



Integrated transportation solutions



## Amendments of Audit Committee Charter



# Amendments of AC

#	Article before update	Article After update
1	<p><b>First (3): The committee's powers and responsibilities</b></p> <p>The Audit Committee is responsible for monitoring the company's work and verifying the integrity and integrity of its reports, financial statements and internal control systems, according to the following:</p> <p><b>A-Financial reports:</b></p> <p>A/1- Study the company's financial and annual statements before presenting them to the Board of Directors and expressing its opinion and recommendation regarding them; To ensure its integrity, fairness and transparency.</p> <p>A/2 - Expressing a technical opinion - based on 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.</p> <p>A/3- Study any important or unusual issues included in the financial reports.</p> <p>A/4 Carefully research any issues raised by the company's financial director or whoever assumes his duties, the company's compliance officer, or the auditor.</p> <p>A/5 Verifying accounting estimates on the fundamental issues contained in the financial reports.</p> <p>A/6 Study the accounting policies followed in the company and express an opinion and recommendation to the Board of Directors regarding them.</p>	<p><b>First (3): The committee's powers and responsibilities</b></p> <p>The Audit Committee is responsible for monitoring the company's work and verifying the integrity and integrity of its reports, financial statements and internal control systems, according to the following:</p> <p><b>A-Financial reports:</b></p> <p>A/1- Study the company's financial and annual statements before presenting them to the Board of Directors and expressing its opinion and recommendation regarding them; To ensure its integrity, fairness and transparency.</p> <p>A/2 - Expressing a technical opinion - based on 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.</p> <p>A/3- Study any important or unusual issues included in the financial reports.</p> <p>A/4 Carefully research any issues raised by the company's financial director or whoever assumes his duties, the company's compliance officer, or the auditor.</p> <p>A/5 Verifying accounting estimates on the fundamental issues contained in the financial reports.</p> <p>A/6 Study the accounting policies followed in the company and express an opinion and recommendation to the Board of Directors regarding them.</p>

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#	Article before update	Article After update
1	<p>First (3): The committee's powers and responsibilities</p> <p>B-Internal audit:</p> <p>B/1 - Study and review the company's internal and financial control and risk management systems.</p> <p>B/2- Study internal audit reports and follow up on the implementation of corrective measures for the observations contained therein.</p> <p>B/3- Monitoring and supervising the performance of internal audit in the company to verify the availability of the necessary resources and their effectiveness in performing the work and tasks assigned to them.</p> <p>B/4- Recommending to the Board of Directors to appoint the director of the internal audit or internal audit unit or department and proposing his remuneration.</p>	<p>First (3): The committee's powers and responsibilities</p> <p>B-Internal audit:</p> <p>B/1 - Study and review the company's internal and financial control and risk management systems.</p> <p>B/2- Study internal audit reports and follow up on the implementation of corrective measures for the observations contained therein.</p> <p>B/3- Monitoring and supervising the performance of internal audit in the company to verify the availability of the necessary resources and their effectiveness in performing the work and tasks assigned to them.</p> <p>B/4- Recommending to the Board of Directors to approve the organizational structure and job description of the Internal Audit Department, in a manner consistent with the company's organizational structure, and to ensure its independence in the company's organizational structure.</p> <p>B/5- Recommending to the Board of Directors to appoint the director of the internal audit or internal audit unit or department and proposing his remuneration.</p>



