In the Name of Allah, the Most Gracious, the Most Merciful

Charter

Audit Committee

of Alkhaleej Training and Education Company

(A Saudi Joint Stock Company)

Approved by resolution of the General Assembly of Shareholders dated 23/12/1447H, corresponding to 09/06/2026G

Audit Committee Charter

Introduction:

The Board of Directors may form specialized committees to assist it and enable it to discharge its duties effectively. Such committees shall be formed in accordance with general procedures established by the Board, specifying each committee's mandate, term, delegated powers and the manner in which the Board oversees it. Each committee shall report its findings and decisions to the Board transparently, and the Board shall regularly monitor the committees to verify that they perform their assigned duties. Each committee remains accountable to the Board for its work, without prejudice to the Board's responsibility for that work and for the powers or authorities delegated to it.

Among the principal committees that the Board must form is the Audit Committee. It is one of the most important committees in joint stock companies due to its fundamental and effective role in internal and external audit, internal control, the development of related systems and plans, monitoring their implementation, and verifying the Company's compliance with applicable regulations and recognized standards. The Capital Market Authority regulations and the Companies Law accord particular importance to the Audit Committee by requiring its formation by the Board and strengthening its framework and powers.

Accordingly, after reviewing the Saudi Companies Law, its amendments and Implementing Regulations; the Corporate Governance Regulations amended on 25/06/1444H, corresponding to 18/01/2023G; and the Company's Bylaws, the Board of Directors of Alkhaleej Training and Education Company, acting within its powers, resolved to issue this Audit Committee Charter. The Charter sets out the Committee's operating rules and procedures, duties, member-selection criteria, nomination process, membership term and remuneration, and shall be submitted to the General Assembly of Shareholders at its first meeting for approval.

Article One: Committee Objectives

The Committee aims to:

1. Assist the Board of Directors in fulfilling its responsibilities, particularly by verifying the adequacy and effective implementation of the internal control system and making recommendations that enhance and develop the system in a manner that achieves the Company's objectives and efficiently protects the interests of shareholders and investors.
2. Verify the sufficiency and adequacy of internal audit activities by reviewing the effectiveness, sufficiency and adequacy of the arrangements relating to the Internal Audit Department.
3. Verify compliance with the laws, regulations, standards and policies relevant to the Committee's scope, duties and responsibilities.

For purposes of applying this Charter, the following words and expressions shall have the meanings assigned to them below, unless the context requires otherwise:

- **Charter: The Audit Committee Charter of Alkhaleej Training and Education Company.**
- Committee: The Audit Committee.
- **Company: Alkhaleej Training and Education Company (a Saudi Joint Stock Company).**
- Board: The Board of Directors of Alkhaleej Training and Education Company.
- **Board Chair: The Chair of the Board of Directors of Alkhaleej Training and Education Company.**
- **Chief Executive Officer (Managing Director): The member of the Company's Board entrusted by the Board with overseeing executive management affairs and exercising general supervision over its activities.**
- **Committee Chair: The Chair of the Audit Committee of Alkhaleej Training and Education Company.**
- **Members: The Company's executive, non-executive and independent Board members and members of Board committees.**
- **Executive Member: A Board member who holds an executive management position in the Company, performs day-to-day managerial or operational responsibilities under the Board's supervision, and receives a salary or fixed financial benefits from the Company, such as the Chief Executive Officer, Chief Financial Officer or equivalent.**
- **Non-Executive Member: A Board member who holds no executive management position in the Company, does not participate in its day-to-day management, and receives no salary or fixed financial benefits from it. The member's role is limited to contributing to the direction of the Company's general policies, overseeing executive management performance, and providing advice and oversight in the interests of the Company and its shareholders. Such member may be a major investor or have business interests with the Company.**
- **Independent Member: A non-executive Board member who is fully independent in position and decision-making. To qualify as independent, the member must have no relationship with the Company, its executive management or its major shareholders that could affect impartiality or independence, in accordance with the controls and criteria set out in the Corporate Governance Regulations issued by the Capital Market Authority.**

