
Audit Committee's Report to the General Assembly of SABIC Agri-Nutrients Company for the Fiscal Year 2021

Introduction:

The Audit Committee of SABIC Agri-Nutrients Company is pleased to provide its valued shareholders with an annual report of the fiscal year ended December 31, 2021 on the adequacy of the internal control systems of the Company, which is one of the main responsibilities entrusted to the Board of Directors. The Audit Committee aims to assist the Board of Directors in fulfilling its entrusted responsibilities and provide its recommendations to the Board of Directors that would promote and develop the system in the manner that achieves the Company's objectives and protects interests of shareholders with high efficiency.

Audit Committee undertakes its competences and functions according to its regulations approved by the Company's General Assembly in line with the regulatory requirements and performs its duties regarding supervision of performance of Internal Audit Department, study of its reports, approval of its work plan, guaranteeing integrity and effective application of internal control systems, study of quarterly and annual financial statements. Moreover, Audit Committee shall study accounting policies adopted by the Company and submit recommendations to the Board of Directors on nomination of the Company's auditors.

Furthermore, Audit Committee shall submit its recommendations to the Board of Directors on the necessary matters and shall receive ongoing support of the Board of Directors to enable it and improve performance of its works and duties.

Within the framework of regulatory reports, Audit Committee shall follow up Executive Management on taking the corrective measures necessary towards the notes contained in this report.

In addition, Audit Committee shall receive numerous reports from the Executive Management, the internal auditor and the external auditor, in relation to Executive Management's implementation and monitoring of the activities of internal control systems. Moreover, the external auditor and internal auditor shall carry out the audits to express opinion on effectiveness of approved internal control systems.

It is worth to mention that, the Audit Committee has not found any matters of significant influence that could be mentioned in this report, based on the data made available by the Company's Executive Management, the external auditor and the internal auditor, within the limits of duties and responsibilities covered in the approved internal audit plan, discussions with the external auditor and executive management on quarterly and annual business results.

In our opinion, as at December 31, 2021, based on the submissions of the Executive Management and reports of the auditor and internal auditor issued throughout the year, we have not found any material notes on the internal control system that would affect the integrity and fairness of the financial statements. Note that, any internal control system cannot provide absolute assurance. However, it will provide reasonable assurance that no material weakness came to the committee attention in internal control system.