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1	<p>First (3): The committee's powers and responsibilities</p> <p>C- Auditor:</p> <p>C/1- Recommending to the Board of Directors to nominate auditors, dismiss them, determine their fees, and evaluate their performance, after verifying their independence and reviewing the scope of their work and the terms of contracting with them.</p> <p>C/2 - Verifying the independence, objectivity and fairness of the auditor, and the effectiveness of the audit work, taking into account the relevant rules and standards.</p> <p>C/3 - Reviewing the company's auditor's plan and work, verifying that he does not submit technical or administrative work that falls outside the scope of audit work, and expressing his views on that.</p> <p>C/4- Answering the company's auditor's inquiries,</p> <p>C/5- Study the auditor's report and his comments on the financial statements and follow up on what is taken in this regard.</p>	<p>First (3): The committee's powers and responsibilities</p> <p>C- Auditor:</p> <p>C/1- Recommending to the Board of Directors to nominate auditors, dismiss them, determine their fees, and evaluate their performance, after verifying their independence and reviewing the scope of their work and the terms of contracting with them.</p> <p>C/2 - Verifying the independence, objectivity and fairness of the auditor, and the effectiveness of the audit work, taking into account the relevant rules and standards.</p> <p>C/3 - Reviewing the company's auditor's plan and work, verifying that he does not submit technical or administrative work that falls outside the scope of audit work, and expressing his views on that.</p> <p>C/4- Answering the company's auditor's inquiries,</p> <p>C/5- Study the auditor's report and his comments on the financial statements and follow up on what is taken in this regard.</p>



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#	Article before update	Article After update
1	<p>First (3): The committee's powers and responsibilities</p> <p>D- Ensuring Compliance:</p> <p>D/1- Review the results of the regulatory authorities' reports and verify that the company has taken the necessary measures regarding them.</p> <p>D/2- Verifying the company's compliance with the relevant rules, regulations, policies and instructions.</p> <p>D/3- Reviewing the contracts and transactions proposed to be conducted by the company with related parties, and presenting its views regarding that to the Board of Directors.</p> <p>D/4- Raise any issues it deems necessary to take action on to the Board of Directors, and to make its recommendations regarding the measures that must be taken.</p>	<p>First (3): The committee's powers and responsibilities</p> <p>D- Ensuring Compliance:</p> <p>D/1- Review the results of the regulatory authorities' reports and verify that the company has taken the necessary measures regarding them.</p> <p>D/2- Verifying the company's compliance with the relevant rules, regulations, policies and instructions.</p> <p>D/3- Reviewing the contracts and transactions proposed to be conducted by the company with related parties, and presenting its views regarding that to the Board of Directors.</p> <p>D/4- Raise any issues it deems necessary to take action on to the Board of Directors, and to make its recommendations regarding the measures that must be taken.</p> <p>E. Fraud and Corruption:</p> <p>E/1 Supervising and following up on the executive management, the internal auditor, and the external auditor in performing their responsibilities with regard to combating fraud and deception.</p> <p>E/2 Ensure the mechanism for reporting violations, the existence of independent investigation procedures related to fraud or fraud, and evaluate the effectiveness of those mechanisms and the adequacy of their reports.</p>



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#	Article before update	Article After update
2	<p><b>Second: Formation of the committee and conditions that must be met for membership in the committee:</b></p> <ol style="list-style-type: none"> <li>1. The Board of Directors shall form a committee of non-executive members of the Board of Directors, called the Audit Committee. The number of members shall not be less than three and not more than five, and among them shall be a specialist in financial affairs.</li> <li>2. The membership of the committee consists of independent or non-executive members of the Board of Directors, shareholders, or others, provided that at least one of them is an independent member and does not include any of the executive members of the Board of Directors or any of the company's senior executives.</li> <li>3. The members of the committee choose from among themselves a chairman of the committee.</li> <li>4. It is not permissible for anyone who works, or has worked during the past two years, in the executive or financial management of the company, or for the company's auditor, to be a member of the audit committee.</li> <li>5. The committee appoints a secretary, whether from among its members or from whomever it deems appropriate from the company's team, to prepare for the committee's meetings and work, prepare and document its minutes, and follow up on the implementation of its recommendations, directives, and decisions, without having the right to vote on its recommendations and decisions.</li> </ol>	<p><b>Second: Formation of the committee and conditions that must be met for membership in the committee:</b></p> <ol style="list-style-type: none"> <li>1. By decision of the Board of Directors, an audit committee shall be formed from shareholders or others, provided that it includes at least one independent member and does not include any of the executive members of the Board of Directors. The number of members of the Audit Committee must not be less than three and not more than five, and among them must be a specialist in financial affairs. And accounting.</li> <li>2. Unless the Board of Directors' decision includes naming the committee chairman, the committee members shall choose from among themselves a chairman for the term of committee membership. In the event of the committee chairman's absence from the meeting, the attending committee members shall appoint a chairman for the meeting.</li> <li>3. It is not permissible for anyone who works, or has worked during the past two years, in the executive or financial management of the company, or for the company's auditor, to be a member of the audit committee.</li> <li>4. It is required that the audit committee member does not serve as a member of audit committees in more than five joint stock companies listed on the market at the same time.</li> <li>5. The committee appoints a secretary, whether from among its members or from whomever it deems appropriate from the company's team, to prepare for the committee's meetings and work, prepare and document its minutes, and follow up on the implementation of its recommendations, directives, and decisions, without having the right to vote on its recommendations and decisions.</li> </ol>

