



## The Audit Committee's Report

### for the Fiscal Year ended on the 31 st of December 2019

In compliance with the implementation of the good governance rules, the Board of Directors formed an Audit Committee to support the Board in its supervisory role; and that is by verifying the adequacy of the Internal Control Systems, supervising the Internal Audit Processes, and ensuring the independence of the Company's External Auditor.

#### Committee's Formation:

- The Audit Committee was reformed on 14/05/2018, and it consists of (3) members, including:

S.N.	Name	Committee's Membership
1	Mr. Nawaf Abdullah Al-Refae	Committee Chairman
2	Mr. Haitham Tawfiq Al-Furaih	Member
3	Mr. Saleh Abdulaziz Al-Sarawi	Member
4	Mr. Ahmed Bader Al-Aslawi	Secretary

#### Committee's Meetings:

The Committee held 10 meetings during 2019.

#### Committee's Tasks:

- Recommend to the Board of Directors to approve the appointment of the Internal Auditor and determine his fees.
- Recommend to the Board of Directors to reappoint the External Auditors, determine their fees, and review their appointment letters.
- Follow-up with the External Auditors' work and ensure that they do not perform other work for the Company other than the services required by the audit profession.
- Study the External Auditors' notes on the Company's financial statements and follow up with what has been done in their regard.
- Study the applicable accounting policies; give its opinion; and provide recommendation to the Board of Directors in their regard.
- Assess the adequacy of the Internal Control Systems applied within the Company, and prepare a report containing the Committee's recommendations in this regard.
- Review the periodic financial statements and submit them to the Board of Directors, along with expressing its opinion and recommending their adoption.
- Review and approve the audit plans proposed by the Internal Auditor and make notes on them.
- Review the results of the regulatory authorities' reports and ensure that the necessary measures have been taken in their regard.
- Ensure that the Company complies with the relevant laws, policies, regulations and instructions.



## The Committee's Achievements During 2019

During the fiscal year that ended on the 31st of December 2019, the Committee achieved the following tasks:

### Financial Statements and Reports

Review the financial statements and reports before submitting them to the Board of Directors, express its opinion and give recommendations on them; and the following are the financial statements that are submitted to the Audit Committee:

- Financial statements for the periods ended on the 31st of March 2019.
- Financial statements for the periods ended on the 30th of June 2019.
- Financial statements for the periods ended on the 30th of September 2019.
- Financial statements for the year ended on the 31st of December 2019.

### Internal Audit

- Review and approve the Internal Audit action plan.
- Discuss the Internal Audit Reports and the corrective actions taken by the Management for these notes.
- Supervise the Internal Audit work and follow up with the internal audit achievements.
- Appoint an independent external office to assess the Internal Audit.

### Internal Control Systems

- Appoint an External Auditor to examine and assess the Internal Control Systems, and an independent auditor office was appointed to examine and assess the Company's Internal Control Systems.

### External Auditor

- The Committee reviewed the services carried out by the External Auditors and it reviewed and confirmed the independence and objectivity of the External Auditors.
- The Committee met with the External Auditors and discussed the nature and scope of the audit work that they performed in accordance with the International Standards of Auditing (ISA), the International Financial Reporting Standards (IFRS) and other regulatory requirements.
- The Committee also discussed the accounting policies with the External Auditor.

**Nawaf Abdullah Al-Refae**  
**Committee Chairman**