

# Audit Committee report

## Committee

## Chairman Speech

Peace, Mercy and Blessings of God be upon all of you

Dear shareholders,

On behalf of my colleagues and the Audit Committee members, I would like to congratulate you for what have been achieved by your company during 2021 in spite of the hard conditions witnessed by the world due to the spread of COVID-19. I pray to God to keep you and your loved ones safe and healthy. I am pleased to present to you the annual report of the Audit Committee highlighting the Committee's activities and achievements during 2021.

Being a main pillar of the corporate governance, the Audit Committee consists of members from the Board of Directors with solid experience in finance, accounting and communications sector. The committee is responsible for assisting the Board of Directors to enhance values and principles of corporate governance through implementing its supervisory and regulatory functions. It has ensured effective monitoring of internal controls in processes and compliance to the Corporate Governance principles to ensure continuity and stability of the company while continuously focusing on increasing its efficiency.

The Audit Committee oversees functions of the external and internal auditors to ensure their independence and objectivity in performing their duties. As part of its duties, the committee continues to oversee the financial reporting processes and the internal controls to ensure that the financial statements are prepared fairly in compliance with the applicable accounting policies and the related regulatory rules.

Over the years, the Audit Committee has increased its focus on cyber security control in light of the increasing cyber threats. Due to the new remote work system applied this year, the committee has focused on ensuring robust controls are in place to protect data and keep its privacy, and confidentiality.

The Audit Committee is keen on implementing the company's values including Dynamism, Devotion and Drive to achieve its Vision and Mission.

Thank you and stay safe.

**Mr. Ameen Ben Fahad Ben Abdulaziz Al-Shiddi**  
Audit Committee Chairman

### Objective

To strengthen the culture of compliance within the company by ensuring the accuracy and integrity of the company's financial reports in addition to verifying the efficiency of the internal control systems applied in the company.

### Members


Mr. Amin Ben Fahad Ben Abdulaziz Al-Shiddi	Mrs. Iman Mohammed Al-Ahmed	Eng. Omer Abdullah Al Nomany	Mr. Salah Ahmad Meshari Al- Fouzan
Committee Chairman (Non-Executive) & Board Member (Non-Executive)	Committee Member (Non-Executive) & Board Member (Non-Executive)	Committee Member (Non-Executive) & Board Member (Non-Executive)	Committee Member (Independent) & Board Member (Independent)

### Salient features:

- All non-executives members
- Includes an independent member
- Includes a member with experience and academic qualifications in the field of accounting and finance
- Convened 6 meetings during 2021 in accordance with Governance rules (4) – Meetings

### Roles and responsibilities:

Roles and responsibilities assigned to the committee as per the committee charter and governance requirements are as follows:

	Review financial statements to ensure its soundness and integrity
	To make recommendations to the Board on the appointment of external auditor and monitor their performance
	Study accounting policies and provide recommendations thereon to the Board
	Ensure compliance of regulatory rules, policies and instructions thereupon and review the reports of the regulatory authorities
	Supervise the Internal Audit Department and ensure timely reporting.
	Evaluate the internal control system

### 2021 - Snapshot

<b>Financial statements</b>	<ul style="list-style-type: none"> <li>Reviewed periodic FS (Quarter and Year-end) before being presented to the board.</li> <li>Discussed external auditor's opinion on the FS and insure its independency.</li> <li>Discussed significant changes in IFRS and its impact on the FS.</li> <li>Reviewed the impact of COVID-19 on the financial statements.</li> </ul>
<b>Internal control</b>	<ul style="list-style-type: none"> <li>Reviewed report on ICR by independent external auditor.</li> <li>Discussed the quarterly and annual internal Shari'a audit reports and Shari'a Supervisory Board reports before submitting its recommendation to the board of directors</li> <li>Assigning an independent office to review the internal control system and then send it to CMA.</li> <li>Inforce the whistle blowing policy and insure the compliance of it laws.</li> </ul>
<b>Internal audit</b>	<ul style="list-style-type: none"> <li>Approved the internal audit work charter and the internal audit plan based upon risks.</li> <li>Discussed IA report and the follow-up reports submitted by IA department to handle all notes.</li> <li>Ensuring the independency of the Chief Internal Audit.</li> <li>Discussed and reviewed IAD's objectives and KPIs.</li> <li>Assess the Chief Internal Audit's performance.</li> </ul>
<b>External audit</b>	<ul style="list-style-type: none"> <li>Reviewed scope and objective of external auditor.</li> <li>Reviewed proposals and recommended external auditor to be appointed by the board and General Assembly.</li> <li>Reviewed proposals and recommended the Board to appoint Shari'a Supervisory Board in the company.</li> </ul>
<b>Compliance</b>	<ul style="list-style-type: none"> <li>Followed-up with the management on the periodical report sent to the regulators.</li> <li>Reviewed the compliance reports, which reflect the company's commitment to the regulatory requirements defined by the concerned governmental bodies.</li> <li>Following up with implementing recommendations.</li> </ul>