



**Report of the Audit Committee to the General
Assembly of Wafrah Industrial and Development
Company for the year 2023**

Introduction:

In light of the importance of oversight in the evaluation and monitoring process, and in accordance with Article 38 of the Committee Reports from the Company's Bylaws, adopted on March 1, 2023, corresponding to August 9, 1444 H, which states that the Audit Committee shall prepare a report on its opinion regarding the effectiveness of the internal control system in the Company, the Audit Committee of Wafrah Industrial and Development Company is pleased to present its annual report for the fiscal year ending on December 31, 2023, to its esteemed shareholders. This report aims to provide shareholders and other stakeholders with an overview of the committee's significant activities within its scope of authority.

Responsibilities and Functions of the Audit Committee:

In accordance with the approved committee's work regulations and the Corporate Governance Regulations issued by the Capital Market Authority, the Audit Committee monitored the company's operations, verified the integrity and fairness of the reports and financial statements, internal control systems, accounting policies, supervised the internal and external audit activities, ensured compliance with regulations and made recommendations to the Board of Directors, among other tasks and responsibilities assigned to the committee.

It is worth noting that the Audit Committee did not identify any significant matters within the scope of its approved internal audit plan that warrant mention in this report. This conclusion is based on the information provided by the company's executive management, external auditors, and internal auditors, as well as the discussions held with the external auditors and executive management regarding the quarterly and annual results.

Opinion of the Audit Committee:

Based on the periodic reports presented to the committee in 2023 by the Internal Audit Department, external auditors, executive management, and operational risk management, the Audit Committee, within its scope of work and based on the information provided by the company's management, internal auditors, and external auditors, has concluded that the audit operations did not reveal any material weaknesses in the internal control and financial systems. Furthermore, it has determined that the financial statements have been prepared in accordance with regulatory requirements, reflecting the soundness and effectiveness of the control procedures and the integrity and fairness of the financial statements for the fiscal year 2023.

Chairman of the Audit Committee



Mohammed Kamal Al-Muzel