



Audit Committee Charter
Retal Urban Development Company

SAUDI JOINT STOCK COMPANY —

Audit Committee Charter of Retal Urban Development Company (Saudi Joint-Stock Company)	
Approved by virtue of	Resolution issued by the Extra-Ordinary General Assembly of the Company dated 02/01/1445 H - corresponding to 20/07/2023 G.

Taking into account the provisions of the principles of governance and their international applications, which are based on separating the supervisory, regulatory, and executive authorities to enhance the functions of each authority or administrative level, ensure responsibility and accountability, and reduce the concentration of powers with a certain administrative level or a specific person, and in line with the modern global management methods, which require the distribution and delegation of powers and the determination of responsibilities without prejudice to the powers and tasks of the companies' boards of directors as they are responsible for supervising, controlling, and guiding implementation, as stipulated in the Saudi Companies Law of the necessity of forming specialized committees to help companies departments conduct business while maintaining the rights of stakeholders, including shareholders, partners, employees, customers, creditors, and others, and as per Part Four - Chapter Two -From the Governance Regulations for Listed Companies issued by the Capital Market Authority with regard to the Audit Committee: By virtue of a resolution from the Board of Directors, an Audit Committee shall be established and composed of minimum three members and maximum five members-from outside the executive members of the Board, whether from shareholders or others. The resolution shall specify the tasks of the committee, its work controls, and members' remunerations. The Audit Committee for Retal Urban Development Company has been established by virtue of Board of Directors Resolution no. 1-2\2023 dated June 18, 2023 AD, corresponding to 29 Dhul-Qi'dah 1444 AH for the purposes listed below and according to the powers, responsibilities, tasks, and controls stipulated in the present Regulations.

1. Definitions

The following terms and expressions shall have the meaning assigned thereto, unless the context otherwise requires:

Shareholders' Assembly	The Assembly of Shareholders
Company	Retal Urban Development Company
Board	Company's Board of Directors
Committee	The Audit Committee appointed by the Board of Directors.
Chairman	Chairman of the Committee
Member(s)	Committee member(s)
Charter	Retal Urban Development Company's Audit Committee Charter
Management	The management of Retal Urban Development Company
Financial Management	Financial management of Retal Urban Development Company
Stakeholders	Shareholders, partners, employees, customers, creditors, etc.

2. Preamble

- 2.1 The present Charter aims to regulate the work of the Audit Committee, clarify its scope of work and structure, determine its powers, clarify its method of formation, member appointment, and meeting arrangements, and indicate its decision-making and recommendations mechanism.
- 2.2 The Committee shall assume the powers and functions set out in the present Charter.
- 2.3 The Board shall evaluate the Committee's performance periodically and make recommendations to improve its performance.

3. Purpose of the Committee Formation

The Committee has been established to monitor the Company's work, especially with regard to financials, audit, review, verifying the integrity and accuracy of reports, financial statements and internal control system aspects. The Committee shall also submit its reports and recommendations periodically to the Board.

4. Committee Formation

4.1 The Company's Board of Directors shall issue a resolution to form the Audit Committee a from the Shareholders or others considering the following conditions:

- 4.1.1 The Committee shall consist of three to five members, whether shareholders or non-shareholders, from outside the executive members of the Board, including at least one independent director and a specialist in financial and accounting affairs.
- 4.1.2 The term of the Committee shall be similar to that of the Board.
- 4.1.3 Upon the proposal of the Board of Directors, the General Assembly of the Company shall issue the Audit Committee's Charter (this document), provided that these regulations include the controls and procedures of the Committee's work, its tasks, the rules for selecting its members, how to nominate them, the duration of their membership, their remuneration, and the mechanism for appointing its members temporarily in the event of a vacancy in one of the Committee's seats.
- 4.1.4 If the position of a member of the Committee becomes vacant during the year, the Board may temporarily appoint another member in the vacant position in line with the conditions and determinants of the membership of the Committee.
- 4.1.5 Any person who is working or has worked for the Company's executive or financial management, or the Company's auditor during the preceding two years may not be a member of the Committee. The Chairman of the Board may not be a member of the Committee.
- 4.1.6 It is stipulated that the member of the Audit Committee does not serve as a member of audit committees in more than five joint stock companies listed on the market at the same time.

4.2 Secretary of the Audit Committee

A member of the Committee shall be selected to carry out the tasks of the secretary of the Audit Committee. The Committee may appoint a secretary from non-members.

