

(1) Overview of the Audit Committee Composition

The Audit Committee consists of three members, including one member from outside the Board of Directors and two independents.

(2) Members of the Committee:

- **Mr. Mohamed Ahmed Yassin Al-Sheikh** - Chairman of the Committee - Member from outside the Board of Directors
- **Mr. Khalid Mohammed Abdullah Al-Ali Al-Arifi** - Committee Member and Board Member – Independent
- **Mr. Ahmed bin Ibrahim bin Mohammed Hayjan** - Committee Member and Board member - Independent.

(3) Tasks and Responsibilities:

The Audit Committee is responsible for monitoring the company's business and verifying the integrity of reports, financial statements and internal control systems, and the committee's tasks include the following:

A- Financial Reports

- 1) Study the quarterly and annual financial statements of the company before presenting them to the Board of Directors and express its opinion and recommendation in this regard.
- 2) Formulate a technical opinion upon 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.
- 3) Study any important or unusual issues included in financial reports.
- 4) Thoroughly research any matters of concern to the company's chief financial officer, acting as the company's compliance officer, and auditor.
- 5) Verification of accounting estimates in material matters in financial reporting.
- 6) Studying the financial and accounting policies followed in the company and expressing an opinion and recommendation to the Board of Directors in this regard.

A- Internal Audit

- 1) Study and review the company's internal and financial control systems and risk management.
- 2) Studying the internal audit reports and following up the executive management in implementing the corrective actions and the observations contained therein.
- 3) Control and supervise the performance and activities of the internal auditor, manage the internal audit of the company, if any, and approve its regulations to verify the availability of the necessary resources and their effectiveness in performing the work and tasks entrusted

to them, and if the company does not have an internal auditor, the committee shall submit its recommendation to the Board on the need to appoint him.

- 4) Approving the annual audit plan and the amendments that may occur thereto and approving the estimated budget of the Internal Audit Department and the training plan.
- 5) Recommending to the Board of Directors the appointment or dismissal of the Director of the Internal Audit Department and proposing his remuneration.

B- Auditor

- 1) Recommending to the Board of Directors the nomination of the auditor, dismissing them, determining their fees, evaluating their performance, reviewing the scope of their work and the terms of contracting with them.
- 2) Verify the independence, objectivity and fairness of the auditor and the effectiveness of the audit work, considering the relevant rules and standards.
- 3) Review the auditor's plan and work and verify that he has not submitted technical or administrative work outside the scope of the audit work and express its views in this regard.
- 4) Study the auditor's report and his observations on the financial statements and follow up on what has been taken in their affairs.
- 5) Follow up the work of the auditor and approve any work outside the scope of the audit work assigned to them during the audit work.
- 6) Finding solutions to mismatches that may arise between management and auditors regarding the notes to the financial statements or financial accounting policies.

C- Commitment Guarantee

- 1) Review the results of the reports of the regulatory authorities and verify that the company has taken the necessary measures in this regard.
 - 2) Submit any matters it deems necessary to act on to the Board of Directors and make recommendations on the actions to be taken.
- The Audit Committee supervises the internal audit of the company and studies the periodic financial reports and internal and external audit reports and their efficiency, as well as verifying the efficiency of control systems and it was recommended to work on building effective control systems, and following up the work of chartered accountants, the term of membership of the Committee is three years in conjunction with the term of membership of the Board of Directors.

(4) Audit Committee meetings during the year 2022:

- The Audit Committee held nine meetings during the year 2022.

M	Member Name	Adjective	Meeting Date									Attendance Rate
			January 27	February 28	March 28	May 10	Aug 06	August 31	October 18	Nov 01	Dec 07	
1	Mr . Mohammed bin Ahmed Yassin Al-Shaikh	Chairman	√	√	√	√	√	√	√	√	√	%100
2	Mr. Khalid Mohammed Al-Arifi	Member	√	√	√	√	√	√	√	√	√	%100
3	Mr. Ahmed Ibrahim bin Hayjan	Member	√	√	√	√	√	√	√	√	√	%100

(5) Results of the annual review of the effectiveness of internal control procedures:

- The Audit Committee operates in accordance with the instructions contained in the Companies Law and the Governance Regulations issued by the Capital Market Authority, and the executive management of the company is responsible for providing internal control procedures that reasonably ensure the effectiveness and efficiency of the company's operations and the control procedures applied therein, including the credibility and integrity of financial reports and the extent of compliance with applicable laws, regulations and policies
- Based on the annual examination of the internal control procedures for the fiscal year 2022 by the Audit Committee, work is underway to re-establish policies and procedures, attract qualified human cadres, develop effective internal control systems, and the subsequent update of business flow, policies and procedures, the matrix of powers and responsibilities, and the foundations for preparing estimated budgets in order to develop internal control systems .

(6) The opinion reached by the Audit Committee on the adequacy of the internal control system in the company:

The Audit Committee can give reasonable assurance about the adequacy of the company's internal control systems, and the Audit Committee has not found what should be indicated or believed to be a weakness or fundamental defect in the internal control systems and policy, knowing that it is not possible to give confirmation of the effectiveness of any system of control and internal control with the degree of complete reliability, and the Committee recommends that the company continue to update the systems and policies and procedures that enhance the internal control environment.

Chairman of the Audit Committee

Mohamed Bin Ahmed Yaseen Al-shaikh