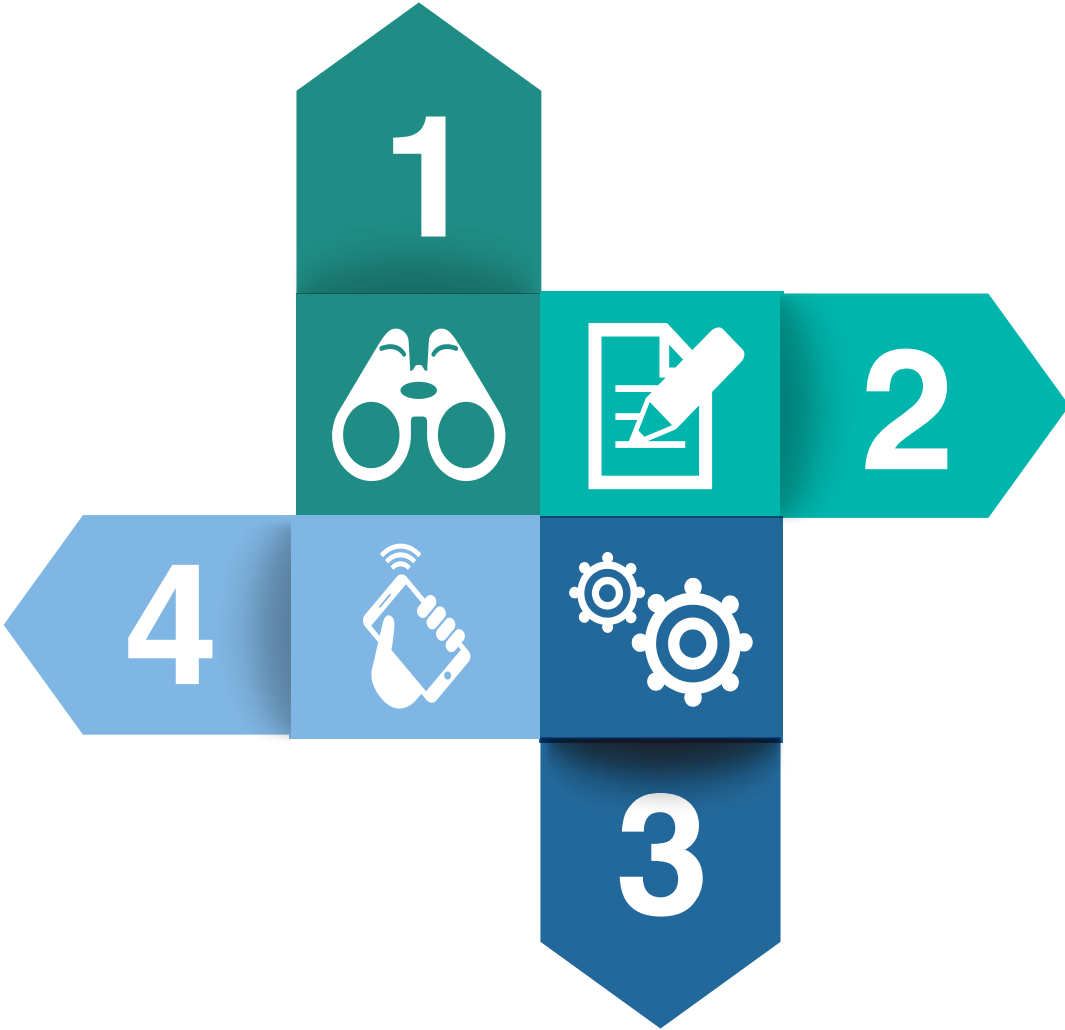


Chapter Thirteen





Chapter Thirteen, Internal Control Policy

Introduction:

The Internal Control Charter of Takween Advanced Industries Company has been prepared, in accordance with the requirements of the Corporate Governance Regulations issued by the Capital Market Authority and the Company's Bylaws. This Charter defines the tasks and powers of the Internal Control Unit (internal audit) and their remuneration and reports. The Board of Directors shall evaluate the policies and procedures related to risk management, implement the provisions of the Company's Corporate Governance rules that it approves by the Company, and adhere to the relevant laws and regulations.

