

**The articles to be amended on the Audit Committee Regulation of Abdullah Saad  
Mohammad Abo Moati Co.**

Article No.	Before modification	After modification
<p align="center"><b>Article (1)</b></p>		<p><b>Article 1: Introduction and Definitions:</b></p> <p>1) <b>Preface:</b> The Audit Committee is one of the important committees in listed joint stock companies because of its essential and effective role in supervising the work and procedures of the external audit, the internal audit, the internal control process, the development of systems and plans related to these activities, and the follow-up of their implementation and the company's commitment to them.</p> <p>The Audit Committee's regulation were prepared in implementation of the provisions of the Companies Law in the Kingdom of Saudi Arabia issued on Muharram 28, 1437 corresponding to November 10, 2015 AD, and the Corporate Governance Regulation issued by the Board of the Capital Market Authority as per its latest amendment on Jumada II 1, 1442 corresponding to January 14, 2021 AD.</p> <p>2) <b>Definitions:</b> The following words and expressions shall have the meanings stated next to each of them, unless the expressed text or context requires otherwise.</p> <p><b>Regulation:</b> The Audit Committee Regulation.  <b>Governance Regulations:</b> The Corporate Governance Regulations issued by the Board of the Capital Market Authority.  <b>Company:</b> Abdullah Saad Mohammad Abo Moati Co. For Stationeries  <b>Assembly or General Assembly:</b> The assembly of the company's shareholders in accordance with the provisions of the Companies Law and the Company's Articles of Association.  <b>Board or board of directors:</b> the company's board of directors.  <b>Committee:</b> the company's audit committee.</p>

<p style="text-align: center;"><b>Article (2)</b></p>	<p><b>Article (2): Selection rules for the audit committee members:</b></p> <p><b>1) Composition of the committee:</b></p> <p>1.2 By a decision of the <del>ordinary—General Assembly, an audit committee of shareholders or others shall</del> be established, including at least one independent member, and shall not include any of the members of the Executive Board of Directors. The number of members shall not be less than three or more than five. Including a specialist in financial and accounting affairs.</p> <p><b>2) Appointment and term of office of members:</b></p> <p>2.1. <del>Subject to the conditions to be met by the members of the committee referred to in these rules, the board of directors shall appoint the members of the audit committee for a period of three years. The Board of Directors shall take the necessary measures to enable the Committee to carry out the tasks entrusted to it, including informing the Committee, without any restrictions, of all data, information, reports, records, correspondence, or other matters that the Committee deems important to have access to.</del></p> <p><b>(delete the text)</b></p>	<p><b>Article 2: Rules for selecting the Audit Committee members and their remuneration:</b></p> <p><b>1) Composition of the committee:</b></p> <p>1.1. An <b>audit committee</b> shall be formed by a resolution of the Company's Ordinary General Assembly, and the members of the audit committee shall be from the shareholders or others, provided that at least one of its members is an Independent Director and that no Executive Director is among its members. The number of the members of the audit committee shall not be less than three or more than five, provided that one of its member is specialized in finance and accounting.</p> <p>1.4. The chairman of the audit committee shall be an Independent Director.</p> <p>1.5. The candidate should have a record of experiences related to the audit committee's tasks.</p> <p>1.6. The candidate should have a good knowledge of the company's activities and business.</p> <p>1.7. The selection of the candidate not violate the relevant shall regulations and laws.</p> <p>1.8. The chairman cannot be a member of the Audit Committee.</p> <p><b>2) Appointment or dismissal of committee members and their term of office:</b></p> <p>1.2 The term of the committee's work begins from the date of its formation and ends with the end of the council's term, and the general assembly has the authority to dismiss all or some of the committee's members for any reason, without prejudice to the dismissed member's right to claim compensation in the event the dismissal occurred for an unacceptable reason or at an inappropriate time.</p> <p>2.2 Any member of the Committee may be dismissed by a decision of the Board in the following cases:</p> <p>1.2 At the request of the member.</p> <p>2.2 Abuse of a member's position on the Committee or misconduct considered by the Board to be detrimental to the aims and</p>
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<p><b>Article 3</b></p>	<p><b>: The functions of the Committee, duties and powers of its members, and how to document its minutes:</b></p> <p><b>1. Functions of the Committee:</b> <del>An effective internal control system is one of the main responsibilities of the Board of Directors. (delete the text),</del> The main task of the Audit Committee is to verify the adequacy and effective implementation of the internal control system and to make any recommendations to the Board of Directors that would activate and develop the system for the purposes of the company and protect</p>	<p><b>Article 3: The functions of the Committee, duties and powers of its members, and how to document its minutes:</b></p> <p><b>1. Functions of the Committee:</b> The main task of the Audit Committee is to verify the adequacy and effective implementation of the internal control system and to make any recommendations to the Board of Directors that would activate and develop the system for the purposes of the company and protect the interests of shareholders and investors at high efficiency and reasonable cost. The Committee has the right, without any restrictions, to access all information, data, reports,</p>