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#	Article before update	Article After update
3	<p><b>Third: Appointment or dismissal of committee members and the term of membership:</b></p> <p>1.The General Assembly appoints members of the Audit Committee for a period of three years.</p> <p>2.The member may be reappointed to the committee for a second term.</p> <p>3. Any member of the committee shall be exempted by a decision of the Council in the following cases:</p> <p>3/1- The member requested to be exempted from committee membership.</p> <p>3/2- A member's misuse of his position on the committee or misconduct that the Board considers harmful to the objectives and reputation of the company. In general and the committee in particular.</p> <p>3/3- The member's absence from attending three consecutive meetings without an excuse accepted by the Board of Directors.</p> <p>Upon the expiration of a member's term, during the term of the committee's work, due to death, resignation, disability, or dismissal, the Board of Directors shall appoint another member to fill the vacant position in the committee, and this shall be presented to the first general assembly to confirm him or appoint someone else, taking into account the conditions that must be met by the two members of the committee. Both the member whose position in the Committee became vacant and the member who is appointed to continue the term of service of the member whose position in the Committee became vacant are considered to have served for a full term of the Committee.</p>	<p><b>Third: The term of membership of the Audit Committee and the nomination of its members:</b></p> <p>1.The Board of Directors appoints members of the Audit Committee in accordance with best practice standards, provided that the candidate possesses the following:</p> <p>1.1 The candidate must have a record of experience related to the tasks of audit committees.</p> <p>2.1 The candidate must have a university qualification, familiarity with financial and accounting aspects, and preferably familiarity with the nature of the company's business.</p> <p>3.1 The candidate must not have been convicted of committing an act prejudicial to honor, trustworthiness, or the relevant regulations.</p> <p>The committee member shall carry out his duties from the date of his appointment by the Board of Directors, and his membership shall end in one of the following cases:</p> <p>1.2 End of the Board of Directors session.</p> <p>2.2 His resignation, without prejudice to the company's right to compensation if the resignation occurred at an inappropriate time.</p> <p>3.2 Conviction of committing an act dishonorable or dishonest, forgery, or violating the relevant laws and regulations.</p> <p>4.2 A decision is issued by the Board of Directors to exempt him from membership of the Committee for any of the following reasons:</p> <p>1.4.2 His failure to fulfill his responsibilities, tasks and duties, which results in harm to the company's interest.</p> <p>2.4.2 Absence from three consecutive meetings within one year without a legitimate excuse.</p> <p>3.4.2 Other than the reasons mentioned above that the Council deems appropriate; This is without prejudice to the dismissed member's right towards the company to claim compensation if the dismissal occurred for an unacceptable reason or at an inappropriate time.</p> <p>4.4.2 Loss at any time of any of the selection rules for membership of the Audit Committee established in accordance with these regulations.</p> <p>3. If the position of a committee member becomes vacant due to one of the previous cases or another during the term of membership, the Council may appoint a member to fill the vacant position, provided that he is one of those who fulfills the selection rules for committee membership referred to in these regulations, and the new member completes the term of his predecessor.</p>