Second establishing Internal Control:

The Company has established independent units and departments - in order to implement the internal control policy - represented in the internal audit department, the risk department, and the compliance control department. The risks the Company faces, monitoring its compliance with the various laws and regulations, and ensuring that the head office of the Company and its subsidiaries adhere to the approved work policies and procedures. The Company may utilize external entities to perform the duties and competencies of the units or departments of risks assessments and management and internal control without prejudice to the Company's responsibility for those duties and competencies.,,

Third: The Internal Audit Unit/Department:

1. The internal audit unit or department shall assess and monitors the implementation of the internal control system, and verifies that the Company and its employees comply with the Company's policies and procedures.
2. Takween takes into consideration in the formation of the internal audit unit employees of such unit shall be competent, independent and adequately trained, and shall not be entrusted with any other functions other than internal audit duties and internal control system.
3. The criterion for determining the remuneration of employees in the internal audit department shall be subject to the recommendations of the Audit Committee and in accordance with the Company's policies in this regard.,
4. One of the competencies of the internal audit department is the freedom to access information, documents and documents, and to obtain them upon request, without any restrictions or objection.
5. The internal audit unit or department shall operate pursuant to a comprehensive audit plan approved by the audit committee. Such plan shall be updated annually. Key activities and operations, including the activities of risk management and compliance departments, shall be reviewed at least annually.
6. Internal Audit Report:
 - (a) The internal audit unit or department shall prepare and submit a written report on its activities at least quarterly to the Board and the audit committee. Such report shall include an assessment of the Company's internal control system and the final opinion and recommendations of the unit or department. Such report shall also specify the procedures taken by each department for addressing the findings and recommendations from the previous audit, and any remarks thereon, particularly failures to promptly address such findings and recommendations and the reasons for such failure.,
 - (b) The internal audit unit or department shall prepare a general written report to be submitted to the Board and the audit committee on the audit activities it carried during the fiscal year compared to the approved plan. Such report shall explain the reasons for any deviation from the plan, if any, during the quarter following the end of the relevant financial year,;

- (c) The Board shall specify the scope of the report of the internal audit unit or department, based on recommendations from the audit committee and the internal audit unit or department. The report shall include the following in particular;
1. procedures for monitoring and overseeing the financial affairs, investments and risk management;
 2. assessing the development of risk factors threatening the Company and the existing systems, in order to confront radical or unexpected changes in the Exchange;,,
 3. an assessment of the performance of the Board and the Senior Management with respect to the implementation of internal control systems, including specifying the number of times the Board has been informed of control issues (including risk management) and a description of the method followed to address such issues;,,
 4. failures or weaknesses in the implementation of internal control, or emergency situations that have affected or may affect the Company's financial performance, and the measures taken by the Company to address such failures (particularly the issues disclosed in the Company's annual reports and its financial statements;
 5. the extent to which the Company has complied with the internal controls when determining and managing risks; and ,
 6. information describing the Company's risk management operations.,
 7. The Company shall keep records of the audit reports and business documents, which shall clarify its accomplishments, findings and recommendations, and all actions taken in their regard.,,

Fourth: The Risk Unit/Department;:

