

Audit Committee Report

For the Fiscal Year Ended on 31 December 2022 AD

In compliance with the application of the rules of good governance, the Board of Directors has formed an Audit Committee to support the Board in its oversight role by verifying the adequacy of internal control systems, supervising the internal audit operations and ensuring the independence of the Company's external auditor.

Committee's Formation:

The Audit Committee was reconfigured on 12/08/2020 to include the following (3) Committee members:

	Name	Membership of Committee
1.	Mr.Nawaf Abdullah Al-Refae	Chairman
2.	Mr.Haitham Tawfiq Al-Furaih	Member
3.	Mr.Saleh Abdulaziz Al-Sarawi	Member
4.	Mr.Ahmad Bader Al-Aslawi	Secretary

Committee's Meetings:

The Committee held (10) meetings during year 2022.

Tasks of the Committee:

1. Recommending to the Board of Directors to approve the re-appointment of the internal auditor and determine his fees.
2. Recommending to the Board of Directors the appointment/re-appointment of external auditors, determine their fees and review their letters of appointment.
3. Following up the work of the external auditors and ensuring that they do not perform other work for the Company except for the services required by the auditing profession.
4. Studying the external auditors' observations on the Company's financial statements and following up what has been done in this regard.
5. Studying the adopted accounting policies and expressing an opinion and recommendation to the Board of Directors in this regard.
6. Evaluating the adequacy of the internal control systems applied in the Company and preparing a report that includes the committee's recommendations in this regard.
7. Reviewing the periodic and annual financial statements, presenting them to the Board of Directors expressing an opinion and recommending their approval.
8. Reviewing and approving the audit plans proposed by the internal auditor and expressing observations thereon.

9. Reviewing the results of the oversight authorities' reports and ensuring that the necessary measures have been taken in this regard.
10. Ensuring Company's compliance with relevant laws, policies, systems and instructions.

Achievements of the Committee during Year 2022:

During the fiscal year ending on 31 December 2022, the Committee accomplished the following tasks:

Financial Statements and Reports:

Reviewing the financial statements and reports before presenting them to the Board of Directors and expressing an opinion and recommendation regarding them. The following is a description of the financial statements that were presented to the Audit Committee:

- Financial statements for the period ending on 31 March 2022.
- Financial statements for the period ending on 30 June 2022.
- Financial statements for the period ending on 30 September 2022.
- Financial statements for the fiscal year ending on 31 December 2022.

Internal Audit:

- Review and approval of the internal audit work plan.
- Discussing internal audit reports and the corrective measures taken by the management regarding those observations.
- Supervising the internal audit's work and following up the achievements made thereby.
- Appointing an independent external office to evaluate the internal audit.

Internal Control Systems:

- Appointing an external auditor to examine and evaluate the internal control systems. An independent auditor's office has been appointed to examine and evaluate the Company's internal control systems.

External Auditor:

- The Committee reviewed the services performed by the external auditors and reviewed and confirmed external auditors' independence and objectivity.
- The Committee met with the external auditors and discussed the nature and scope of the audit work they performed subject to the international auditing standards, international financial reporting standards and other regulatory requirements.
- The Committee has also discussed accounting policies with the external auditor.



Nawaf Abdullah Al-Refae
Chairman of the Committee