

Audit Committee Report for 2023

First: Annual Review of the Effectiveness of Internal Control Procedures during 2023

The results of the annual review of the effectiveness of internal control procedures and the committee's opinion on the adequacy of the company's control system are summarized as follows:

Internal audit is an objective, independent, assurance and consulting activity aimed at adding value and improving the company's operations. Internal audit assists the company in achieving its strategic goals by providing a regular basis for evaluating and improving the effectiveness and adequacy of the company's internal control systems and the processes involved in its control performance. Accordingly, the Internal Audit Department conducted several periodic and special audits that were aimed at ensuring the accuracy and effectiveness of performance, regulatory oversight processes, financial management, and health and vehicle insurance management, in addition to contributing to the review of preliminary and final financial statements and coordinating the work of external regulatory bodies.

The Board of Directors was periodically informed of the minutes of the Audit Committee meetings. The audit results revealed observations related to vehicle claims management, as well as medical insurance management, customer care management, and technical system development operations. These observations include recommendations and comments on the performance of the aforementioned departments that need to increase control measures to achieve the company's goals and strategy.

Regarding the committee's assessment of the adequacy of the control system, the committee was informed through the reports submitted to the committee during 2023 of the effectiveness and adequacy of the internal control system and potential areas for improvement. To enhance the effectiveness, efficiency, and adequacy of the internal control system, the committee recommended the following action items:

- The completion and activation of the company's new electronic system (ASAS) and work on resolving the problems and obstacles that appeared during the system's launch.
- The company should work on processing vehicle claims within the regular period and processing customer care complaints within the regular period.
- Address the periodic observations on the remaining departments, which the committee is following up on until they are corrected.
- The committee stressed the need to continue improving and developing internal procedures, especially by updating the company's policies and procedures.

The Board of Directors affirmed the Audit Committee's recommendations in this regard to support and raise the level of effectiveness of control measures in the company and increase their efficiency.

The Audit Committee submitted several key and specific recommendations to the Board of Directors during 2023, aimed at improving oversight and internal control processes to best meet the company's current and future needs. These efforts can be summarized as follows:

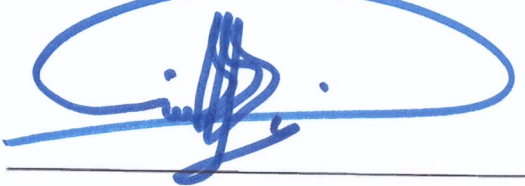
1. Approval of the adoption of the Internal Audit Plan for 2023.
2. Approval of the adoption of the Compliance Management Plan for 2023.
3. Follow-up on the development of the company's technical system.
4. Continued monitoring of the corrective actions taken by the company, especially those related to claims, customer care, and vehicle subscription.
5. Reviewing reports from the Internal Audit and Compliance Management departments and following up on the correction of observations made against the company.
6. Reviewing the external auditor's observations and following up on their correction.
7. Reviewing the company's financial statements and issuing recommendations thereon.
8. There was a total of six Audit Committee meetings were held during 2023.

It is also worth noting that there are no Audit Committee decisions or recommendations that conflict with the Board of Directors' decisions. The Board of Directors has approved, adopted, and adopted all observations received from the Audit Committee.

Second: External auditors

The Audit Committee received offers submitted by major external auditing companies regarding auditing the company's accounts for the year 2023. The offers submitted by the Audit Committee were compared on multiple technical and financial bases, the most important of which was the work plan proposed by the external auditor, reputation and experience in the Saudi insurance market, the degree of accreditation at the Kingdom level, the level of fees and practical experience.

The committee concluded by recommending to the company's general assembly that they choose Sulaiman Abdullah Al-Kharashi Company (Al-Kharashi and Partners, Chartered Accountants and Auditors); In cooperation with the external auditor, Al-Sayed Al-Ayouti & Partners Certified Accountants, to examine, review and audit the financial statements for the second, third, fourth quarters and annual audit of the fiscal year 2023 and the first quarter of the year 2024; The Assembly agreed to this, and the external auditors elected by the General Assembly completed their work for the year 2023 in full without replacing any of them during the year.



Adnan Abdullah Al-Olayan

Chairman of the Audit Committee



Date: 13/10/1445

Date: 22/04/2024

Subject: Recommendation of Audit committee on appointing of External auditors

After taking in the consideration the following factors:

1. Good relationship with ALKHARASHI & Co. during his work on auditing.
2. Good relationship with EL Sayed EL Ayouty during his work on auditing.
3. Protecting of shareholders and policy holders' funds and to decrease the costs.
4. Encouraging local external audit offices which have high professional reputation.

The audit committee recommend appointing the following nominations:

1. ALKHARASHI & Co. – Suleiman Abdullah ALKHARASHI, with annual fees 450,000 SR.
2. EL Sayed EL Ayouty & Co., with annual fees 380,000 SR.

to review and audit the financial statements of the second & third quarter and annual statements for the year 2024 and first quarter of 2025.

Adnan Abdullah Alolyan

Chairman of Audit Committee

Article	Approved Article "current text"	Article After Amendment
Article (8) Capital	The company's capital is four hundred fifty million (450,000,000) Saudi Riyals, divided into forty-five million (45,000,000) shares of equal value with a nominal value of (10) ten Saudi Riyals per share, all of which are ordinary cash shares.	The company's capital is five hundred million (500,000,000) Saudi riyals, divided into fifty million (50,000,000) shares of equal value with a nominal value of (10) ten Saudi riyals per share, all of which are ordinary cash shares.