1. The main principles of the risk department:.,The risk department is the first step in which the Company begins defining a clear and scientific methodology in the risk department process. The Company's management is considered the main responsible for the operations of the risk department within the Company. All departments and units in the Company and its subsidiaries must adhere to the risk department policy, which represents the minimum that must be applied in the risk department operations within the Company.,
2. Definition of risk department:.,The risk department is the process of identifying, assessing, controlling, mitigating and controlling risks.,
3. The risk department scope of coverage:
The scope of coverage of the risk department shall depend mainly on the risks faced by the Company which fall within the scope of the Company's business, and which the Company and its subsidiaries must manage and hedge against. These risks include:;
 - (a) Strategic risks.
 - (b) Operations risks.
 - (c) External factors risk.
 - (d) Financial risk.
4. Organizing the risk department:;
 - (a) The risk function is an independent function of the executive business. The goal of the risk department is to avoid the Company the occurrence of risks, and to ensure that the Company and its internal policies adhere to all regulations and instructions. The risk department shall identify risks, evaluate them, provide advice, guidance, and control. Each department shall submit its reports to the Executive Committee and the Audit Committee about the results of risk management processes in the Company and its subsidiaries.,
 - (b) The risk department shall enjoy independence from other departments. Further, and in order to avoid any conflict of interest, the head of the risk department must not have an executive position in the

Company that conflict with the basic task he performs. The Risk Department shall submit the reports to the Managing Director, who in turn submits them to the Executive Committee and the Audit Committee.,

- (c) The Risk Department shall prepare monthly, quarterly and annual reports that shall be submitted to the Executive Committee and the Audit Committee through the Managing Director, as these reports clarify the changes that have occurred in the risk department, including a classification of risks, updates and developments that have taken place, tests and reviews made by the department.,
- (d) Among the powers of the risk department is the power to access employees and obtain information and data, and the power to request a specific audit or investigation on specific matters within the Company.

5. Responsibilities of the Board of Directors and Executive Management towards the Risk Department: ,

(a) The responsibilities of the Board of Directors

- 1. Providing the necessary support to the risk department to enable the department carry out its duties and assume its responsibilities appropriately.,
- 2. Adopting a risk management policy and evaluating the degree of effectiveness of risk management at least once a year, and reviewing it when making any changes to it.,
- 3. Monitoring and following up the implementation of these policies through the Executive Committee emanating from it.,
- 4. Ensuring that the risk department has work procedures in line with that department's policies (risk department). ,
- 5. Determining the principles and standards of the risk department in relation to accepting, transferring, rejecting or minimizing risks.,
- 6. Taking the necessary measures to enhance the values of integrity and professional practice within the Company in a manner that makes adherence to the applicable regulations, instructions, orders and standards a fundamental objective that shall be achieved. ,
- 7. Discussing the monthly, quarterly and annual reports issued by the Risk Department.,

(b) The responsibilities of the executive management: ,

- 1. Reviewing the risk department policy before it is approved by the Board of Directors to specify the procedures to be followed by management and employees, and clarifying the main processes regarding identifying and managing "risks" at all levels, and reviewing this policy periodically, and updating the policy when needed.,
- 2. Disseminating the risk department policy to all departments and employees which shall enable every employee to discover or suspect the existence of violations, abuses or errors that fall within the risks faced by the Company, or the regulations and instructions, or orders and rules of professional conduct, or the inconsistency of work procedures with the risk management policy. Such departments and employees shall notify the compliance control department accordingly.,
- 3. Ensuring that appropriate corrective procedures and measures have been applied in the event of discovering violations resulting from the occurrence of risks, and reporting this to the Board of Directors or its committees, especially "in the case of violations that expose the Company to statutory penalties, to large financial losses, or to losses in reputation. The Company shall determine the limits of losses that shall be reported to the related authorities, and inform them of these cases each case separately.,

