

The Annual Audit Report For The Financial year 31/12/2023

This report summarizes the work of the Audit Committee for Oriental Weavers Carpets (S.A.E) during the fiscal year ended on December 31, 2023.

Having an Audit Committee is one of the key indicators of implementing sound governance principles, and the effectiveness of the committee is directly linked to the effectiveness of the Board of Directors. The committee executes its duties based on the authorities and responsibilities delegated to it by the company's Board of Directors. The Audit Committee has been formed with three members as follows:

The Member Name		Title
Khaled Abdel Aziz Hegazi	Independent	Head
Ayman Ismail Mohamed Soliman	Independent	Member
Farida Mohamed Farid Khamis	Non-Executive	Member

In support of the governance functions within the company, the governance scope has been integrated into the Audit Committee, renaming it as the Audit and Governance Committee. On August 14, 2023, the committee held 6 meetings during the fiscal year ended on December 31, 2023, with the following attendance:

The Member Name	The Attendance
Khaled Abdel Aziz Hegazi	6/6
Ayman Ismail Mohamed Soliman	4/6
Farida Mohamed Farid Khamis	6/6

Tasks and Responsibilities of the Audit Committee:

- 1- Financial Statement Review: The committee reviewed the company's financial data and statements before presenting them to the Board of Directors. Important accounting issues and policies were discussed to ensure their accuracy and suitability.
- 2- Financial Report Review: The committee reviewed the reports submitted by the Board of Directors regarding the company's activities, ensuring they provide sufficient and accurate information to shareholders and stakeholders.



- 3- Review of Financial Controls and Internal Control Systems: The committee discussed and evaluated the financial controls and internal control systems adopted by the company, providing recommendations for improvement and supporting the company's internal control system. The committee requested the external auditor to prepare a special report to assess the financial controls and internal control systems of the company by the end of the fourth quarter of 2023. Additionally, the committee recommended a review of consolidating financial functions and activities to avoid duplicate reporting and strengthen the control environment. A memorandum was submitted to the Audit and Governance Committee in a special meeting to discuss the implementation mechanisms in line with governance requirements. The committee also emphasized the importance of developing and standardizing regulations for the parent company and its subsidiaries.
- 4- Review of Internal Audit Work: The committee discussed the reports and recommendations of the internal auditor, monitored their implementation, and ensured their effectiveness. The committee discussed and approved the annual audit management plan after making several adjustments to align with different circumstances and changes. The implementation of the approved annual plan was monitored. Additionally, the committee followed up on the internal audit department's preparation of a quarterly report, which was presented to the Audit Committee during its quarterly meeting.
- 5- Compliance Monitoring: The committee's tasks included ensuring the company's compliance with financial, tax, and commercial laws and regulations. The committee approved proposed amendments to some articles of the company's articles of association and recommended their submission to the Board of Directors for approval at the extraordinary general assembly meeting.
- 6- Appointment and Reappointment of External Auditors: The committee provides recommendations regarding the appointment of external auditors and evaluates their performance and independence.
- 7- Reporting and Recommendations: The committee provided regular reports to the Board of Directors summarizing its review results, recommendations, and any significant financial issues requiring attention. The committee also recommended the adoption and presentation of the company's governance report for the year 2023 to the Board of Directors for approval.

appointment of external auditor

Regarding the appointment, reappointment, and dismissal of the external auditor, the committee recommends the reappointment of Mr. Tarek Salah Sayed Ahmed of "Waleed Abdel Ghaffar & Co. - Baker Tilly" as the current external auditor of the company to audit the financial statements for the fiscal year ending on December 31, 2024. The committee authorizes the Board to determine his fees, with a maximum allowable increase of 20%.

Priorities and Challenges for the Year 2024

The committee anticipates that the main focal points for the year 2024 will be related to ensuring the sustainability of the company's financial performance, as well as maintaining the effectiveness of internal control systems. Additionally, there will be a particular focus on managing internal audits and supporting a rigorous monitoring environment in key functional areas. Ensuring the company's compliance with the requirements of the General Authority for Financial Control will also be emphasized.

Conclusion:

The Audit Committee reviewed this report at its meeting held on February 21, 2024. The committee hopes that the Board finds this report, with its included information, to provide confirmation that the committee is operating at the targeted and expected level.