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#	Article before update	Article After update
4	<p><b>Fifth: Committee meetings:</b></p> <p>1- The Committee approves the timetable for its meetings before the beginning of each fiscal year, provided that a final agreement is reached during each meeting on the date of the next meeting in coordination with the Chairman of the Committee.</p> <p>2- The committee shall hold a regular meeting at least every three months. An invitation to attend the meeting shall be sent sufficiently in advance of its date, and the agenda and documents shall be attached to it. For a quorum to be present, the majority of members must be present</p> <p>3- In addition to what was stated in (2) above, the committee shall hold a meeting if requested by the committee chairman, two of its members, the external auditor, the internal auditor, or the board of directors, provided that the meeting request states the reasons for doing so.</p> <p>4- The committee's decisions and recommendations shall be issued by a majority of the votes of its members present, and in the event of equal votes, the side with which the Chairman is in favor shall prevail. It is not permissible to abstain from voting or delegate it.</p> <p>5- Any member may reserve any decision taken by the committee, provided that he explains the basic reasons that prompted him to make the reservation. If any member leaves the committee meeting before its conclusion, his reservation, if any, shall be limited to the decisions related to the items he attended the discussion, provided that he stipulates in the minutes the items he did not attend the discussion of if he expresses his desire to do so in writing.</p> <p>6- In the event that the Chairman of the Committee is unable to attend, he may delegate one of its members to chair the specified session.</p> <p>7- The Board of Directors follows up the work and performance of the committee through its Chairman and through periodic reports submitted to the company's Board of Directors.</p> <p>8- All inquiries and requests the committee needs will be submitted through its chairman to the company's management so that what is requested can be responded to.</p>	<p><b>Fifth: Committee meetings:</b></p> <p>1- The Committee approves the timetable for its meetings before the beginning of each fiscal year, provided that a final agreement is reached during each meeting on the date of the next meeting in coordination with the Chairman of the Committee, who determines the location of the meeting in person or via technical means.</p> <p>2- The committee shall hold a regular meeting at least every three months. An invitation to attend the meeting shall be sent sufficiently in advance of its date, and the agenda and documents shall be attached to it. For a quorum to be present, the majority of members must be present</p> <p>3- . The invitation to attend the committee meeting shall be sent at least five days in advance. The meeting invitation shall be accompanied by the agenda, documents and information necessary to discuss the topics presented to the committee meeting and make decisions thereon.</p> <p>4- The committee meets periodically with the auditor and the company's internal auditor.</p> <p>5- In addition to what was stated in Paragraph (2.7) above, the committee shall hold a meeting if requested by the committee chairman or two of its members, the external auditor, the internal auditor, or the board of directors, provided that the meeting request states the reasons for doing so.</p> <p>6- The committee's decisions and recommendations are issued by a majority of the votes of its members present, and in the event of a tie, the side with which the president is with prevails. It is not permissible to abstain from voting or delegate it.</p> <p>7- Any member may reserve any decision taken by the committee, provided that he explains the basic reasons that prompted him to make the reservation. If any member leaves the committee meeting before its conclusion, his reservation, if any, shall be limited to the decisions related to the items he attended the discussion, provided that he stipulates in the minutes the items he did not attend the discussion of if he expresses his desire to do so in writing.</p> <p>8- The Board of Directors follows up the work and performance of the committee through its Chairman and through periodic reports submitted to the company's Board of Directors.</p> <p>9- All inquiries and requests the committee needs will be submitted through its chairman to the company's management so that what is requested can be responded to.</p>