4. Reviewing and approving the annual “risk management” plan, provided that these plans shall take into consideration any deficiencies in the policy, procedures, or implementation, and are related to the effectiveness of the existing risk section, and determine the need for any additional policies or procedures to deal with the new risks resulting from the annual evaluation of these Risks.,
5. Taking into consideration the separation between the internal audit function and risk activities, provided that the internal audit policies and programs include carrying out an audit of risk activities.,
6. Responsibilities of the Risk Department:
 - (a) Identifying risks, evaluating them, measuring them, avoiding them, controlling them, and reporting these risks to the Executive Committee of the Board of Directors through the Head of the Risk Management, Compliance and Legal Affairs Department.,
 - (b) Ensuring that the necessary procedures are in place to identify, assess, measure, avoid and monitor risks, and that these procedures do not conflict with the risk management and compliance policy and follow up on updating these procedures continuously.,
 - (c) Ensuring the availability of relevant technical systems in order to ensure readiness to face these risks efficiently and in line with the Company’s strategy.,
 - (d) Preparing and verifying a database of systemic risks, irregular risks, business risks, market risks, operational risks, strategic risks and liquidity risks, and analyzing data with the aim of measuring the degree of exposure to these risks and ensuring that they are within the acceptable limit, and the availability of procedures that are consistent with the Company’s policies in place to face these Risks.,
 - (e) Identifying risks for all new products and ensure that these risks are within the limits, and that adequate procedures have been put in place to control and monitor these risks.,
 - (f) Supervising the preparation of the Business Continuity Plan in coordination with the Audit Committee and the head of the Information Systems department.,
 - (g) Providing the necessary recommendations to the Board of Directors to amend work procedures in order to increase the efficiency of operations and reduce their risks, provided that these recommendations indicate the reasons for the risks and justify the reason for the amendment.,
 - (h) Ensuring that the principle of bilateral oversight is achieved over every activity or process that calls for the application of this principle.
 - (i) Ensuring that administrative activities and procedures are separated in regard of approval, implementation, and preservation tasks.,
 - (j) Separating and defining duties to avoid conflicts of interest and reduce risks.,
 - (k) Monitoring the Company’s various operations with regard to operating risks, and submit a report to the Board of Directors in the Company to indicate the concentrations of operational risks in these operations.,
 - (l) Educating employees about risk management:.,

Fifth: Compliance Department:.,

1. Principles of the Compliance Control Department:.,The compliance control department is the first step through which the Company begins defining a clear and scientific methodology in the process of the compliance control department. The Company’s management is the main responsible for the operations of the compliance control department within the Company, as the organizational structure of the Company includes the existence of a compliance control department whose task is to activate the culture of the compliance control department Within the Company. All departments and units in the

Company and its subsidiary companies must adhere to the policy of the compliance control department, which represents the minimum that must be applied from the operations of the compliance control department within the Company.,

2. Definition of compliance control department: ,The definition of the compliance control department is to ensure that the Company adheres to the laws, regulations, instructions, rules of professional conduct, standards and good practices issued by the local and international issuing bodies and monitors the laws, regulations and instructions.,
3. Scope of Coverage of the Compliance Control Department: ,The scope of coverage of the compliance monitoring process depends on the compliance risks associated with the laws, regulations, instructions, rules of professional conduct, standards and good practices issued by the local and international issuing bodies, and the monitoring of the regulations and instructions, which fall within the scope of the Company's business and which the Company and its subsidiaries must adhere to and apply. The scope of compliance monitoring coverage includes both internal and external coverage:
 - (a) Internal coverage for compliance monitoring, which includes ensuring that the company and its subsidiaries and their internal policies comply with the regulations, instructions, rules of professional conduct, standards and good practices issued by local and international issuing agencies and monitor the regulations and instructions.,
 - (b) External coverage of compliance monitoring, as the systems and instructions related to accounting, employment, information systems and data are outside the scope of compliance coverage, but they are subject to periodic reviews that will be undertaken by this function.,
4. Responsibilities of the Compliance Control Department:
 - (a) Assisting the executive management and the Company's employees in managing the "compliance risks" that the company faces.,
 - (b) Provide advice to the executive management on laws, regulations, instructions, orders, rules of professional conduct, applicable standards and good practices, and any amendments there to.
 - (c) Providing the relevant committees with the results that are reached in the event of a breach of a specific system or policies, and making the necessary recommendations to reduce the risks involved, and providing the executive management with a copy of it.
 - (d) Evaluate the adequacy of the Company's compliance procedures and guidelines, track any deficiencies found, and formulate appropriate suggestions for making adjustments.
 - (e) Defining, documenting and evaluating "compliance risks" related to the Company's activities according to previously studied principles.
 - (f) Follow up on any amendments to laws, regulations and standards and ensure that the company's policies and procedures are in line with them.
 - (g) Educating employees on compliance issues.
5. Organization of the Compliance Control Department:
 - (a) The compliance monitoring function is an independent function of the executive business and its goal is to monitor compliance in the Company, and to ensure that the Company and its internal policies are committed to all laws, regulations and instructions, as the department determines the commitment, evaluates them, provides advice and guidance, monitors, and each department submits its reports to the Executive Committee and the Audit Committee about the results of the operations of the compliance control department in the Company and its subsidiaries.

