

Annual report of the Audit Committee for the year ending 31 December 2023

This report was prepared based on Article Eighty-Eight of the corporate governance regulation issued by the capital market authority, which indicated that the audit committee’s report must include details of its performance and tasks stipulated in these regulations, as well as its recommendations and opinion on the adequacy of the company's internal control, financial, and risk management systems.

First: Members of the committee

The Committee shall be composed of four independent members:

- Mr. Abdullah bin Abdul Rahman Al-Sheikh Committee Chairman
- Mr. Bassam bin Mohammed Al-Baqawi Member
- Mr. Ibrahim bin Ahmed Al-Azeq Member
- Mrs. Al-Hanouf bint Abduljabbar Al-Abdul-Jabbar Member

Second: Meetings of the Committee

The audit committee met eight times during 2023:

Number of the meeting	Number of the committee meeting
2-Jan-23	Hundred and seventh
15-Mar-23	Hundred and eight
16-May-23	Hundred and nine
13-Jun-23	Hundred and ten
18-Jun-23	Hundred and eleven
6-Aug-23	Hundred and twelve
27-Sep-23	Hundred and thirteen
31-Oct-23	hundred and fourteen
The attendance rate of audit committee members was 94%	

Third: Responsibilities and Functions of the Audit Committee

1. Recommending to the Board of Directors to appoint legal auditors, determine their fees, ensure their independence, and evaluate their performance.
2. Study the company's initial and annual financial statements before presenting them to the Board of Directors and expressing an opinion and recommendation regarding them.
3. Study the internal and external auditors' evaluation of internal control procedures.
4. Study the accounting policies followed and express an opinion and recommendation to the Board of Directors regarding them.
5. Appointing and dismissing the Director of the Compliance Department or the Compliance Officer after obtaining the Authority's non-objection in writing, ensuring their independence, and evaluating their performance.
6. Appointing and dismissing the Director of the Internal Audit Department or the Internal Auditor after obtaining the Authority's non-objection in writing, ensuring their independence, and evaluating their performance.
7. Study the compliance plan and the internal audit plan, approve them, follow up on their implementation, review their reports, and make recommendations regarding them.
8. Determine the monthly salary, incentive bonus, and other rewards for the Internal Audit Department or the Internal Auditor in line with the company's internal regulations approved by the Council.
9. Determine the value of the monthly salary, incentive bonus, and other rewards for the Compliance Department or the Compliance Officer in line with the company's internal regulations approved by the Council.
10. Ensure the availability of a written regulation of professional conduct after its approval by the company's Board of Directors to ensure that the company's activities are carried out in a fair and ethical manner.

11. Follow up on important lawsuits filed by or against the company with the Compliance Manager or Compliance Officer and submit periodic reports regarding them to the Board of Directors.
12. Discussing the management letter submitted by the company's external auditors and the company's management's views on it.
13. Study the reports of the appointed actuary and make recommendations regarding them.
14. Discussing the observations of the supervisory and monitoring bodies and making recommendations regarding them.
15. Recommending the implementation of the transition to IFRS No. 17 and IFRS No. 9.

Fourth: The Committee's opinion on the adequacy of the internal control system

During its meetings in 2023, the Committee reviewed the periodic reports of the Internal Audit Department and the Compliance Department, as well as the reports issued by the supervisory and monitoring bodies. It also met with the external auditor and the actuary and reviewed the reports issued by them. The Committee periodically followed up on the efforts of the executive management to ensure that the observations that were discovered were addressed and controls were put in place. The guarantee limits its impact on the regulatory system.

Based on the assurances that the committee obtained from the executive management, the committee believes that there is no fundamental weakness in the company's internal control system that affects the integrity and fairness of the financial statements, noting that any internal control system cannot provide absolute assurances but rather provides reasonable assurances about the extent of its soundness and effectiveness. Internal control system.

Greetings,