The secretary of the Audit Committee shall be responsible for:

- 4.2.1 Supervising the meeting procedures.
- 4.2.2 Ensuring the dominance of the principles of equality and transparency among Committee members.
- 4.2.3 Following up on the implementation of the Committee's decisions/recommendations.
- 4.2.4 Carrying out all procedures for holding meetings, as well as their progress and agenda, and keeping related records.
- 4.2.5 Any other work assigned thereto by the Committee.

5. Termination of the Committee Membership

Without prejudice to the provisions of the Board's right, the membership of the members of the Audit Committee shall expire in the following cases:

- 5.1 If a member of the Committee resigns.
- 5.2 In the event of the expiry of the Committee's term.
- 5.3 If the member loses the ability to carry out his tasks for any reason.
- 5.4 If the member loses any of the conditions that must be met by the Committee member.
- 5.5 If it is proven that a conflict of interest exists.
- 5.6 If the member misses three consecutive meetings without an accepted excuse.

6. Meetings and Attendance

- 6.1 The Committee shall meet at the Company's headquarters or in any other place approved by the majority of the Committee members.
- 6.2 The Committee shall adopt a meeting schedule at the start of each year, provided that at least four meetings are held during the financial year of the Company and provided that the date of the following meeting is agreed upon during each meeting.
- 6.3 The Committee shall hold its meetings at the invitation of the Chairman of the Committee. The invitation is sent to the members with the agenda and documents before the scheduled meeting date for a sufficient period estimated by the Committee Chairman.
- 6.4 The agreed-upon meeting may only be postponed or canceled with the approval of the Chairman of the Committee or based on the request of a majority of members.
- 6.5 The Committee may hold exceptional meetings upon the invitation of its Chairman, or upon a request from two of its members, the Board, or the CEO, provided that the invitation states the reasons for the meeting.
- 6.6 The Chairman shall be responsible for managing the meeting and approving the agenda.
- 6.7 The Committee may invite whomever it deems appropriate to attend its meetings, provided that this is evidenced in the minutes of the meeting, without having the right to vote on the Committee's decisions.
- 6.8 Committee meetings are valid if attended by a majority of its members. Resolutions shall be issued by a majority of the votes present. Each member shall have one vote. In case of a tie, the Chairman shall have the casting vote.
- 6.9 Meetings can be conducted \ attended remotely by electronic means.

7 Committee Resolutions

The resolutions of the Audit Committee shall be issued by a majority vote of the attendees. In case of a tie, the chairman of the meeting voted shall have the casting vote. The Committee may issue resolutions by submitting them to each of its members separately unless a member submits a written request for convening a meeting of the Committee for deliberation of said resolutions. Said resolutions shall be submitted to the Audit Committee in the next meeting.

If a conflict arises between the recommendations of the Audit Committee and those of the Board, or if the Board refuses to put the Committee's recommendations into action as to appointing or dismissing the Company's auditor or determining his remuneration, assessing his performance, or appointing the internal auditor, the Board's report shall include the Committee's recommendations, justifications, and the reasons for not following such recommendations.

8 Minutes of Meetings

The secretary of the Audit Committee shall prepare the minutes of the meetings, and the minutes shall be signed by all the attending members.

9 Roles and Responsibilities of the Committee

The Committee shall exercise all the competencies entrusted thereto, submit its reports to the Board, and maintain direct communication channels with it. The competencies of the Committee, under the relevant laws and regulations, shall be as follows:

- 9.1 Monitoring the Company's work and verifying the policies and procedures that ensure the integrity and effectiveness of the reports, financial statements, and internal control systems.
- 9.2 Reviewing and evaluating performance indicators of the financial management.
- 9.3 Ensuring that all departments operate in accordance with the policies approved by the Board.
- 9.4 Reviewing the policies and procedures set by the administration.
- 9.5 Reviewing the CEO's submissions that fall within its field of competence and submitting recommendations to the Board.
- 9.6 Examining the topics referred by the Assembly or the Board to the Committee, or the topics assigned to the Committee.
- 9.6 Other competencies assigned to the Committee by the Board.
- 9.7 The Committee shall submit its oral or written reports and recommendations to the Board periodically.

9.8 Financial Reports:

- 9.8.1 Analyzing and reviewing the Company's interim and annual financial statements before presenting them to the Board and providing its opinion and recommendations thereon to ensure their integrity, fairness, and transparency.
- 9.8.2 Providing its technical opinion - at the request of the Board - regarding whether the Board's report and the Company's financial statements are fair, balanced, understandable, and contain information that allows shareholders and investors to assess the Company's financial position, performance, business model, and strategy.
- 9.8.3 Analyzing any important or non-familiar issues contained in the financial report.
- 9.8.4 Accurately investigating any issues raised by the Company's CFO, any person assuming his tasks, or the Company's compliance officer or auditor.
- 9.8.5 Examining the accounting estimates in respect of significant matters contained in the financial reports.
- 9.8.6 Examining the accounting policies followed by the Company and providing its opinion and recommendations to the Board thereon.