<p><b>Article (3)</b></p>	<p>the interests of shareholders and investors at high efficiency and reasonable cost. The Committee has the right, without any restrictions, to access all information, data, reports, records, correspondence, or other matters that the Committee considers important, <del>and the board of directors shall take all necessary measures to ensure that the committee performs its duties.</del> (delete the text)</p> <p>The scope of the committee's work includes doing all the work that will enable the Committee to achieve its tasks, including:</p> <ol style="list-style-type: none"> <li>1.1. Recommending the Board of Directors to nominate and dismiss auditors, determine their burdens and evaluate their performance, after verifying their independence and reviewing the scope of their work and the terms of their contract.</li> <li>1.2. Verify the auditor's independence, objectivity and fairness, and the <del>effectiveness of audit work</del>, taking into account the relevant rules and standards.</li> <li>1.3. Audit of the plan and work of the company's auditor, verification that the auditor did not submit technical or administrative work beyond the scope of the audit work.</li> <li>1.4. Answer all inquiries of the company's auditors.</li> </ol> <p><b>2. Committee member duties:</b></p> <p><del>2.3 Not to carry out any executive work in the company.</del> (delete the text)</p> <p><del>2.5-Maintain the efficiency necessary to carry out his work, and to keep abreast of recent developments related to the business of the facility. To be fair, to be impartial, chaste, honest, objective and independent in his work, to be free of personal interests, not to subject his judgment to the opinions of others, and not to knowingly disclose information that is not true.</del> (delete the text)</p>	<p>records, correspondence, or other matters that the Committee considers important.</p> <p>The scope of the committee's work includes doing all the work that will enable the Committee to achieve its tasks, including:</p> <ol style="list-style-type: none"> <li>1.1. Recommending the Board of Directors to nominate and dismiss auditors, determine their burdens and evaluate their performance, after verifying their independence and reviewing the scope of their work and the terms of their contract.</li> <li>1.2. Verify the auditor's independence, objectivity and fairness, and the effectiveness of audit work, taking into account the relevant rules and standards.</li> <li>1.3. Audit of the plan and work of the company's auditor, verification that the auditor did not submit technical or administrative work beyond the scope of the audit work.</li> <li>1.4. Answer all inquiries of the company's auditors <b>to the committee.</b></li> </ol> <p><b>2. Committee member duties:</b></p> <p>2.3 Not to do any work that <b>would prejudice his independence as a member of the Committee.</b></p>
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~~2.10 Member of the Committee signs a declaration confirming his independence in accordance with the model adopted by the General Directorate of Companies of the Ministry of Commerce. (delete the text)~~

**3. Responsibilities of the Chairman, Vice-Chair and Secretary of the Committee:**

~~3.1. The members of the committee shall choose from among themselves a chairperson for the term of the committee's membership; Provided that the chairman is not one of the members of the Board of Directors appointed in the committee, (delete the text) and he also shall supervise the committee's completion of its tasks, as follows:~~

~~1.4. Preparation of the Committee's short term and long term budget, work plan and projects (delete the text) with the Secretary of the Committee, and to be presented to the Committee in preparation for submission to the Board of Directors after approval.~~

~~1.5. Preparing periodic (delete the text) reports on the activities of the committee in coordination with the committee's secretary and presenting them to the committee in preparation for our submission to the board of directors.~~

~~3.2. The members of the Committee shall choose from among themselves a Vice-Chairman for the term of the Committee's membership, who assist the Chairman in performing his duties and replace him in his absence; Provided that he is not a member of the board of directors appointed to the committee. (delete the text)~~

**4. Documentation of committee minutes:**

4.1 The draft ~~record~~ shall be sent to all members and shall be requested to provide the

**3. Responsibilities of the Chairman, Vice-Chair and Secretary of the Committee:**

3.1. the chairman shall supervise the committee's completion of its tasks, as follows:

1.4. **Suggesting the committee's annual work plan** in coordination with the committee's secretary, and to be presented to the Committee in preparation for submission to the Board of Directors after approval.

1.5. **Suggesting any additional periodic reports** about the activities of the committee in coordination with the committee's secretary and presenting them to the committee in preparation for our submission to the board of directors.

