that.
- Answering the Company External Auditor's inquiries, studying the Auditor's report and his observations on the quarterly and audited annual financial statements, and following up on what has been taken regarding them.

D- Compliance Assurance

- Reviewing the results of the regulatory authorities' reports and verifying that the Company has taken the necessary measures regarding them.

- Verifying the Company's compliance with relevant laws, regulations, policies and instructions.
- Verifying the review of contracts and transactions proposed to be carried out by the Company with related parties and submitting its views regarding this to the Board as stipulated in the Corporate Governance Regulations in this regard.
- Bringing the attention to the Board any matters that it believes require action, making recommendations on the actions to be taken, and ensuring that the Company provides an appropriate framework and policies for Corporate Governance and Risk Management.

Opinion:

According to the tasks and responsibilities carried out by the Audit Committee during the year 2024, and after reviewing the reports from the Internal Audit Department issued upon execution of audit engagements according to the risk assessment for the strategic, financial, operational, and regulatory risks, and the Executive Management reports, as well as discussing with the External Auditors on a quarterly and annual basis, the Committee did not find any significant deficiencies or weaknesses in the internal control environment. Additionally, the committee did not observe any remarks that were not addressed with corrective actions and followed up on in a timely and appropriate manner.

Therefore, the Committee believes that there is reasonable assurance regarding the adequacy and effectiveness of the Company's internal, financial, and risk management controls for the fiscal year ending December 31, 2024. However, it should be noted that no control system can provide absolute assurance regarding the adequacy and effectiveness of internal control procedures.

The Committee emphasizes the need for Management to continuously ensure the appropriateness of the company's business processes, policies, and procedures, updating them in accordance with any developments in its strategy, business plan, operations, emerging and evolving risks based on internal or external factors relevant to the company's sector and activities.