

Dear Chairman and Members of the Board of Directors,
Subject: The Annual Audit Committee Report for the Year 2025

Greetings,

Based on the duties assigned to the Audit Committee pursuant to the Committee Regulation issued by the Insurance Authority, and the regulation approved by the General Assembly, and in accordance with the powers granted to the Committee under the laws and regulations governing its work, we would like to inform you that during the year 2025, the Committee held nine meetings to follow up and discuss the observations resulting from inspection visits conducted by the supervisory authorities, in addition to reviewing the observations identified by the Internal Audit and Compliance Departments, verifying the effectiveness of internal control systems, as well as reviewing the periodic reports and financial statements issued by the external auditors before submitting them to the Board for approval.

In line with the Committee's role in enhancing the efficiency of the internal control environment, the Committee approved a three-year work plan for the Internal Audit and Compliance Departments for the years (2025-2027). The two departments commenced implementation of the plan and issuance of reports in accordance with the approved schedule, with a noted delay in the Compliance Department's reports during the first half of the year. However, following the appointment of a new Manager for the Department, the work witnessed noticeable improvement in the level of follow-up and adherence to the plan, which contributed to enhancing the quality of the reports and progress in their completion.

Based on the reports issued by the two departments during the year, a number of operational and control observations were identified in certain company departments. These were submitted to the Audit Committee, which discussed them and took the necessary actions in their regard, with periodic follow-up on the level of progress in addressing them to ensure their closure in accordance with regulatory requirements.

We are pleased to submit to you the Annual Report of the Audit Committee for the year 2025, accompanied by the recommendations and proposed solutions to address the observations and enhance the efficiency of internal controls. We hope that your esteemed Board will review it and take such action as it deems appropriate, as the Committee expects that the implementation of the recommendations and the closure of the observations will contribute to achieving a positive impact on the Company's performance and safeguarding the interests of shareholders and regulatory authorities.

Audit Committee Chairman

Ibrahim Albuloushi

Audit Committee Report for 2025 – Executive Summary

1- Internal Audit Department:

The Audit Committee would like to present to your esteemed Board the level of progress achieved in the Internal Audit work during the year 2025, in accordance with the annual plan approved by the Committee, which is based on a risk-based methodology and in compliance with the relevant regulatory requirements and professional standards. The Committee approved the plan after ensuring its comprehensiveness and alignment with the coverage priorities and the Company's needs.

The 2025 plan included a set of tasks distributed between the Internal Audit team and an external team (Deloitte), which was contracted after obtaining the Board of Directors' approval, due to the difficulty of recruiting a sufficient number of qualified internal auditors to cover the required workload for the year.

Accordingly, the Internal Audit work was carried out for 12 engagements out of the 18 engagements included in the annual plan. The reports related to these tasks were issued during the year.

The table below presents the details of the progress level in Internal Audit work during the year 2025:

Audit Team	Audit No.	Audit Title	Completion status	ESD*	ECD**
Internal IAD Team	ADHOC2024-01	Collection Process & Aging Recess & Aging Receivables (Ad-hoc Audit)	✓	Q1-2025	Q1-2025
	RGAD2025-02	Engagement 2 - Business Continuity Management	✓	17-Apr-25	19-Jun-25
	RGAD2025-03	Engagement 3 - Customer Care - Complaint management	✓	27-Apr-25	6-Jul-25
	RGAD2025-04	Engagement 4 - Information Technology (IT)	✓	13-Jul-25	2-Oct-25
	RGAD2025-05	Engagement 5 - Underwriting 2024Q4	✓	Covered with Co-sourced Deloitte in SEDEL2025-01 (As Full UW Scope)	
	RGAD2025-06	Engagement 6 - Underwriting 2025Q1	✓		
	RGAD2025-07	Engagement 7 - IT Disaster Recovery (IT DR)	Postponed IT & BCM	Q4-2025	Q4-2025
	RGAD2025-08	Engagement 8 - Underwriting 2025Q2	✓	13-Jul-25	22-Sep-25
	RGAD2025-09	Engagement 9 - Underwriting 2025Q3	✓	5-Oct-25	4-Dec-25
External Team (Deloitte)	SEDEL2025-01	Full Scope UW (Including CEFs)	✓	12-May-25	27-Aug-25
	SEDEL2025-02	Sales	✓	13-Jul-25	16-Oct-25
	SEDEL2025-03	Compliance, AML and Anti-fraud	✓	13-Jul-25	16-Oct-25
	SEDEL2025-04	Claims Management (Including Pre-Authorization and Membership)	✓	21-Sep-25	16-Dec-25
	SEDEL2025-05	NDMO/PDPL	In Progress	21-Sep-25	16-Dec-25
	SEDEL2025-06	Finance and Investment (Including Surplus Distribution)	In Progress	7-Dec-25	22-Feb-26
	SEDEL2025-07	Cybersecurity	In Progress	19-Nov-25	04-Feb-26
	SEDEL2025-08	Human Resource (Including Payroll)	In Progress	21-Jan-26	05-Apr-26
	SEDEL2025-09	Risk Management and strategy	In Progress	21-Jan-26	05-Apr-26
Number of Audits		18			

Table updated as of January 18, 2026.

