

Audit Committee Report for the Year 2024

First: Annual Review of the Effectiveness of Internal Control Procedures for the Year 2024

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 auditing is an objective, independent, assurance, and consulting activity aimed at adding value and improving the company's operations. It helps the company achieve its strategic goals by providing a systematic basis for evaluating and improving the effectiveness and adequacy of internal control systems and the processes involved in monitoring the company's performance. Accordingly, the internal audit department has carried out several routine and special audit operations to ensure the accuracy and effectiveness of performance, regulatory control processes, financial management, health insurance management, and vehicle management, contributing to the regulatory

The Board of Directors has been regularly informed of the Audit Committee's meeting minutes. The review results highlighted observations regarding the management of vehicle claims, medical insurance management, customer care management, and technical system development operations. These include recommendations and observations about the performance of the mentioned departments, which need to increase control procedures to achieve the company's goals and strategy.

Regarding the committee's evaluation of the adequacy of the control system, the committee, through the reports submitted to it during the year 2024, reviewed the effectiveness and adequacy of the internal control system and identified areas of weakness. To improve the effectiveness and efficiency of the internal control system, the committee recommended the completion and activation of the company's new electronic system (Asas) and addressing the issues and obstacles that emerged during and after the system's launch. Indeed, the Information Technology Department worked on developing and improving the observations noted on the company's system throughout 2024. The committee concluded that the current internal control environment and system in place at the company require further improvement and development, with regular monitoring to implement necessary enhancements. The executive management continues its efforts to strengthen and develop the internal control system.

The committee recommended that the Compliance Department conduct a comprehensive evaluation of the company's adherence to the regulations and instructions issued by the Insurance Authority and relevant regulatory bodies. It also recommended that the company address vehicle claims within the statutory period and resolve customer care complaints within the statutory period. Additionally, the committee regularly monitors other departments' observations until they are corrected. The committee emphasized the importance of continuous improvement and development of internal procedures, especially through updating the company's policies and procedures. The Board of Directors has confirmed its support for the Audit Committee's recommendations to strengthen and enhance the effectiveness of internal control procedures within the company.

Throughout 2024, the Audit Committee presented several key and specific recommendations to the Board of Directors aimed at improving oversight and internal control operations to better meet the company's current and future needs. These efforts can be summarized as follows:

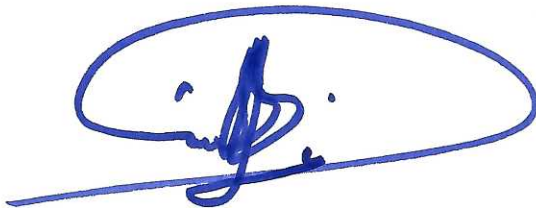
1. Approval of the internal audit plan for 2024.
2. Approval of the compliance department's plan for 2024.
3. Monitoring the development of the company's technical system.
4. Ongoing work to follow up on corrective actions taken by the company, particularly regarding claims, customer care, and vehicle underwriting.
5. Reviewing the reports of the Internal Audit and Compliance departments and following up on the correction of the company's noted observations.
6. Reviewing the external auditor's observations and following up on their correction.
7. Reviewing and assessing the company's financial statements and issuing recommendations regarding them.
8. Six meetings were held by the Audit Committee during 2024.

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

Second: External Auditors

The Audit Committee received offers from major external auditing firms for auditing the company's accounts for the year 2024. The offers were evaluated based on several criteria, including the proposed audit plan, reputation and experience in the Saudi insurance market, level of reliance within the Kingdom, and fees and practical experience.

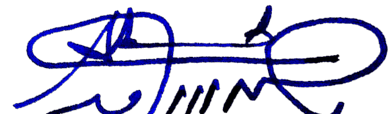
The committee recommended to the General Assembly of the company the selection of Suliman Abdullah Al-Kharashi (Al-Kharashi & Partners, Chartered Accountants and Auditors), in collaboration with the external auditor Al-Sayed Al-Ayouti & Partners, Chartered Accountants, to examine and audit the financial statements for the second, third, and fourth quarters, as well as the annual financial statements for the fiscal year 2024, and the first quarter of the year 2025. The General Assembly approved this recommendation. The external auditors appointed by the General Assembly completed their work for the year 2024 fully, with no replacements made during the year.



Audit Committee Chairman
Adnan Abdullah Al-Olayan



Audit Committee Member
Shadi Shakeer Al-Shabaan



Audit Committee Member
Ahmed Yousef Bashnaq