

In the name of Allah, the most gracious, the most merciful

The work list of the audit committee

Alkhaleej Company for Training and Education

(a Saudi joint stock company)

Approved by the decision of the General Assembly of Shareholders on 01/12/1444 AH corresponding to 19/06/2023 AD

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The work list of the audit committee

Introduction:

The Board of Directors has the right to form a number of specialized committees that assist it and enable it to perform its duties effectively. The formation of these committees is in accordance with general procedures established by the Board that include defining the mission of each committee, its work duration, the powers vested in it, and how the Board of Directors monitors it. The committee shall inform the Board of Directors of its findings or decisions it takes in a transparent manner. The Board of Directors shall regularly follow up on the work of these committees to ensure that they are carrying out the tasks entrusted to them. Each committee shall be responsible for its work before the Board of Directors, without prejudice to the responsibility of the Board for such work and the powers or authorities delegated to it.

Among the important committees that the Board of Directors must form is a committee called the Audit Committee, as this committee is considered one of the most important committees in joint stock companies because of its essential and effective role in the work of internal and external auditing, the process of internal control, the development of systems and plans related to these activities, and follow-up on their implementation and the company's commitment and compatibility. With the accepted regulations and standards, the rules and regulations of the Capital Market Authority and the companies' system have given special importance to the Audit Committee through its formation by the Board of Directors and strengthening its work framework and powers.

And based on the foregoing, and after reviewing the Saudi Companies Law, its amendments, and its implementing regulations, and after reviewing the financial market system and its regulations, and after reviewing the amended Corporate Governance Regulations on 25/06/1444 AH corresponding to 18/01/2023 AD, and after reviewing the company's articles of association, the Board of Directors decided The management of Al-Khaleej Training and Education Company with its powers to issue a work regulation for the Audit Committee, provided that this regulation includes the controls and procedures for the work of the committee, its tasks, the rules for selecting its members, how to nominate them, the duration of their membership, and their rewards, provided that this regulation is presented to the general assembly of shareholders in Its first meeting for adoption

Article One: Objectives of the Committee

This committee aims to:

1. Assisting the Board of Directors in fulfilling the responsibilities entrusted to it, in particular assisting in verifying the adequacy of the internal control system and its effective implementation, and presenting any recommendations to the Board of Directors that would activate and develop the system to achieve the objectives of the company and protect the interests of shareholders and investors with high efficiency.
2. Verifying the completeness and adequacy of the internal audit work by reviewing the effectiveness of the arrangements for the internal audit department and their completeness and adequacy.
3. Ensure compliance with regulations, laws, standards, and policies related to the scope of work, tasks, and responsibilities.

For the purpose of applying the provisions of this bylaw, the words and expressions mentioned below shall have the meanings indicated opposite each of them, unless the context requires otherwise:

- Bylaws: Bylaws of the Audit Committee of the Gulf Training and Education Company.
- Committee: Audit Committee
- Company: Gulf Training and Education Company (a Saudi joint stock company).
- Board: The Board of Directors of Al-Khaleej Training and Education Company,
- Chairman of the Board: Chairman of the Board of Directors of the Gulf Training and Education Company,
- Chief Executive Officer (Managing Director): A member of the company's board of directors who is entrusted by the board to follow up on the affairs of the executive management and general supervision of its work.
- Chairman of the Committee: Chairman of the Audit Committee in the Gulf Training and Education Company,
- Members: Executive, non-executive and independent members of the Board of Directors and members of committees.