It should be noted that these reports resulted in a set of observations, as shown in the table below. It is worth mentioning that some of these observations require comprehensive corrective actions at the company level, which necessitates granting the relevant departments sufficient time to address them properly.

We would also like to inform you that a number of observations have exceeded the previously set deadlines for their resolution. This is due to the Executive Management's decision, following approval, to extend the implementation of corrective actions until after the completion of the project to review and update the currently applied policies, procedures, and technical and financial systems. This project is being carried out by an external consulting firm (Infinite) and is expected to contribute to improving the quality of the corrective actions and ensuring their sustainability.

The table below provides a brief summary of all identified and open observations (those not yet closed). A portion of these, totaling 38, had been issued in the Internal Audit reports prior to 2023 and remained open at that time.

The following table presents the details of the observations along with their status:

S. No	Responsible Department	Overdue				Not yet due				Closed				Total
		H	M	L	Σ	H	M	L	Σ	H	M	L	Σ	
1	Actuarial	-	1	-	1	1	1	-	2	-	1	2	3	6
2	Claims	1	2	-	3	8	2	4	14	4	1	-	5	22
3	Compliance / AML	8	1	-	9	2	1	-	3	3	3	-	6	18
4	Corporate Governance	-	-	-	-	-	-	-	-	-	1	-	1	1
5	Customer Care	3	3	-	6	-	-	1	1	-	-	1	1	8
6	Cyber Security	-	-	-	-	-	-	-	-	6	8	-	14	14
7	Finance	6	8	2	16	-	-	-	-	2	5	-	7	23
8	HR	1	2	1	4	-	-	-	-	-	1	1	2	6
9	IT	4	2	1	7	4	1	-	5	4	6	4	14	26
10	Membership	-	-	1	1	4	2	4	10	-	1	-	1	12
11	Risk / Anti-fraud / BCM	9	4	-	13	4	-	-	4	4	-	1	5	22
12	Sales	2	4	-	6	5	5	1	11	2	4	2	8	25
13	Underwriting	4	2	2	8	6	1	4	11	3	-	1	4	23
14	Utilization	-	-	-	-	-	-	-	-	-	1	-	1	1
	Total*	38	29	7	74	34	13	14	61	28	32	12	72	207

Table updated as of January 18, 2026.

2- Compliance and Anti-Money Laundering Department:

Within the framework of the Audit Committee exercising its authorities, the level of progress in the Compliance Department's work during the year 2025 is reviewed, based on the annual plan approved by the Committee. The 2025 plan included a set of control tasks, the responsibility for which was distributed between the Compliance Department team and an external consulting firm (RSM), which was contracted after obtaining the Audit Committee's approval, due to the insufficient number of qualified internal resources to cover the volume and scope of work required during the year.

Accordingly, the Compliance Department commenced the execution of 5 reviews out of the 13 reviews included in the approved annual plan. The reports related to these reviews were completed, approved, and issued during the year 2025.

The table below presents a summary of the progress achieved in the execution of the Compliance Department's work during the year 2025:

Compliance	No.	Compliance Reports	Completion status	ESD*	ECD**
External Team (RSM)	1	Underwriting- Q1	✓	21 st of Jul 2025	19 th of Oct 2025
	2	Underwriting- Q2	✓	21 st of Jul 2025	19 th of Oct 2025
	3	Actuary Q2	✓	21 st of Jul 2025	14 th of Oct 2025
	4	Cyber security and PDPL	In Progress	31 st of Aug 2025	20 th of Nov 2025
	5	IT	In Progress	7 th of July 2025	30 th of Nov 2025
	6	Finance	In Progress	14 th of Oct 2025	14 th of Jan 2026
	7	Risk Management and BCM	✓	6 th of Oct 2025	11 th of Jan 2026
	8	Underwriting- Q4	Not Started	23 rd of Nov 2025	26 th of Feb 2026
Internal Team	1	Customer Care Q3	✓	4 th of Nov 2025	15 th of Jan 2026
	2	Underwriting Q3	In Progress	29 th of Oct 2025	31 st of Jan 2026
	3	HR Q3	In Progress	26 th of Nov 2025	31 st of Feb 2026
	4	Sales & Marketing Q3	In Progress	26 th of Nov 2025	31 st of Feb 2026
	5	Internal Audit Q3	Not Started	23 rd of Nov 2025	31 st of Feb 2026
Number of Reports		13			

Table updated as of January 18, 2026.

