

**Audit Committee Report to the General Assembly**  
**For the Financial Year Ended December 31, 2023**

**Major Committee Activities During the Year 2023**

During the year 2023, the Audit Committee of Al Hammadi Holding Company carried out activities that fall within the scope of its competence, the major activities were:

- Supervising the activities of the Internal Audit Department in the company and following up on the implementation of its plan.
- Reviewing the internal audit reports issued during the year 2023 and following up the implementation of corrective measures for the observations contained therein.
- Recommending to the Board of Directors to appoint an external auditor for the financial year ended on December 31, 2023 and the first quarter of 2023.
- Supervising the activities of the external auditor, reviewing the audit plan, verifying his independence, ensuring that there are no technical or administrative activities outside the scope of audit work were submitted, as well as meeting with him periodically.
- Reviewing the quarterly and annual financial statements and submitting the necessary recommendations in this regard to the Board of Directors.
- Continuous communication with the Board of Directors to inform it of the updates of the Audit Committee's recommendations related to internal and external audit activities, as well as what is related to the company's control policies and procedures.

**Results of the Annual Review of the Effectiveness of the Company's Internal Control System:**

The internal control system aims to ensure effective and efficient achievement of the company's objectives, compliance with laws, regulations and policies, as well as the management of potential risks. The company's management is responsible for setting-up a comprehensive and effective control system commensurate with the level of risks that the company may be exposed to. The Audit Committee continuously reviews the periodic reports prepared by the internal and external auditors and the company's various departments related to internal control.

Based on what was reached by the results of the annual reviews, the Audit Committee would like to point out that it did not find material issues that could be mentioned in this report. We also point out that there is continuous communication between the Audit Committee and the executive management of the company regarding the periodic follow-up to assess and review the control system to ensure the achievement of internal control objectives by improving the efficiency of operations and raising their effectiveness while adhering to the relevant laws and regulations.



Mr. Aziz Algahtani  
Board Member  
Audit Committee Chairman

*Wahid Raafat*

Wahid Raafat (Apr 2, 2024 21:16 GMT+3)