

# Attachments

## **Audit Committee Report**



## **The Audit Committee report for the fiscal year 2023**

The Audit Committee is responsible for monitoring the business of the company and verifying the integrity of the financial reports and the internal control system of the company, in addition to the risk management practices. the duties of the committee included overseeing the following:

### **Internal Audit Activities**

The Internal Audit Department is tasked with assessing the effectiveness of the internal control procedures of the company and monitoring its application, as well as verifying compliance of the company and its personnel with the prevailing regulations and directives , in addition to compliance with the company's policies and procedures which are stipulated to address the financial, operational, legal, and other risks.

The Internal Audit Department submits its report on a quarterly basis to the Audit Committee of the Board of Directors which is approved by the General Assembly. the Audit Committee then oversee and evaluate the activities of the Internal Audit Department , and review the implementation of the department's annual plan, in addition to the corrective actions taken by executive management to address the internal audit observations included therein its audit report , to ensure that they do not recur, and to reinforce the opinion of the Audit Committee . and then the committee discusses the significant issues and observations of high materiality, if any, in the board of directors' meeting.

The scope of Internal Audit Department includes the following:

- 1- Preparing the annual audit plan and approving it by the Audit Committee.
- 2- Preparing a written general report and submitting it to the Board of Directors and the Audit Committee regarding the audit engagements conducted during the fiscal year, and comparing them with the approved plan, and clarifying the reasons for any deviation from the plan, if any, in addition to the effectiveness of the executive management towards it, during the next quarter to the end of the fiscal year.
- 3- Evaluating the development of risk factors faced by the company and the existing risk mitigation practices to tackle radical or unexpected changes in the financial market.
- 4- Evaluating workflow procedures and submitting proposals to verify and ensure the adequacy of those procedures, and to ensure the effectiveness of internal control procedures.
- 5- Verifying that the internal control system conforms with the company's corporate governance regulation, and that those internal control procedures are safeguarding the company's assets and properties.
- 6- The Permanent and continuous interaction with all departments to verify the level of full compliance with the approved policies, procedures, and laws governing the activity.
- 7- Submitting proposals regarding the development of the internal control practices and increasing awareness of its importance, and its improvement.
- 8- Preparing the audit reports and their results, along with their recommendations, following up on their implementation, and submitting them to the Board of Directors and the Audit Committee.



## **External Auditor's Activities**

The Audit Committee is responsible for verifying the external auditor's independence, objectivity, the effectiveness of his audit work and reviewing his work plan, as well as studying the Interim and Annual financial statements of the company before submitting it to the Board of Directors and expressing its opinion and recommendation in this regard to ensure its integrity, fairness and transparency.

## **Compliance**

The Audit Committee shall study the legislation of the regulatory authorities, verify that the company has taken the necessary procedures in its regard, verify the company's commitment to laws, regulations and policies, and raise whatever issues it deems necessary to take action in their regard to the Board of Directors, and make its recommendations of the actions to be taken.

It is worth mentioning that the Audit Committee by practicing its functions and continued work with the Internal Audit Department, the External Auditor, and executive management, the Audit Committee thereon assures:

- That the internal control practices are effectively applied based on an assessment of workflow procedures and a general assessment of the risks facing the company, and that there were no matters of material impact during the year 2023 that required disclosure regarding the applications of financial systems and special reports thereon, as well as the level of compliance with the company's corporate governance rules.
- That the financial statements and the Board of Director's report as of December 31<sup>st</sup>, 2023, include information that allows shareholders and investors to assess the company's financial position, performance, business model and strategy.

### **Chairman of the Audit Committee**

**Dr. Mohammad Al Twajri**

## **Attachments Regarding Items From 6 To 11**

**Notification from The Chairman to The General Assembly  
About the Business and Contracts That Members of The  
Board Have Any Direct and Indirect Interest In  
&  
Independent Limited Assurance Report**

# MOUWASAT MEDICAL SERVICES CO. شركة المواساة للخدمات الطبية

Share Holder Co.: Paid up Capital SR: 2000 million  
P.O. Box 7011  
Dammam 31462  
Kingdom of Saudi Arabia



شركة مساهمة. رأس المال المدفوع ٢٠٠٠ مليون ريال سعودي  
ص.ب ٧٠١١  
الدمام ٣١٤٦٢  
المملكة العربية السعودية

Gentlemen/ Shareholders of Mouwasat Medical Services Company

Peace be upon you and god's mercy and blessings,

**Subject: Notification by the Members of the Board of Directors to the Ordinary General Assembly of the business and contracts in which the Board members and related parties have a direct or indirect interest**