9.9 Internal Audit:

- 9.9.1 Examining and reviewing the Company's internal and financial control systems and risk management system.
- 9.9.2 Analyzing the internal audit reports and following up on the implementation of the corrective measures of the remarks made therein.
- 9.9.3 Monitoring and overseeing the performance and activities of the internal audit department of the Company to ensure the sufficiency of the necessary resources and their effectiveness in performing the assigned work and tasks.
- 9.9.4 Providing a recommendation to the Board on appointing the internal audit director/chief, ensuring its independence, and enabling it to perform its work effectively.

9.10 External Auditor:

- 9.10.1 Providing recommendations to the Board to nominate and dismiss external auditors, determine their remunerations, and assess their performance after verifying their independence and reviewing the scope of their work and the terms of their contracts.
- 9.10.2 Verifying the independence, objectivity, and fairness of the external auditor and the effectiveness of the audit activities, taking into account the relevant rules and standards.
- 9.10.3 Reviewing the plan and works of the Company's external auditor, ensuring that they do not provide any technical or administrative works that are beyond its scope of work, and providing its opinion thereon.
- 9.10.4 Responding to queries of the Company's external auditor.
- 9.10.5 Reviewing the external auditor's reports and comments on the financial statements and following up the procedures taken in connection therewith.

9.12 Compliance Assurance:

- 9.12.1 Reviewing the findings of the reports of supervisory authorities and ensuring that the Company has taken the necessary actions in connection therewith.
- 9.12.2 Ensuring the Company's compliance with the relevant laws, regulations, policies, and instructions; reviewing the contracts and transactions proposed to be conducted by the Company with related parties and providing its recommendations to the Board in connection therewith to the Board.
- 9.12.3 Reporting to the Board any issues in connection with what it deems necessary to take action on and providing recommendations as to the steps that should be taken.
- 9.12.4 Report any matters it deems necessary to take action to the Board and make recommendations on the actions to be taken.

10 Powers of the Committee

- 10.1 The Committee shall investigate any matter referred thereto while enjoying full freedom to access all the Company's books, records, facilities, and employees as the Committee may view all data, information, and records related to the business progress, the general strategic plan, the Company's business, and financial management performance reports.
- 10.2 The Committee may seek assistance from legal advisors, accountants, and independent advisors, provided that the Company bears the expenses and fees for this purpose in accordance with the adopted competencies.
- 10.3 The Committee may request a meeting for the Committee or any member(s) with any of the Members of the Board of Directors or Executive Management or Company's employees, legal advisor, or external auditors in order to request any clarification or statement that the Committee may need within the scope of its work.
- 10.4 The Chairman of the Committee may attend the General Assembly meeting to answer questions raised by the shareholders.
- 10.5 The Committee shall monitor the Company's work and request clarifications from the Company's departments.
- 10.6 The Committee may request the Board to convene the General Assembly if its work is impeded or if the Company is subject to significant damages or losses.
- 10.7 The Committee shall meet with external and internal auditors to inquire and comment within the scope of their work.

11 Arrangement for Whistleblowing

The Audit Committee shall set a mechanism that allows employees of the company to submit their observations on any violation of financial or other reports confidentially, and the Committee shall verify the application of this mechanism by conducting an independent investigation commensurate with the size of the error or override and adopting appropriate follow-up procedures.

12 Committee Remunerations

The remuneration of Audit Committee members consists of annual bonuses, in addition to attendance allowance for meeting sessions, in accordance with the Company's approved remuneration policy.

13 Confidentiality of Committee Works

Committee members must maintain the confidentiality of any information which they have access to during their service as a Committee member and use it for the purpose of performing their tasks as members only. They may not announce or reveal said information to any other party, disclose or exploit it for any purpose, discuss it in the media, or speak on behalf of the Company. They shall abide by maintaining such confidentiality of information after the termination of membership in the Committee. Independent directors must maintain the confidentiality of private information during their membership in the Committee or after its termination and not disclose it at all.

The Committee member is responsible, even after the expiration of his membership in the Committee, to maintain all the Committee's documents and minutes, as well as any materials or data delivered to him manually or electronically from the Company or the secretary of the Committee.

14 Entry into Force and Amendment

The Charter shall come into force from the date of approval by the Assembly and may only be amended by a Resolution issued therefrom.