- **Senior Executives: Persons holding senior management positions in the Company and directly responsible for planning and supervising its day-to-day executive activities, including, without limitation, the Chief Executive Officer, deputy or assistant chief executive officers, the Chief Financial Officer and general managers. Any person whose position materially influences the formulation of the Company's operating or financial policies is deemed a Senior Executive.**
- **Authority: The Capital Market Authority.**
- Tadawul / Market: The Saudi Exchange.
- **Bylaws: The Bylaws of Alkhaleej Training and Education Company.**
- **Audit Committee: An independent committee reporting directly to the Company's Board, responsible for overseeing the performance and application of the Company's internal control systems, verifying their efficiency and effectiveness, and confirming implementation of decisions relating to internal control.**
- **Internal Audit Department: An independent department functionally reporting to the Audit Committee and administratively to the Chief Executive Officer. It prepares the Company's audit plan and monitors performance by auditing and examining Company operations to identify any financial or non-financial breaches of internal rules, verify compliance with internal control systems, assess their efficiency and effectiveness, and confirm implementation of internal control decisions. It reports to the Audit Committee.**

Article Two: Committee Composition

1. **The Company's Board shall establish, by resolution, an Audit Committee composed of shareholders or others, provided that it does not include any executive Board member.**
2. **The Audit Committee shall consist of no fewer than three and no more than five members, including at least one member specializing in financial and accounting matters.**

Article Three: Term of Committee Membership

Committee membership shall be for four years, commencing with the start of the Company's Board term and ending upon expiry of that term. The Board may reappoint Audit Committee members for one or more additional terms of equal duration.

Article Four: Criteria for Selecting Committee Members

1. A Committee member shall possess appropriate academic qualifications, prior corporate experience, knowledge of financial and accounting matters, and an understanding of the Company's business sufficient to enrich the Committee's work and deliberations.
2. **A Committee member shall discharge the duties of care and loyalty, give due regard to the interests of the Company and its shareholders, and place those interests above the member's personal interests.**
3. **At least one Audit Committee member shall be independent.**
4. At least half of the Audit Committee members shall be independent members or persons to whom none of the circumstances impairing independence under Article 19 of the Corporate Governance Regulations apply. (Guidance provision.)
5. **The Committee Chair shall be an independent Board member. (Guidance provision.)**
6. An Audit Committee member may not concurrently serve on the audit committees of more than five listed joint stock companies.
7. **A person who currently works, or has worked during the preceding two years, in the Company's executive or finance function or for the Company's external auditor may not serve on the Audit Committee.**
8. **A Committee member may not be an executive Board member of the Company or any of its subsidiaries, nor may the member perform technical or administrative work for the Company, even in an advisory capacity.**
9. A member shall be fully independent from the Company's executive management and shall have no direct or indirect interest in business or contracts entered into for the Company's account.
10. A member shall not engage in activities that compete with the Company's activities, whether individually or through other companies or establishments.
11. A Committee member shall devote sufficient time to Committee duties, attend its meetings, participate effectively in its work, and remain informed of recent developments relevant to the Company's business.
12. **The Board shall select Committee members from among the candidates. After the Committee is formed, it shall elect a Chair from among its members unless the Board has appointed the Chair.**
13. **The Board Chair may not chair or serve as a member of the Committee.**
14. **A Committee Secretary shall be appointed and shall be responsible for preparing meeting minutes and coordinating the Committee's work.**
15. **The Company shall notify the Authority of the names and membership classifications of Committee members within five business days of their appointment, and of any subsequent changes within five business days from the date of such changes.**