Referring to the above, the table below presents the results of the Compliance Department reports that have been completed for the relevant departments.

The assessment included 330 regulatory requirements. The results showed full compliance for 248 requirements, partial compliance for 12 requirements, and non-compliance for 70 requirements.

These results indicate the existence of gaps in the compliance levels of certain departments, which necessitates taking the necessary corrective actions to address the identified observations. Accordingly, it is required that the relevant departments adhere to the implementation of the remediation and corrective plans within the specified timelines, with periodic follow-up by the Compliance Department.

No.	Compliance Reports	Compliance Level's			Total
		Non-Compliance	Partially Compliance	Compliance	
1	Underwriting Q1	7	0	28	35
2	Underwriting Q2	15	1	53	69
3	Risk Management	23	2	25	50
4	Customer Care	9	2	38	49
5	Actuarial	16	7	104	127
Total		70	12	248	330

Table updated as of January 18, 2026.

During the year 2025, the Company received a number of observations from the Insurance Authority through observation letters issued at various times during the year, with the total number of observations identified by the Insurance Authority reaching 168. The relevant departments, under the follow-up of the Compliance Department, have taken the necessary corrective actions to address these observations. A total of 146 observations were fully closed as of the report preparation date, reflecting a high level of compliance and responsiveness to regulatory requirements. Meanwhile, 12 observations remain in progress, and 10 observations are still open, all of which are subject to periodic follow-up in coordination with the relevant departments.

The Department confirms its continued follow-up on the implementation of corrective actions and its efforts to enhance compliance and control measures, contributing to raising the level of compliance and reducing the recurrence of observations in the future, in accordance with the requirements of the Insurance Authority and other regulatory bodies.

S. No	2025 Observation Letters Date	Closing Level			Total
		Open	In Progress	Fully Closed	
1	February 4, 2025	1	-	1	2
2	March 6, 2025	8	3	73	84
3	March 18, 2025	-	-	5	5
4	April 28, 2025	-	-	1	1
5	May 8, 2025	-	-	4	4
6	May 13, 2025	-	-	49	49
7	June 5, 2025	1	-	1	2
8	July 10, 2025	-	-	1	1
9	July 30, 2025	-	3	11	14
10	Nov 25, 2025	-	6	-	6
Total		10	12	146	168

Table updated as of January 18, 2026.

3- Anti-Money Laundering and Counter-Terrorism Financing Unit:

The Compliance Department has contracted with BenchMatrix, a company specialized in developing a system in the field of Anti-Money Laundering and Counter-Terrorism Financing, with the aim of enhancing and strengthening the work of this important unit. The first phase of the system is expected to begin operation on January 15, 2026. This system aims to improve the unit's operations and to meet all regulatory requirements regarding customer risk classification, monitoring, controlling, and reporting all suspicious transactions, combating money laundering, and preparing related reports. Currently, the program is in the final preparation stage, with coordination ongoing with our IT team and the relevant parties, and full implementation is expected before the end of February 2026.

Recommendations Issued by the Audit Committee

Based on the observations noted by the Audit Committee through the reports submitted by the Internal Audit and Compliance Departments, in addition to the observations identified by the inspection teams of the Insurance Authority and officially sent to the Company, and after discussing them with the Committee members, we hereby present to you the recommendations issued by the Committee, as recorded in its nine minutes of meetings during the year, as follows:

1. The Audit Committee approved the work plan for the Internal Audit and Compliance Departments for 2025, along with the 3-Year Plan.
2. The Audit Committee directed the approval of the proposal from BenchMatrix and instructed the Compliance Manager to follow up on signing the agreement with them.
3. The Audit Committee reviewed the training plans for the Internal Audit and Compliance Departments for 2025, endorsing/approving the plans on its part, while follow-up of the procedures with Executive Management and the Human Resources Department to complete the actions was assigned.
4. The Committee recommended that the Executive Management perform a full and comprehensive update of the accounting, sales, human resources, and underwriting policies and procedures, identifying any changes that may occur, and provide the Committee with the updated policies.
5. Committee Resolution No. (2025/129) was issued, approving the financial statements for the fiscal year 2024, following confirmation of the Committee's observations by the external auditor.
6. The Committee directed the necessity and importance of appointing employees as a mandatory requirement for the Company to fill the following four positions:
 - Compliance Manager
 - Anti-Money Laundering (AML) Officer
 - Financial Crimes Officer
 - Anti-Fraud Officer

This directive emphasizes the importance of filling these positions, with the Committee recommending that the first three positions be placed under the Compliance Department, and the last position, related to Anti-Fraud, be placed under the Risk Department. The Committee assigned the Acting Executive Manager to study the appointment of these mandatory positions required within the Company.

