

Audit Committee Report

To the Ordinary General Assembly

For the fiscal year ending on December 31, 2025

Umm Al Qura Cement Company

Introduction:

In accordance with Article Eighty-Eight of the Corporate Governance Regulations issued by the Capital Market Authority (CMA), which stipulates under Clause (a) that "*The report of the audit shall include details of its performance of its competencies and duties stated in these Regulations, provided that the report contains its recommendations and opinion on the adequacy of the internal and financial control systems and risk management systems in the Company*" and under Clause (b) that "*The Board shall make available sufficient copies of the audit committees' report at the Company's head office, and publish them on the Company's and the Exchange's websites when publishing the invitation to convene the General Assembly, to enable shareholders to get a copy thereof. Summary of the report shall be read at the General Assembly*"

The Audit Committee of Umm Al-Qura Cement Company is pleased to present its Annual Report to the Company's Board of Directors and shareholders at the Annual General Assembly meeting.

Audit Committee Composition:

On 29 April 2024, the Ordinary General Assembly approved the updated charter of the Audit Committee, defining its responsibilities, operating procedures, and members' remuneration, for the new term commencing 4 July 2024 for a period of three years. Pursuant to the Board of Directors' resolution dated 4 July 2024, the Audit Committee was constituted with four members, as follows:

Committee Members for the Period from 01/01/2025 to 31/12/2025

No. Member Name

1. Mr. Saud Mohammed Ali Al-Sabhan Committee Chairman — Non-Executive Member
2. Mr. Abdullah Hamdan AlSourayia Independent Member
3. Mr. Abdulaziz Sulaiman Al-Sayari Non-Board Member
4. Mr. Abdullah Ali Hamad Al-Hajri Non-Board Member

Audit Committee Meetings – Attendance Schedule for the Year 2025

Member Name	Membership Category	(51st) 11/03/2025	(52nd) 07/05/2025	(53rd) 30/07/2025	(54th) 03/11/2025	Total Attendance
Mr. Saud Mohammed Al-Sabhan	Committee Chairman (Non-Executive Member)	✓	✓	✓	✓	4
Mr. Abdullah Hamdan AlSourayia	Independent Member	✓	✓	✓	✓	4
Mr. Abdulaziz Suleiman Al-Sayari	Non-Board Member	✓	✓	✓	✓	4
Mr. Abdullah Ali Hamad Al-Hajri	Non-Board Member	✓	✓	✓	✓	4

✓ Present

X Absent

Committee Activities During 2025:

(a) Reviewing the quarterly financial statements for the year 2025 and the annual financial statements for the year 2024, based on the reports of executive management and the external auditor, discussing relevant findings, and submitting the necessary recommendations to the Board of Directors to enhance compliance and transparency.

(b) Overseeing the performance of the external auditor, including evaluating the quality and efficiency of audit work, reviewing audit reports and verifying their objectivity and accuracy, following up on the resolution of observations and recommendations, and maintaining ongoing coordination to ensure the achievement of audit objectives.

(c) Discussing the management letter issued by the external auditor with the Chief Executive Officer and the Chief Financial Officer and following up on the corrective actions taken to address the observations raised therein.

(d) Reviewing and analysing proposals submitted by external audit firms, evaluating their experience, independence, and quality of services, and submitting a recommendation to the Ordinary General Assembly for the appointment of an external auditor for the financial year ending 31 December 2025.

(e) Overseeing the Internal Audit function and monitoring the execution of the approved internal audit plan for the year 2025, in a manner that reinforces compliance with professional standards and supports the effectiveness of control systems.

(f) Reviewing internal audit reports and following up on the implementation of the substantive recommendations contained therein, with the objective of strengthening internal controls and enhancing compliance, governance, and risk management.

(g) Submitting an annual report to the Board of Directors on the results of the annual review of the effectiveness of internal control procedures within the Company, incorporating the Audit Committee's opinion on the adequacy of the internal and financial control systems and risk management systems for the financial year ending 31 December 2024, for presentation to the Ordinary General Assembly.

(h) Reviewing the sections of the Board of Directors' Report for the year 2024 that relate to the Audit Committee and verifying their alignment with the requirements of the Corporate Governance Regulations, the Audit Committee Charter, and relevant regulatory instructions.

The Committee's Opinion on the Adequacy and Effectiveness of Internal and Financial Control Systems and Risk Management Systems:

The Internal Audit Department carries out all audit activities - whether financial or administrative, with the objective of verifying the effectiveness of the internal control system and procedures, safeguarding the Company's assets, assessing business risks, measuring operational efficiency, and reporting its findings to the Audit Committee.

Based on the internal and external audit activities conducted throughout the year, and following the discussion of the resulting observations with executive management and the review of proposed corrective action plans, the Audit Committee has concluded that the internal and financial control systems, and risk management systems of the Company generally operate at an adequate and effective level, while noting that opportunities exist to strengthen and develop certain aspects in line with the scale of operations and the evolving nature of the Company's activities.

The Audit Committee will continue to oversee the implementation of these plans during 2026, to ensure that the necessary measures are taken and that identified weaknesses are addressed effectively — thereby contributing to the enhancement of the governance framework and the protection of the Company's interests and those of its shareholders.

Chairman of the Audit Committee

Mr. Saud Al-Sabhan

Audit Committee Member

Mr. Abdullah Hamdan AISourayia

Audit Committee Member

Mr. Abdulaziz Sulaiman Al-Sayari

Audit Committee Member

Mr. Abdullah Ali Al-Hajri

**Audit Committee Recommendation Regarding the Nomination of External Auditors for
Umm Al-Qura Cement Company**

March 11, 2026

To: The Chairman and Members of the Board of Directors of Umm Al-Qura Cement Company

Peace, mercy, and blessings of God be upon you,

The Audit Committee wishes to inform you that, during its meeting held on 11 March 2026, it reviewed and deliberated upon the proposals submitted by audit and accounting firms, for the purpose of examining, auditing, and reviewing the financial statements for the second and third quarters and the annual financial statements of the fiscal year 2026, as well as the first quarter of the fiscal year 2027.

The Committee evaluated the submitted proposals against a number of assessment criteria, the most significant of which were: professional expertise, familiarity with the nature of the Company's business, quality of professional deliverables, and proposed fees.

Based on the outcomes of this evaluation, the Audit Committee recommends that the Ordinary General Assembly be presented with a recommendation to appoint one of the following two candidates as the Company's external auditor, as follows:

1. RSM Allied Accountants Professional Services

Total fees: SAR 300,000 (exclusive of VAT)

2. Dr. Mohamed Alamri and company

Total fees: SAR 360,000 (exclusive of VAT)

Accordingly, the Committee recommends appointing **RSM Allied Accountants Professional Services** as the **first choice** and **Dr. Mohamed Alamri and company** as the **second choice**.

Kindly accept our highest regards.

Chairman of the Audit Committee

Mr. Saud Al-Sabhan

Audit Committee Member

Mr. Abdullah AlSourayia

Audit Committee Member

Mr. Abdulaziz Al-Sayari

Audit Committee Member

Mr. Abdullah Ali Al-Hajri