Article Five: Committee Operating Procedures

1. **The Committee shall meet at the invitation of its Chair, who shall preside over all meetings attended. If the Chair is absent, the Chair may authorize a Committee member to preside, or the members present may elect an acting chair from among themselves during the meeting. A meeting shall be valid only if at least half of the members are present.**
2. Committee resolutions shall be adopted by a majority of the votes of members present. The Committee's deliberations and resolutions shall be recorded in minutes signed by the Committee Chair and members.
3. Committee members shall comply with all obligations applicable to Board members, particularly the duty to maintain the confidentiality of information and documents made available to them.
4. **The Board shall monitor the Committee's work and performance through its Chair and through periodic reports submitted to the Board.**
5. **The Committee Chair, or a Committee member designated by the Chair, shall attend General Assembly meetings to answer shareholders' questions.**
6. **The Committee's work shall end upon expiry of its specified term or upon a Board resolution terminating or reconstituting it. Expiry or dissolution of the Board for any reason also terminates the Committee's mandate and requires the new Board to reconstitute it. A member may be reappointed for additional terms.**

Article Six: Removal from Committee Membership

1. **A Committee member may be removed from membership for violating this Charter or for any other reason the Company's Board deems appropriate.**
2. **A Committee member may resign, provided that the resignation is submitted at an appropriate time acceptable to the Board; otherwise, the member shall be liable to the Company.**
3. **A Committee member shall be removed by Board resolution upon the recommendation of the Committee Chair in any of the following cases:**

- **The member requests release from Committee membership.**
- **The member abuses the position on the Committee or engages in misconduct that the Board considers harmful to the Company's objectives or reputation.**
- **The member fails to attend three consecutive meetings or five non-consecutive meetings without an excuse acceptable to the Committee Chair.**
- **The member ceases to satisfy any condition required for Committee membership.**

4. **If a member's term ends during the Committee's term due to death, resignation, incapacity or removal, the Board shall, upon the Committee's recommendation, appoint another member to fill the vacancy, taking into account the conditions required for Committee membership.**

Article Seven: Review of Matters

1. The Committee may conduct, or authorize others to conduct, any investigation or study concerning matters within its scope of responsibility.
2. **The Committee shall review matters within its competence or referred to it by the Board and submit recommendations to the Board for decision, or make decisions itself where the Board has delegated such authority.**

Article Eight: Committee Meetings

1. The Committee shall approve its meeting schedule before the beginning of each financial year.
2. The Committee shall meet periodically, at least four times each year and whenever necessary.
3. **The Audit Committee shall meet periodically with the Company's external auditor.**
4. **The Audit Committee shall meet independently with the Director of the Company's Internal Audit Department at least twice each year.**
5. **The internal auditor and the external auditor may request a meeting with the Audit Committee whenever necessary.**
6. Committee meetings shall be convened at the invitation of the Committee Chair or at the request of two Committee members or the Board, provided that the request states the reasons for convening the meeting.
7. **A Committee meeting shall be valid only if a majority of its members are present. Resolutions shall be adopted by a majority vote of those present; in the event of a tie, the side supported by the meeting chair shall prevail.**
8. **No Board member or executive-management member who is not a Committee member may attend Committee meetings unless the Committee requests that person's opinion or advice.**

9. The Committee Secretary shall prepare the meeting agenda in prior coordination with the Committee Chair and members to identify the matters to be discussed.
10. Written invitations to Committee meetings shall be issued by the Committee Chair, a Committee member authorized by the Chair, or the Committee Secretary sufficiently in advance of the meeting. Members shall receive the meeting agenda and required documents sufficiently in advance.
11. **The Committee Secretary shall prepare meeting minutes recording the discussions and deliberations, Committee recommendations, voting results, names of members present, and any reservations expressed. The minutes shall be signed by the Committee Chair and all members present and retained by the Secretary in a dedicated, orderly register.**

Article Nine: Committee Functions and Duties

The Audit Committee shall review internal audit reports and follow up implementation of corrective actions addressing the observations contained therein; periodically review and reassess the adequacy of the duties, rules and controls set out in this Charter; recommend proposed changes to the Board; oversee the Company's activities; and verify the soundness and integrity of its reports, financial statements and internal control systems. The Committee's duties include the following:

Financial Reporting:

1. **Review the Company's interim and annual financial statements before submission to the Board and provide its opinion and recommendations to ensure their integrity, fairness and transparency.**
2. **At the Board's request, provide a technical opinion on whether the Board report and the Company's financial statements are fair, balanced and understandable and contain information enabling shareholders and investors to assess the Company's financial position, performance, business model and strategy.**
3. **Review any significant or unusual matters contained in the financial reports.**
4. **Thoroughly investigate any matters raised by the Company's Chief Financial Officer, the person performing that role, the Company's Compliance Officer, or the external auditor.**
5. Verify accounting estimates relating to material matters in the financial reports.
6. **Review the accounting policies applied by the Company and provide its opinion and recommendations to the Board.**

Internal Audit:

1. **Review the Company's internal and financial control systems and risk-management systems.**
2. **Review internal audit reports and follow up implementation of corrective actions addressing the observations contained therein.**
3. **Oversee the performance and activities of the Internal Audit Department and evaluate its performance to verify its effectiveness in carrying out its assigned work and duties.**
4. **Recommend to the Board the appointment of the head of the Internal Audit Unit or Department, or the internal auditor, and propose the remuneration.**
5. Approve the Internal Audit Department Charter, review it periodically and update it when required.
6. **Ensure that the powers granted to the Internal Audit Department under its charter are commensurate with its assigned duties and responsibilities.**
7. Approve the organizational structure of the Internal Audit Department and review it periodically to ensure the Department's independence.
8. Conduct a periodic performance evaluation of the Director of Internal Audit at least once every six months.
9. Ensure a direct and independent communication channel between the Audit Committee and the Director of Internal Audit.
10. **Verify the Internal Audit Department's compliance with the International Standards for the Professional Practice of Internal Auditing.**
11. Ensure the independence and objectivity of the Internal Audit Department and that no circumstances exist that could impair such independence.
12. Approve the comprehensive internal audit plan prepared by the Internal Audit Department, which shall be updated annually.
13. Monitor the Internal Audit Department's preparation of a written report on its activities for submission to the Board and the Audit Committee at least quarterly. The report shall include an assessment of the Company's internal control system, the Department's findings and recommendations, the actions taken by each department to address previous audit findings and recommendations, and any observations, particularly where remediation was not timely, together with the reasons.

External Auditor:

1. **Recommend to the Board the nomination and dismissal of external auditors, determine their fees and assess their performance after verifying their independence and reviewing the scope and terms of their engagement.**
2. **Verify the external auditor's independence, objectivity and fairness and the effectiveness of the audit work, taking into account applicable rules and standards.**

3. **Review the Company's external auditor's plan and work, verify that the auditor does not provide technical, administrative or advisory services outside the audit scope, and provide its views in that regard.**
4. **Respond to inquiries from the Company's external auditor.**
5. **Review the external auditor's report and observations on the financial statements and follow up the actions taken in response.**

Compliance Assurance:

1. **Review the results of reports issued by regulatory authorities and verify that the Company has taken the necessary actions in response.**
2. **Verify the Company's compliance with applicable laws, regulations, policies and instructions.**
3. Review major activities and operations, including risk-management and compliance-management activities, at least annually.
4. **Review proposed contracts and transactions between the Company and related parties and submit its views to the Board.**
5. **Raise to the Board any matters on which it considers action necessary and provide recommendations regarding the actions to be taken.**

Article Ten: Committee Powers

For the purpose of performing its duties, the Audit Committee shall have the following powers:

1. **Engage experts and specialists from within or outside the Company, within the limits of its powers, whenever necessary to assist the Committee in performing its duties. The engagement shall be recorded in the meeting minutes, stating the expert's name and relationship with the Company or executive management.**
2. Investigate any activity falling within its powers or any matter specifically requested by the Board, the General Assembly or the external auditors.
3. **Access the Company's records and documents.**
4. **Request any clarification or statement from Board members or executive management.**
5. **Meet with the external auditors, Company personnel and the internal auditor to inquire about audit activities and make observations within the Committee's scope.**
6. **Request that the Board convene the General Assembly if the Board obstructs the Committee's work or the Company sustains material damage or losses.**