7. Committee resolution approving the financial statements for the first quarter of 2025 and recommending their approval to the Board of Directors.

8. The Committee members emphasized the necessity of having a crisis response plan and conducting annual drills to simulate various crises, learning from mistakes, and improving the plans, noting that the absence of such drills was one of the observations identified in the Internal Audit report.
9. The Committee recommends requesting the Executive Management to expedite the review of contracts with the Legal Department in order to contract with a company that provides an appropriate system offering technical solutions related to Anti-Money Laundering and Counter-Terrorism Financing procedures, and enhancing customer KYC procedures, in support of the tasks and responsibilities of the Compliance Department.
10. The Committee recommends promptly engaging a specialized professional firm to conduct a Compliance Review to assess the adherence of all Company departments to the policies, procedures, and standards of the Insurance Authority.
11. The Committee emphasizes the necessity of starting the preparation of the six reports for the Compliance Department according to the plan immediately upon the Authority's approval of the contract with RSM, in order to complete the reports for the first and second quarters by the end of the third quarter of 2025.
12. Committee resolution approving the financial statements for the second quarter of 2025 and recommending their approval to the Board of Directors.
13. After the Head of Internal Audit reviewed the updated Internal Audit Charter, approved by the Acting Executive Manager, with the Audit Committee (IAD Charter), the Committee members unanimously agreed, and this version of the Internal Audit Charter was signed by the Committee Chair (Mr. Ibrahim Al-Balushi).
14. Audit Committee Resolution No. ACR2025/133, removing the Compliance Head (Abdullah Majmami) from the position of Head of the Compliance Department at Enaya Saudi Arabia, following the performance evaluation, which was rated as "below expectations."
15. Audit Committee Resolution No. ACR2025/135, assigning the Compliance Head (Hussain Alshaikh) to the position of Head of the Compliance Department at Enaya Saudi Arabia for six months, following the personal interview conducted by the Committee members with the candidate, and after obtaining the Insurance Authority's approval (no objection).
16. The Committee members expressed their dissatisfaction with the delay in implementing the recommendations by Executive Management, due to the general ambiguity regarding the progress and the status being marked as "in progress." Accordingly, the Committee requested the following from Executive Management:
 - The Audit Committee requests that Executive Management provide specific dates along with a percentage indicating the completion status and the progress in implementing the recommendations.
 - A detailed report from the Finance Department on Zakat and tax obligations, explaining the issue regarding the miscalculation of Zakat and taxes, clarifying the corrective plan being followed, and submitting it to the Committee Secretary before the next meeting and prior to the external auditor issuing the 2025 financial statements.
 - A recommendation to prioritize addressing the previous recommendation issued by the Audit Committee concerning the provision of an appropriate system for Anti-Money Laundering and Counter-Terrorism Financing (AML & CFT), due to regulatory risks and penalties faced by other companies.

- The Committee recommends addressing the vacancy in the leadership position of the Risk, Anti-Fraud, and Business Continuity Department, by studying the appointment of a suitable manager or engaging external resources as an immediate exceptional solution to fulfill the requirements, tasks, and responsibilities of this position, along with providing a plan to resolve the situation.

17. The Committee expressed its dissatisfaction with the departments' performance in closing internal audit observations that are required to be closed, and noted that the figures presented in November 2025 indicate deficiencies within the organization.

The Committee also expressed its concern regarding 12 pending observations, most of which are high-risk, related to the Risk, Anti-Fraud, and Business Continuity Department, particularly given the critical role of this department and the current absence of a responsible manager following the resignation of its Head in October 2025. Accordingly, the Audit Committee directed the following request to Executive Management:

- The Committee recommends addressing the vacancy in the leadership position of the Risk, Anti-Fraud, and Business Continuity Department, by studying the appointment of a suitable manager or engaging external resources as an immediate exceptional solution to fulfill the requirements, tasks, and responsibilities of this position, along with providing a plan to resolve the situation.

18. Financial statements for the third quarter of 2025 and the recommendation to the Board of Directors for their approval.

The Audit Committee at Enaya Saudi Arabia is keen to always perform its required role fully and diligently towards the Board of Directors, the Company, and its shareholders, adhering strictly to best practices and standards in its work, and in accordance with the relevant laws and regulations, in a manner that safeguards its integrity, systems, and procedures in the best interest of the Company.