- Executive member: a member of the Board of Directors who is dedicated to managing the company participates in its daily business and receives a monthly or annual salary from it.
- Non-Executive Member: A member of the Board of Directors who is not dedicated to managing the company, does not participate in its daily business, and does not receive a monthly or annual salary from it.
- Independent member: A non-executive board member who enjoys complete independence in his position and decisions, and the symptoms of independence do not apply to him.
- Senior Executives: They are the Chief Executive Officer, his deputies, general managers, and the like. Those responsible for developing and implementing strategic decisions for the company
- Authority: Saudi Capital Market Authority
- Tadawul/Market: The Saudi Stock Exchange
- Articles of Association: The articles of association of the Gulf Training and Education Company.
- Audit Committee: An independent committee linked directly to the Board of Directors of the company and concerned with monitoring the performance and application of internal control systems in the company, ensuring the efficiency and effectiveness of the systems, and verifying the implementation of decisions related to internal control.
- Internal Audit Department: an independent department linked to the Audit Committee and administratively to the Chief Executive Officer. It specializes in developing a business plan for reviewing and auditing the company, and monitoring the company's performance by auditing and examining the company's operations to verify the absence of any financial and non-financial abuses of the company's internal systems, ensuring compliance with internal control systems, ensuring the efficiency and effectiveness of those systems, and verifying the implementation of internal control decisions, It reports to the Audit Committee.

Article Two: Formation of the Committee

1. By a decision of the company's board of directors, an audit committee is formed from shareholders or others, provided that it does not include any of the executive members of the board of directors.
2. The number of members of the Audit Committee shall not be less than three and not more than five, and among them shall be specialists in financial and accounting affairs.

Article Three: Duration of Committee Membership

The term of membership of the committee shall be four years, beginning with the beginning of the term of the company's board of directors and ending with the end of the term of the board of directors. The board of directors may also re-appoint members of the audit committee for another similar period or periods.

Article Four: Rules for selecting committee members

1. The committee member must have an appropriate academic qualification, previous experience in the field of companies, and knowledge of the financial and accounting aspects and the nature of the company's business, in a way that enriches the work and discussions of the committee.
2. The committee member must enjoy the duties of care, loyalty, and interest in the interests of the company and the shareholders, prioritizing them over his personal interest.
3. At least one independent member must be among the members of the audit committee.
4. Half of the members of the Audit Committee must be independent members or those who do not meet the symptoms of independence mentioned in Article (19) of the Corporate Governance Regulations. (guiding paragraph).
5. The chairman of the committee must be an independent member of the Board of Directors (guiding paragraph).
6. It is stipulated that a member of the audit committee should not be a member of audit committees in more than (5) five joint-stock companies listed in the market at the same time.
7. It is not permissible for anyone who works or worked during the past two years in the executive or financial management of the company, or with the company's auditor, to be a member of the audit committee.
8. A member of the committee must not be an executive member of the board of directors of the company or its subsidiaries, or someone who performs technical or administrative work in the company, even if it is for advice.
9. The member must enjoy complete independence from the company's executive management, and not have a direct or indirect interest in the business and contracts that are made for the company's account.
10. The member shall not engage in activities that compete with the activities of the company, whether individually or through other companies and institutions.

11. The committee member must be committed to allocating sufficient time for the tasks of the committee, attending its sessions, actively participating in its work, and keeping abreast of recent developments related to the company's business.
12. The Board of Directors shall select the members of the Committee from among the candidates for membership of the Committee. After the completion of the formation of the Committee, the Committee shall select a Chairman from among its members if the Board of Directors does not appoint him.
13. The chairman of the board of directors may not be a chairman or a member of the committee.
14. A secretary shall be appointed for the committee, who shall be responsible for preparing the minutes of its meetings and coordinating its work.
15. The company must notify the Authority of the names of the committee members and their membership descriptions within five working days from the date of their appointment, and any changes to that within five working days from the date of the changes.