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5	<p><b>Eight: Documentation of the committee's minutes</b></p> <p>Minutes of committee meetings are documented as follows:</p> <p>1 During the meeting, the secretary of the committee records the most important discussions, and upon completion of the discussion of any topic, he summarizes the recommendations or decisions that were communicated. 2 The secretary of the committee prepares for each of the committee meetings a draft record in which he records the date and place of the meeting, the names of those present and absent, a summary of the discussions, and the texts of the recommendations and decisions that were made. The committee reached it. 3 The draft minutes are sent to all members and they are asked to provide the committee with their comments. 4 The draft minutes are amended in light of the comments received from the members and are submitted to the president, along with the comments. 5 In light of what the Committee Chairman directs, the minutes shall be prepared in its final form and sent to the members and signed by the Committee members and its Chairman. 6 If any comments or reservations are received from members, they will be included in the agenda of the next meeting. 7 The signed copy of the minutes is kept in a special file, and all documents and correspondence related to the minutes are attached to it.</p>	<p><b>Eighth: Documenting the committee's minutes</b></p> <p>The minutes of committee meetings are documented as follows:</p> <p>1- The secretary of the committee shall write a report for each meeting in which he records the date and place of the meeting, the names of those present and absent, a summary of the discussions, and the texts of the recommendations and decisions reached by the committee, within a period not exceeding 10 working days. 2- The draft minutes are sent to all members and they are asked to provide the committee with their comments. 3- The draft minutes are amended in light of the comments received from the members and are submitted to the president, along with the comments. 4- In light of what the Committee Chairman directs, the minutes shall be prepared in its final form and sent to the members and signed by the Committee members and its Chairman. 5- If any comments or reservations are received from members, they will be included in the agenda of the next meeting. 6- The signed copy of the minutes is kept in a special file, and all documents and correspondence related to the minutes are attached to it.</p>



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#	Article before update	Article After update
6	<p><b>Article Ten: The committee's work plan and the reports issued by it</b></p> <p>1- At the beginning of each fiscal year, the committee prepares an annual work plan that includes a timetable for the committee's meetings and a description of the work it will carry out during the coming year.</p> <p>2- The committee shall present to the Board of Directors the results of its work, its recommendations, the topics that it deems necessary to present to the Board for its opinion or approval, and any significant deviations or weaknesses in the design or implementation of the company's internal control system.</p>	<p><b>Article Ten: The committee's work plan and the reports issued by it</b></p> <p>1- At the beginning of each fiscal year, the committee prepares an annual work plan that includes a timetable for the committee's meetings and a description of the work it will carry out during the coming year.</p> <p>2- The committee shall present to the Board of Directors the results of its work, its recommendations, the topics that it deems necessary to present to the Board for its opinion or approval, and any significant deviations or weaknesses in the design or implementation of the company's internal control system.</p> <p>3- Committee members are evaluated annually in accordance with the evaluation rules and standards approved by the Board of Directors.</p>
7	<p><b>Tenth: Committee members' remuneration policy:</b></p> <p>1- The remuneration for membership in the company's Audit Committee consists of the following:</p> <p>1/1- Attendance allowance for committee meetings (5,000) riyals for each meeting.</p> <p>1/2 - An annual reward of (150,000) riyals, provided that the entitlement to this reward is proportional to the number of meetings that the member attends. He is entitled to the full reward if he attends 70% of the committee's meetings.</p> <p>2- The Board of Directors' report to the General Assembly must disclose all rewards and benefits paid to members of the committee.</p>	<p><b>Tenth: Committee members' remuneration policy:</b></p> <p>1- The committee member is entitled to an annual bonus in accordance with the remuneration policy for members of the Board of Directors, sub-committees and senior executives approved by the company's General Assembly.</p> <p>2- The Board of Directors' report to the General Assembly must disclose all rewards and benefits paid to members of the committee.</p>



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8	<p><b>Eleventh: Accreditation and Enforcement:</b></p> <p>These regulations shall be implemented as of the approval of the Board of Directors and their approval by the General Assembly of the company's shareholders.</p>	<p><b>Eleventh: Review and Enforcement:</b></p> <p>1- The regulations are subject to periodic review to update them in line with the relevant laws and regulations and according to what the Board deems appropriate. The Board of Directors recommends to the Ordinary General Assembly any amendment that may be included in the regulations for approval.</p> <p>2- The regulations shall be effective from the date of their approval by the company's general assembly.</p>

