

Audit committee's report for the fiscal year 2021 to the general assembly

Dear, Shareholders of the Saudi Research and Media group

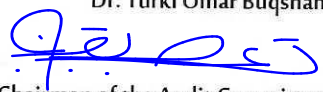
Dear, Board of Directors

We would like to bring to your kind attention that the Audit committee held (5) meetings during the year 2021 and carried out the following:

- 1) Review the annual and quarterly financial statements and discuss them with the external auditors prior to presenting it to the board of directors and issue it's related recommendations.
- 2) Evaluate the internal controls systems through reviewing internal audit reports and significant findings to verify the adequacy and the effectiveness of the control environment.
- 3) Approve and follow up the implementation of the annual audit plan covering the activities of the group and its subsidiaries taking into consideration the priorities of the audit assignments according to a comprehensive risk assessment which has been updated in line with the latest developments occurring in the group and its subsidiaries.
- 4) Verify the effectiveness of the internal audit department in carrying out the work and tasks set by the board of directors, including reviewing, and approving the recruitment processes and activities and related reports to ensure the independence of the internal auditors.
- 5) Review updates on some financial and operational policies and procedures of the group and its subsidiaries to ensure the effectiveness of internal control procedures stipulated in these policies.
- 6) Examine the company's accounting policies and ensure they are updated in accordance with international accounting standards applicable in Kingdom of Saudi Arabia.
- 7) Nominate to the Board of Directors external audit firm / firms to examine, review, and audit the financial statements for the second quarter, the third quarter and of the fiscal year 2021 in addition to the first quarter of the fiscal year 2022 for the Group in accordance with specific criteria that include financial and technical parameters. The Committee has also verified the external auditors' independency and their unrestricted access to records.
- 8) Approve and follow up the implementation of the annual risk management plan and tasks set by the board of directors, including establishing risk & control self-assessment framework (RCSA design) and risk & control self-assessment implementation (RCSA implementation).

Based on the results of the above activities, the Audit committee has obtained a reasonable assurance that the internal control system is adequate and effective as no substantial deficient was noticed that requires disclosure. An agreement with the executive management of the group and its subsidiaries was made to implement the internal audit reports' recommendations within a specified time frame to develop and enhance the internal controls procedures, which are being followed up periodically through the internal audit department and its periodical meetings.

Dr. Turki Omar Buqshan


Chairman of the Audit Committee