- (b) The Compliance Control Department enjoys independence from other functions and in order to avoid any conflict of interest, the Head of the Compliance Control Department must not occupy executive positions in the company that conflict with the primary task that he performs. The Compliance Control Department shall submit the reports to the Managing Director, who in turn submits them to the Executive Committee and the Audit Committee.
- (c) The Compliance Control Department shall prepare monthly, quarterly and annual reports that are submitted to the Executive Committee and the Audit Committee through the Managing Director, as these reports clarify the changes that have occurred on the Compliance Control Section, including risk classification, updates and developments that have taken place, tests and reviews made by the Department.
- (d) Among the powers of the Compliance Control Section shall be the power to access employees and obtain information and data, and the power to request a specific audit or investigation on specific matters within the Company.
1. Responsibilities of the Board of Directors, the Audit Committee and the Executive Management towards the Compliance Control Department:
- (a) Responsibilities of the Board of Directors:
1. provide the necessary support to the Compliance Control Department so that it can carry out its duties and assume its responsibilities appropriately;
 2. adopting the policy of the Compliance Control Department and evaluating the degree of effectiveness of the "Compliance Control Section" at least once a year, and reviewing it when making any changes to it;
 3. monitoring and following up the implementation of these policies through the Audit Committee and the Executive Committee;
 4. ensuring that the compliance control department has work procedures in line with that department's policies (compliance control);
 5. determining the foundations and principles of the compliance control department in relation to accepting, transferring, rejecting or minimizing risks;
 6. taking the necessary measures to enhance the values of integrity and sound professional practice within the company in a manner that makes adherence to the applicable regulations, instructions, orders and standards a fundamental objective shall be achieved;
 7. discussing the monthly, quarterly and annual reports issued by the Risk Department;
2. The responsibilities of the executive management:
- (a) Review the policy of the Compliance Control Department before submitting it to the Audit Committee to recommend its approval by the Board of Directors, so that it defines the procedures to be followed by management and employees, clarifies the main processes related to identifying and managing "compliance" at all levels, and reviewing this policy periodically and updating it when needed.
- (b) Disseminating the policy of the Compliance Control Department to all departments and workers, so that every employee must discover or suspect the existence of violations, abuses or errors that fall within the risks faced by the Company, or the regulations and instructions, or orders and rules of professional conduct, or the inconsistency of work procedures with the policy of the Control Department Compliance, inform the Compliance Control Department accordingly.

- (c) Ensuring that appropriate corrective procedures and measures have been applied in the event of discovering violations resulting from the occurrence of risks, and reporting this to the Board of Directors or the Committees, especially in the case of violations that expose the Company to statutory penalties, significant financial losses, or reputational losses. The company shall determine the limits of losses that the issuing and monitoring authorities must inform about the regulations and instructions about and inform them of these cases each case separately.
- (d) Reviewing and approving the annual plan «Compliance Control Department», provided that these plans take into account any deficiencies in the policy, procedures or implementation, and are related to the effectiveness of the existing Compliance Department, and determine the need for any additional policies or procedures to deal with the new risks resulting from compliance reports.
- (e) Taking into consideration the separation between the compliance control function and the internal audit activities and the risk activities, provided that the internal audit policies and programs include conducting audits of compliance control activities and risk activities.

