

Audit Committee Report for the Fiscal Year Ended 31 December 2025

Introduction:

The Audit Committee of the Saudi Arabian Refinery Company (SARCO) plays a key and important role in assisting the Board of Directors in carrying out and fulfilling its responsibilities regarding the integrity and accuracy of the company's financial statements. This includes reviewing such statements with the external auditor, ensuring the independence and competence of the external auditor, as well as overseeing internal audit activities and their effectiveness in updating systems and regulations and monitoring their performance.

This also covers governance and risk management systems, in addition to the compliance department's role in ensuring adherence to relevant laws and regulations.

During the year 2025, the Audit Committee held a number of meetings to review the quarterly and annual financial statements, in addition to internal auditor reports.

1. Audit Committee Members:

In 2025, the Audit Committee was composed of the following members:

Member Name	Title
Abdulaziz Abdulmohsen Al-Baker	Chairman of the Audit Committee
Khalid Mohammed Al-Hanaki	Independent Member
Nayel Samir Fayez	Independent Member
Osama Suleiman Al-Sudais	Independent Member – External to the Board

2. Attendance of Audit Committee Meetings

Number of meetings: (6) meetings as follows:

Member Name	Abdulaziz Al-Baker	Khalid Al-Hanaki	Nayel Fayez	Osama Al-Sudais
Date				
2025/03/25	Attended	Attended	Attended	Not attend
2025/04/07	Attended	Attended	Attended	Attended
2025/05/12	Attended	Attended	Attended	Attended
2025/07/02	Attended	Attended	Attended	*
2025/08/05	Attended	Attended	Attended	*
2025/11/05	Attended	Attended	Attended	*

* Resigned on 02/06/2025

3. Roles and Responsibilities of the Audit Committee

The following are the main responsibilities of the Audit Committee in accordance with the powers and duties set out in the Audit Committee Charter:

A- Supervision of Financial Reporting, including:

1. Reviewing the company's financial statements.

2. Providing technical opinions related to the company's financial performance in terms of its compliance with regulatory requirements.
3. Examining unusual transactions included in the financial statements.
4. Discussing lawsuits filed against the company and their impact on the financial statements.
5. Verifying accounting estimates.
6. Reviewing financial and accounting policies.

B- Supervision of Internal Control Systems, including:

1. Reviewing internal control systems, financial controls, and risk management, and ensuring their effectiveness through periodic reports issued by the Internal Audit Department or the external auditor, or any other related work within the Committee's responsibilities from supervisory authorities, while following up on the implementation of corrective actions.
2. Reporting to the Board of Directors on the adequacy of internal control systems.

C- Supervision of Internal Audit Activities, including:

1. Supervising the internal audit function and verifying its effectiveness in performing its duties and responsibilities.
2. Reviewing the risk assessment process to which the company is exposed.
3. Reviewing and approving the annual audit plan.
4. Reviewing internal audit reports and following up on the implementation of corrective actions.
5. Ensuring the independence of the internal audit function.
6. Reviewing internal audit policies and procedures.
7. Evaluating the performance of the internal audit function.

D- Supervision of External Auditors, including:

1. Recommending the appointment or removal of the external auditor and determining their fees after evaluating their performance, independence, scope of work, and engagement terms.
2. Verifying the independence of the external auditor.
3. Reviewing the external auditor's audit plan and ensuring its compliance with applicable laws and regulations.
4. Responding to the external auditor's inquiries and providing the necessary support to carry out the external audit work.
5. Reviewing reports issued by the external auditor and following up on the implementation of corrective actions.

E- Supervision of Compliance, including:

1. Reviewing reports issued by supervisory authorities regarding the extent of Saudi Arabian Oil Refinery Company's compliance with applicable regulations, and following up on the implementation of corrective actions.
2. Establishing appropriate procedures for internal reporting of violations of internal control systems.
3. Developing suitable mechanisms for reporting improper practices and submitting the necessary recommendations to the Board of Directors when required.

4. Achievements of the Audit Committee in 2025

The following are the key achievements of the Audit Committee during the year:

1. Reviewing the company's financial statements and recommending their approval to the Board of Directors.
2. Reviewing the external auditor's annual audit plan and ensuring the independence of its work.
3. The Committee recommended the appointment of an audit firm to audit the company's accounts for Q2 and Q3 of 2025 and Q1 of 2026.
4. Approving the implementation and development of the company's internal policies.
5. The Committee recommended approving the proposed amendments to the Board of Directors' Charter, committee mandates, and executive management responsibilities.
6. The Committee recommended adding the authorities of the Managing Director and Chief Executive Officer to the company's Articles of Association.
7. The Committee recommended preparing the financial budget for the years 2026/2027.
8. Verifying that there is no financial impact arising from lawsuits filed against the company.
9. Ensuring that internal audit governance documents (policies and procedures) are updated and aligned with the nature of operations.
10. Reviewing violations of the Code of Conduct presented to the Committee.
11. Recommending activation of the Risk Committee's role to enhance risk management and oversight.

5. Audit Committee Opinion and Recommendation

The internal control system is considered one of the fundamental factors for the success of any organization. Accordingly, the Audit Committee of the Saudi Arabian Refinery Company is responsible for supervising the internal control and financial systems. The Committee also periodically assesses the adequacy and effectiveness of these systems through audit activities conducted in accordance with a risk-based annual plan.

Based on the financial reports submitted by the external auditor and the results of the internal audit work, the Committee is of the view that the internal control system of the Saudi Arabian Refinery Company has been reviewed and is operating adequately. No material observations have been reported indicating any deficiencies in its design. It is noted that this system is subject to continuous evaluation and improvement by the Company's management, with the aim of identifying any gaps and ensuring the required level of effectiveness is achieved.

The Committee believes that the company's internal control, financial control, and risk management systems are adequate and operating efficiently.

The Audit Committee received full support from the Board of Directors during the year 2025, which enabled it to meet expectations and achieve its objectives efficiently. It also received the necessary cooperation from various levels within the company to respond to its inquiries and facilitate the work of the internal audit function.

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