**4. Documentation of committee minutes:**

4.1. The **draft minutes** shall be sent to all members and shall be requested to provide the Committee with

	<p>Committee with their observations within one week of the date of its transmission.</p> <p>4.2 The draft <del>record</del> shall be amended in the light of the observations received from members and submitted to the Chairman with the observations attached hereto.</p>	<p>their observations within one week of the date of its transmission.</p> <p>4.2. The <del>draft minutes</del> shall be amended in the light of the observations received from members and submitted to the Chairman with the observations attached hereto.</p>
<p><b>Article (4)</b></p>	<p><b>Article 4: Committee work rules and procedures:</b></p> <p><b>1) The Committee’s work plan and reports issued by it:</b></p> <p><del>1.1 The Committee shall prepare, at least three months before the beginning of each fiscal year, an annual work plan that includes a description of the work it will undertake during the next year, and this plan shall be submitted to the Board for approval. (delete the text)</del></p> <p>1.2 The committee submits periodic reports to the board of directors, and an annual report to the <del>company’s</del> general assembly, including its work and results, including what the committee finds of deviations, errors, or important weaknesses in the design or implementation of the company’s internal control system; The report should include the recommendations the committee deems to address the deficiencies that would enable the development and activation of the company's internal control system.</p> <p>1.3 The company’s management sends an invitation to the certified accountants who are nominated, and the <del>board of directors</del> has to <del>accommodate</del> those accountants to view the data and clarifications they request for the purpose of getting acquainted with the size and nature of the company’s operations.</p> <p>1.6 The committee shall prepare a <del>memorandum to be presented</del> to the board of directors in which it outlines a summary of its analysis of the submitted offers and nominates one or more chartered accountants to carry out the tasks entrusted to him, and states the basis on which the nomination was made.</p>	<p><b>Article 4: Committee work rules and procedures:</b></p> <p><b>1) The Committee’s work plan and reports issued by it:</b></p> <p>1.1. The committee submits periodic reports to the board of directors, and an annual report to the general assembly, including its work and results, including what the committee finds of deviations, errors, or important weaknesses in the design or implementation of the company’s internal control system; The report should include the recommendations the committee deems to address the deficiencies that would enable the development and activation of the company's internal control system.</p> <p>1.2. The company’s management sends an invitation to the certified accountants who are nominated, and the management <del>should enable</del> these accountants to view the data and clarifications they request for the purpose of getting acquainted with the size and nature of the company’s operations.</p> <p>1.5. The committee shall prepare <del>its recommendation</del> to be presented to the board of directors in which it outlines a summary of its analysis of the submitted offers and nominates one or more chartered accountants to carry out the tasks entrusted to him, and states the basis on which the nomination was made.</p> <p>1.6. The Board of Directors of the Company <del>shall recommend to the General Assembly</del>, based on the recommendation submitted to it by the Audit</p>

	<p>1.7 The board of directors <del>shall submit</del> to the ordinary general assembly the submitted recommendation by the Audit Committee, <del>indicating</del> the names of the chartered accountants <del>who submitted their offers and then nominated by the committee to carry out the tasks entrusted to them and a statement of the audit fees and other professional services, the basis on which the nomination was made, and the general assembly appoints One or more chartered accountants to audit the company's accounts and perform other professional services entrusted to the chartered accountant; with determining their fees and the duration of their work.</del></p> <p><b>2) Committee meetings:</b></p> <p>2.6 Any member may make a reservation to any decision of the Committee indicating the basic reasons for it. <del>If any member leaves the Committee meeting before its conclusion, his or her reservation, if any, shall be limited to decisions which have been discussed, provided that he should clarify the items that he did not attend in writing if he want.</del></p>	<p>Committee, the names of the nominated certified accountants, the scope of their work, the duration of their work, their remuneration statement, and the basis upon which the nomination was made. Accordingly, the General Assembly shall appoint one or more certified public accountants .</p> <p><b>2) Committee meetings:</b></p> <p>2.2 The Committee shall hold a periodic meeting at least every three months, the invitation shall be sent at least one week prior to its date, and the agenda and documents shall be attached thereto. For a quorum, the presence of the majority of the members is required. The committee may hold its meetings by means of modern technology.</p>
<p><b>Article (5)</b></p>		<p><b>Article 5: Validity:</b> The Regulations shall be effective from the date of their approval by the Ordinary General Assembly.</p>
<p><b>Article (6)</b></p>		<p><b>Article 6: Issue No. and Date of Approval:</b></p> <ul style="list-style-type: none"> <li>- Version No. 1 of the regulation was issued after it was approved by the company's general assembly on 09/04/2017.</li> <li>- Version No. 2 of the Regulations was issued after it was approved by the company's general assembly on 00/12/2021.</li> </ul>