

Audit Committee Report for Fiscal Year Ending on 31/12/2020

The Audit Committee held (14) meetings during 2020 to independently evaluate the internal control system's effectiveness and the fairness of the financial statements.

Noting that, among the responsibilities of the Audit Committee are the following:

- Review the preliminary and annual financial statements prepared by the company's management.
- Review the external auditor's reports and the letter of management that includes any observations about the internal control systems.
- Provide recommendations to the Board of Directors for appointing the independent external auditor and review his audit plan and deliverables.
- Oversee the Internal Audit activity and approve the annual risk-based audit plan.
- Review the internal audit activity's periodic reports, including the most important observations and follow-up on corrective actions, to strengthen the company's internal control; noting that the management is responsible for designing and implementing the company's internal controls and performing continuous improvements to enhance the internal control system's efficiency and effectiveness.

As the results of the planned and additional audit engagements that were executed by the internal audit activity, as well as after the discussion with the external auditor and the executive management about the preliminary and annual financial statements for 2020; Nothing came to the attention of the Audit Committee regarding any significant deficiencies in the internal control system; noting that regardless of any internal control system's effectiveness, it cannot provide absolute assurance..