

**The Audit Committee Report to General Assembly of (BATIC)  
For Fiscal Year 2020**

**Honorable Shareholders of BATIC Investment and Logistics Company**

The Audit committee is one of the committees of the Board of Directors of BATIC Investment and Logistics Company and the members of the current committee were formed by a resolution of the Company's Ordinary General on 02-04-2020 and its current members are:

- |                               |                          |
|-------------------------------|--------------------------|
| 1. Mr. Taha Azhari            | Audit Committee Chairman |
| 2. Mr. Abdul Rahman Al-Sultan | Audit Committee Member   |
| 3. Mr. Mousa AL-Ekresh        | Audit Committee Member   |

BATIC audit committee monitor the reporting of the company's financial statements on behalf of the Board of Directors.

The company's management is primarily responsible for financial statements, for maintaining an effective internal control system for financial reporting and for assessing the effectiveness of internal control over financial reporting.

During the year 2020, the Committee met five times at the company headquarter and through the means of visual and audio-visual communication technology, and the following is a summary of the committee's tasks and work during the year ended December 31-2020.

**First: External Auditor and Financial Reports:**

- The external auditor's independence objectivity, fairness, and effectiveness of the audit work, have been verified, taking into account the relevant rules and standards.
- The audit plan submitted by the Company external auditor was reviewed.
- The Committee reviewed the results of 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.
- External auditor's reports and comments on financial statements were examined, and following up the procedures taken in connection therewith.

**Second: Internal Audit:**

- The independence of internal auditors has been ensured and the availability of the necessary resources and their effectiveness in performing the assigned activities and duties.
- The Committee reviewed and approved the risk-based internal audit plan and ensured that the resources needed to implement it properly were available.
- Periodically meeting was held with the Director of Internal Audit of BATIC.

**Third: Opinion of the audit committee with respect to the adequacy of the Company's internal control system:**

Based on the content of the reports submitted to the Audit Committee during the year ending 2020 by the external auditor and internal auditors, within the limits of the tasks and actions covered by the approved internal audit plan, the Committee found that there is no substantial deficiency in the internal control systems or the company's work to affect the integrity of financial statements that require disclosure, and therefore in the opinion of the Committee that the Company internal control systems are considered to be effective and capable of providing reasonable assurances, noting that any internal control system regardless of Its integrity and effectiveness cannot provide absolute but a reasonable basis for expressing opinions.

**On behalf of the Audit Committee**



Mr. Taha Azhari  
Chairman of the Audit Committee