Article Five: Committee work procedures

1. The committee meets at the invitation of its chairman, who presides over all committee meetings when he is present. If the committee chairman is absent from the committee meeting, he can authorize one of the committee members to chair the meeting, or the present members elect a temporary chairman among themselves during the meeting, and the committee meeting is not valid. Unless attended by at least half of the members.
2. The decisions of the committee shall be based by the majority of the opinions of the attending members. The committee's deliberations and decisions are recorded in minutes signed by the chairman and members of the committee.
3. The members of the Committee shall abide by all the obligations of the members of the Board of Directors, especially with regard to the confidentiality of the information and documents they see.
4. The Board of Directors follows up on the work and performance of the committee through its chairman and through periodic reports submitted to the Board of Directors.
5. The chairman of the committee or whomever he delegates from among its members must attend the general assemblies to answer shareholders' questions.
6. The work of the committee ends with the expiration of the period specified for it or with the issuance of a decision by the board that terminates or re-forms the committee, and the expiry of the term of the board or its dissolution for any reason ends the period of assignment of the committee and the committee must be re-formed by the new board of directors, and the member of the committee may be re-appointed for other sessions.

Article Six: Exemption from Membership of the Committee

1. Any member of the committee may be exempted from membership if he violates the provisions of these regulations or for any reasons the company's board of directors deems appropriate.
2. A member of the committee may resign from the membership of the committee, provided that this is at a reasonable time acceptable to the board of directors, otherwise, he will be responsible before the company.
3. Any member of the Committee shall be exempted from membership by virtue of a decision of the Board upon the recommendation of the Chairman of the Committee in the following cases:
 - a. The member's request to be exempted from his membership in the Committee.
 - b. The member's misuse of his position on the committee or misbehavior that the board considers harmful to the objectives and reputation of the company.
 - c. The member's absence from attending three consecutive meetings or five separate meetings without an acceptable excuse accepted by the committee chairman.
 - d. The member loses any of the conditions that must be met in the membership of the Committee.
4. When the member's term expires during the term of the Committee's work due to death, resignation, disability, or exemption, the Board of Directors shall, upon the recommendation of the Committee Chairman, appoint another member to fill the vacant position in the Committee, taking into account the conditions that must be met by a Committee member.

Article Seven: Study the topics

1. The committee may carry out any investigations or studies on issues within its scope of responsibility, or authorize someone to do so.
2. The Committee shall study the issues that concern it or that are referred to it by the Board of Directors, and submit its recommendations to the Board to take a decision in their regard or to take decisions if the Board delegates to it.

Article Eight: Committee meetings

1. The Committee shall approve the schedule of its meetings before the beginning of each fiscal year.
2. The Committee holds its meetings periodically, at least four times a year, and whenever the need arises.
3. The Audit Committee meets regularly with the company's auditor and the company's internal auditor.
4. The internal auditor and the auditor may request a meeting with the Audit Committee whenever the need arises.
5. The Committee shall hold its meetings upon an invitation from the Chairman of the Committee, or at the request of two of its members, or the Board of Directors, provided that the request for the meeting indicates the reasons for it.
6. For the validity of the committee's meetings, the presence of the majority of its members is required, and its decisions are issued by the majority of the votes of those present. In the event of equal votes, the side with which the chairman of the meeting voted will prevail.
7. No member of the Board of Directors or executive management who is not a member of the committee is entitled to attend its meetings unless the committee requests to hear his opinion or obtain his advice.
8. The meeting agenda is prepared by the committee secretary, in prior coordination with the committee chairman and members. To determine the topics to be discussed in the meeting.
9. The invitation to attend the meetings of the Committee shall be sent in writing by the Chairman of the Committee or whomever he delegates from among the members of the Committee or the Secretary of the Committee well in advance of the date of the meeting while providing the members of the Committee with the agenda of the meeting and the necessary documents well in advance of the date of the meeting.
10. The minutes of the committee's meetings are prepared by the secretary of the committee, provided that they include the discussions and deliberations that took place, documenting the recommendations of the committees, the results of the voting, indicating the names of the members present and the reservations they made – if any –, and that these minutes are signed by the chairman of the committee and all the members present. Those minutes are kept in a special and organized register with the secretary of the committee.

