

Report of the Audit Committee to the General Assembly of Shareholders of the Saudi Arabian Refineries Company (SARCO) on the internal control system

As of 31/12/2023

Gentlemen, the refineries

Peace, mercy and blessings of God ...

Within the framework of the Committee's competencies according to the rules and regulations containing the following items:

The Audit Committee is responsible for monitoring the company's business and verifying the integrity and integrity of reports, financial statements and internal control systems.

The following is a summary of the tasks and work of the Committee during the financial year ended 31/12/2023

Introduction

The importance of control is to help the company achieve its goals of profitability and achieve its mission, and reduce any surprises in its way, it helps the department in dealing with rapidly changing economic and competitive environments, transformation in customer demand and priorities, and restructuring for future growth, and internal control raises efficiency and reduces the risk of asset losses and helps ensure confidence in financial statements and compliance with regulations And instructions through the process of evaluation, follow-up, performance correction, detection of deviations, identification of opportunities and management of obstacles to achieving goals, control systems provide the company with the power of guidance, integration and motivation, and therefore the companies that enjoy good management are those companies that have effective control systems that will enhance their ability, and the Audit Committee has prepared this report to provide shareholders with the implementation of its strategies, and the Audit Committee prepares this report to provide Shareholders and other stakeholders with a vision of the most prominent work carried out by the Committee within the scope of its competence, and reference to external and internal control systems, and the role of the Committee in evaluating internal control systems and their results in this regard.

Terms of reference of the Audit Committee

The responsibilities of the Board of Directors include ensuring that appropriate control systems are in place to measure and manage risks, by establishing a general framework to recognize the risks that the company may face, creating an environment aware of the importance of risk management at the company level, and presenting them transparently with stakeholders and parties related to the company. In addition to the annual review of the effectiveness of internal control procedures in the company. The Audit Committee is responsible

for monitoring the company's business and verifying the integrity and integrity of the financial reports and statements and the internal control systems therein as stated in the Bylaws. The Audit Committee is responsible for monitoring the company's business and verifying the integrity of the financial reports and statements and the internal control systems therein, as stated in the Bylaws. The Audit Committee is responsible for monitoring the company's business and verifying the integrity of the financial reports and statements and the internal control systems therein as stated in the Bylaws. The work of the Audit Committee of the approved text, in application of the provisions of the "Companies Law" issued by the Ministry of Commerce and the requirements of the Corporate Governance Regulations issued by the Capital Market Authority.

Audit Committee Meetings

The previous committee held (11) meetings dedicated to considering the preliminary and audited financial statements for the year 2023 and reviewing the periodic reports submitted by the external consulting office, as well as following up the implementation of all tasks according to best practices in the field of audit, in addition to reports submitted by the internal auditor Governance Solutions Company.

Opinion of the Committee

Through what the Committee saw in previous reports and minutes of meetings and based on what was submitted by the external accountant in his report, the Committee recommended to the Board of Directors to take a number of decisions, the most important of which is updating the company's articles of association, regulations, regulations and internal policies, in addition to diversifying the company's investments to avoid ensuring the financial sustainability of the company. The committee also recommended contracting with a legal office to study the general situation and ensure the quality of policies and procedures.

In addition to updating the internal audit systems to ensure that the Board and the executive management implement the required tasks with high quality. No internal control system, however effective, can provide absolute assurance, but it does provide reasonable assurance of the soundness and effectiveness of the internal control system.

God is the grantor of success,

**Chairman of the Audit
Committee**