Article Eleven: Duties of the Committee Chair and Secretary

First - Committee Chair:

The Committee Chair shall oversee completion of the Committee's duties and, in particular, shall:

1. **Chair Committee meetings.**
2. **Convene the Committee and determine the time, date, venue and agenda of each meeting in coordination with Committee members.**
3. **Appoint the Committee Secretary from within or outside the Committee.**

Second - Committee Secretary:

The Committee Secretary shall attend Committee meetings without voting rights. The Secretary shall have the academic qualifications and practical experience required to perform the assigned duties, which include:

1. Perform all administrative work of the Committee.
2. **Notify Committee members of meeting dates and agendas.**
3. Prepare meeting minutes stating the date and venue, names of attendees and absentees, a summary of discussions, and the text of the recommendations and resolutions reached by the Committee.
4. **Retain a copy of the signed minutes in a dedicated file together with all documents and correspondence relating to the minutes.**

Article Twelve: Remuneration of Committee Members

The Board shall determine the annual remuneration of Committee members in accordance with the Companies Law, the Company's Bylaws, and the laws and instructions issued by the competent authorities. If a member is removed for any reason, remuneration shall be calculated in proportion to the period served. Details of remuneration paid to Committee members shall be disclosed in the Board's annual report.

Article Thirteen: General Provisions

1. **If the Audit Committee's recommendations conflict with Board resolutions, or if the Board rejects a Committee recommendation concerning the appointment or dismissal of the Company's external auditor, determination of the auditor's fees, assessment of the auditor's performance, or appointment of the internal auditor, the Board report shall include the Committee's recommendation and rationale and the reasons for not accepting it.**
2. **The Audit Committee shall review the arrangements enabling Company employees to submit confidential observations concerning irregularities in financial reports or other matters. The Committee shall verify implementation of those arrangements by conducting an independent investigation proportionate to the scale of the error or irregularity and adopting appropriate follow-up measures. Company employees and stakeholders shall be given an opportunity to report violations through an organized mechanism established for that purpose.**

Article Fourteen: Audit Committee Report

1. The Committee shall issue an annual report detailing the performance of its functions and duties under the Corporate Governance Regulations. The report shall include its recommendations and opinion on the adequacy of the Company's internal and financial control systems and risk management. It shall be presented to the General Assembly of Shareholders in the manner prescribed by the Companies Law and its Implementing Regulations.
2. **The Board shall deposit sufficient copies of the Audit Committee report at the Company's head office and publish it on the Company's website and the Market's website when the invitation to the General Assembly meeting is published, enabling interested shareholders to obtain a copy. A summary of the report shall be read at the General Assembly meeting.**

Article Fifteen: Final Provisions (Publication, Entry into Force and Amendment)

1. **After the Board approves the Charter upon the Audit Committee's recommendation, the Board shall submit it to the General Assembly of Shareholders for approval.**
2. **To facilitate the Committee's work, the Board may amend this Charter upon the Audit Committee's recommendation, provided that the amendment does not affect the substance of the Charter and is consistent with policies and procedures issued by regulatory authorities. The amendment shall be submitted to the General Assembly of Shareholders for approval at its earliest meeting.**
3. **The Board and the Audit Committee shall periodically review this Charter, particularly when changes in Company policy require its review and amendment. Company management shall notify the Audit Committee of any new changes in Company policy or other regulatory changes requiring review of the Charter's contents.**
4. **This Charter supplements, and does not replace, the laws and regulations issued by regulatory authorities in the Kingdom of Saudi Arabia. In the event of any conflict between this Charter and such laws or regulations, the laws and regulations of the regulatory authorities shall prevail.**
5. **This Charter shall apply and be complied with from the date of its approval by the General Assembly of Shareholders.**

And Allah is the Granter of success.

Document Issuance Details

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