Article Nine: Terms of reference and duties of the Committee

The Audit Committee is concerned with studying the internal audit reports, following up the implementation of corrective measures for the observations contained therein, reviewing and re-evaluating the adequacy of the tasks, rules and controls included in these regulations from time to time, recommending any proposed changes to the Board of Directors, monitoring the company's business and verifying the integrity and integrity of the reports, financial statements and systems The internal oversight in it and the tasks of the committee include the following

Financial reports:

1. Studying the initial and annual financial statements of the company before submitting them to the Board of Directors and expressing an opinion and recommendation in their regard; to ensure its integrity, fairness, and transparency.
2. Expressing a technical opinion - at the request of the Board of Directors - as to whether the report of the Board of Directors and the company's financial statements are fair, balanced, and understandable and include information that allows shareholders and investors to evaluate the company's financial position, performance, business model and strategy.
3. Studying any important or unusual issues included in the financial reports.
4. Examine carefully any issues raised by the company's financial manager or whoever assumes his duties, the company's compliance officer, or the auditor.
5. Checking the accounting estimates regarding the fundamental issues mentioned in the financial reports.
6. Studying the accounting policies followed in the company and expressing an opinion and recommendation to the Board of Directors in this regard.

Internal audit:

1. Studying and reviewing the company's internal and financial control and risk management systems.
2. Studying the internal audit reports and following up on the implementation of the corrective measures for the notes contained therein.
3. Control and supervise the performance and activities of the internal auditor and the internal audit department in the company to verify the availability of the necessary resources and their effectiveness in performing the tasks and tasks entrusted to them.
4. Recommend to the Board of Directors the appointment of a unit manager, internal audit department, or internal auditor, and propose his remuneration.

Auditor:

1. Recommending to the Board of Directors the nomination and dismissal of auditors, determining their fees, and evaluating their performance, after verifying their independence and reviewing the scope of their work and the terms of contracting with them.
2. Verify the auditor's independence, objectivity, fairness, and the effectiveness of audit work, taking into consideration the relevant rules and standards.
3. Reviewing the company's auditor's plan and his work, verifying that he does not perform technical, administrative or advisory work outside the scope of the audit work, and expressing his views on this.
4. Answering the company's auditor's inquiries.
5. Studying the auditor's report and his observations on the financial statements and following up on what has been taken in their regard.

Commitment guarantee:

1. Reviewing the results of the regulatory authorities' reports and verifying that the company has taken the necessary measures in this regard.
2. Verify the company's compliance with the relevant laws, regulations, policies, and instructions.
3. Reviewing the contracts and transactions proposed to be conducted by the company with the relevant parties, and submitting its views in this regard to the Board of Directors.
4. Submitting to the Board of Directors what it deems necessary to take action on, and making recommendations for the actions to be taken.

Article Ten: Powers of the Committee

The Audit Committee, to perform its duties, has the following powers:

1. Seeking assistance from experts and specialists from within or outside the company within the limits of its powers, whenever this is necessary to assist the committee in performing its duties, provided that this is included in the minutes of the committee meeting, with the name of the expert and his relationship with the company or the executive management mentioned.
2. Investigating any activity that falls under its authority or any subject specifically requested by the Board of Directors, the General Assembly, or the external auditors.
3. The right to view the company's records and documents.
4. Request any clarification or statement from the members of the Board of Directors or the Executive Management.
5. Interviewing the external auditors and employees of the company, including the internal auditor, to inquire from them about the audit work and express any observations in the scope of its work.
6. To request the Board of Directors to convene the General Assembly of the company if the Board of Directors impedes its work or if the company suffers serious damage or losses.

Article Eleven: Terms of reference of the committee chairman and the committee secretary

First - Chairman of the Committee:

The Chairman of the Committee shall supervise the completion of its tasks and shall, in particular, have the following:

1. Presiding over the committee meetings.
2. Calling the committee to convene and specifying the time, date, place, and agenda for the meeting, in coordination with the committee members.
3. Appoint a committee secretary from within or outside the committee.

Second - Secretary of the Committee:

The secretary of the committee attends its meetings without having the right to vote. When selecting the secretary of the committee, it is taken into account that he has the educational qualification and practical experience that enables him to carry out the tasks entrusted to him. The secretary of the committee performs the following tasks:

1. Carry out all the administrative work of the committee,
2. Informing the committee members of the committee's meeting dates and agenda.
3. Editing the minutes of the meeting, indicating the date and place of the meeting, the names of those present and absent, a summary of the discussions, and the texts of the recommendations and decisions reached by the committee.
4. Save a copy of the signed minutes in a special file, along with all documents and correspondence related to the minutes.

Article Twelve: Committee members' remuneration

The Board of Directors determines the annual remuneration for the committee members in accordance with the companies' system, the company's articles of association, and the regulations and instructions in force from the relevant authorities. In the event that a committee member is exempted for any reason, his reward is calculated according to the period he spent in the committee membership. Details of the remuneration paid to committee members shall be disclosed in the annual report of the Board of Directors.

Article Thirteen: General Provisions

1. If there is a conflict between the recommendations of the Audit Committee and the decisions of the Board of Directors, or if the Board refuses to take into account the recommendation of the Committee regarding the appointment of the company's auditor, his dismissal, determination of his fees and evaluation of his performance, or the appointment of the internal auditor, the report of the Board of Directors must include the Committee's recommendation and its justifications, and the reasons for not adopting it.
2. The Audit Committee shall review the arrangements that allow the employees of the company to submit their observations regarding any irregularity in the financial or other reports in confidence. The committee shall verify the application of these arrangements by conducting an independent investigation commensurate with the extent of the error or abuse and adopting appropriate follow-up procedures. And provide an opportunity for the company's employees and stakeholders to report the violating cases through an organized mechanism in this regard.

Article Fourteen: Report of the Audit Committee

1. The Committee shall issue an annual report that includes details of its performance of its competencies and duties stipulated in the Corporate Governance Regulations, provided that the report includes its recommendations and opinion on the adequacy of the internal and financial control systems and risk management in the company. This is for presentation to the General Assembly of Shareholders in accordance with the method stipulated in the Companies Law and its Implementing Regulations.
2. The Board of Directors must deposit sufficient copies of the audit committee report at the company's main office and publish it on the company's website and the market's website when the invitation to convene the general assembly is published; to enable any shareholder who wishes to obtain a copy thereof. A summary of the report is read during the General Assembly.

Article Fifteen: Final Provisions (Publication, Enforcement and Amendment)

1. After approval of the bylaw by the Board of Directors based on the recommendation of the Audit Committee, the Board shall present it to the General Assembly of Shareholders for approval.
2. The Board of Directors may, to facilitate the work of the committee, make any amendment to these regulations upon the recommendation of the audit committee, provided that this amendment does not affect the essence of the regulations and is in line with the policies and procedures issued by the regulatory authorities. Provided that this amendment shall be presented to the General Assembly of Shareholders at its nearest meeting for approval.
3. This bylaw should be reviewed by the Board of Directors and the Audit Committee regularly, especially when changes occur in the company's policy that require review and amendment of the bylaw. The management of the company shall notify the Audit Committee of any changes that may occur in the company's policy or any other systemic changes that require a review of the contents of these regulations.
4. These Regulations are complementary to what is stated in the regulations and regulations of the regulatory authorities in the Kingdom of Saudi Arabia and are not a substitute for them. In the event of any conflict between what is stated in the Regulation and the regulations and regulations of the regulatory authorities, the regulations and regulations of the regulatory authorities shall prevail.
5. These regulations shall be applied, complied with and enforced as of the date of their approval by the General Assembly of Shareholders.

God bless,