Pursuant to the requirements of Article 71 of Law Of Companies, and Paragraph 16 of Article 21 of the Corporate Governance Regulations pertaining to the contracts that are made to the company and Board members have a direct or indirect interest in it, we explain to the shareholders through this notification all the transactions made with the parties involved during the fiscal year 2023 and licensed from Prior to the General Assembly at its meeting held on 07/05/2023, the company intends to renew these business and contracts in accordance with the company's procurement system without preferential terms and request your esteemed assembly to license it for the next year, **and the following are the transaction data between the company and the companies related to some members of the Board of Directors:**

The relevant party	Nature of the relationship	The nature of business and contracts	Conditions	Contract term	Value of transactions during the year 2023 SR
Mouwasat International Co.	Mr. Mohammed Sultan Al Subaie has a direct interest in it. Mr. Nasser Sultan Al Subaie has a direct interest in it Mr. Mohammed Sulaiman Al Saleem has an indirect interest in it	Rental contract of a residential for the company's employees in Dammam and Jubail	No preferential terms.	One year	2,676,000
Mouwasat International Co.	Mr. Mohammed Sultan Al Subaie has a direct interest in it. Mr. Nasser Sultan Al Subaie has a direct interest in it Mr. Mohammed Sulaiman Al Saleem has an indirect interest in it	Medical and pharmaceutical supplies	No preferential terms.	One year	18,704,097
Mouwasat International Co.	Mr. Mohammed Sultan Al Subaie has a direct interest in it. Mr. Nasser Sultan Al Subaie has a direct interest in it Mr. Mohammed Sulaiman Al Saleem has an indirect interest in it	Tickets, tourism, and travel services	No preferential terms.	One year	12,497,752
Mouwasat International Co.	Mr. Mohammed Sultan Al Subaie has a direct interest in it. Mr. Nasser Sultan Al Subaie has a direct interest in it Mr. Mohammed Sulaiman Al Saleem has an indirect interest in it	Logistics & Others	No preferential terms.	One year	655,327
Mouwasat International Co.	Mr. Mohammed Sultan Al Subaie has a direct interest in it. Mr. Nasser Sultan Al Subaie has a direct interest in it Mr. Mohammed Sulaiman Al Saleem has an indirect interest in it	stainless-steel works	No preferential terms.	One year	1,666,565
Advison for trading Est.	Mr. Khaled Sulaiman Al Saleem has an indirect interest in it	advertising and marketing related	No preferential terms.	One year	29,996,015

Chairman  
Mohammed Sultan Al Subaie



## KPMG Professional Services

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Kingdom of Saudi Arabia  
Commercial Registration No 2051062328

Headquarters in Riyadh

## كي بي إم جي للاستشارات المهنية

الطابق ١٦، برج البرغاش  
٦١٨٩ طريق الأمير تركي، الكورنيش  
ص.ب ٤٨٠٣  
الخبير ٣١٤٦ - ٣٤٤١٢  
المملكة العربية السعودية  
سجل تجاري رقم ٢٠٥١٠٦٢٣٢٨

المركز الرئيسي في الرياض

# Independent Limited Assurance Report to Mouwasat Medical Services Company on the Chairman's Declaration on the Requirements of Article 71 of the Companies Law

To the Shareholders of Mouwasat Medical Services Company (A Saudi Joint Stock Company)

We were engaged by the management of **Mouwasat Medical Services Company (the "Company")** to report on the Chairman's declaration prepared by the Management in accordance with the requirements of Article 71 of the Companies Law, which comprises the transactions carried out by the Company during the year ended 31 December 2023 in which any of the members of Board of Directors of the Company had direct or indirect personal interest as detailed below ("Subject Matter") and the accompanying management's statement thereon as set out in Appendix 1, in the form of an independent limited assurance conclusion that based on our work performed and evidence obtained, nothing has come to our attention that causes us to believe that the Subject Matter is not properly prepared, in all material respects, based on the applicable criteria ("Applicable Criteria") below.

## Subject Matter

The Subject Matter for our limited assurance engagement is related to the Chairman's declaration enclosed in the attached Appendix 1 (the "Declaration") prepared by the Management in accordance with the requirements of Article 71 of the Companies Law, presented by the Chairman of **Mouwasat Medical Services Company (the "Company")**, which comprises the transactions carried out by the Company during the year ended 31 December 2023 in which any of the members of Board of Directors of the Company had direct or indirect personal interest.

## Applicable Criteria

We have used the following as the Applicable Criteria:

1. Article 71 of the Companies Law issued by Ministry of Commerce ("MOC").

## Mouwasat Medical Services Company Responsibility

The management of the Company is responsible for preparing the Subject Matter information that is free from material misstatement in accordance with the Applicable Criteria and for the information contained therein. The management of the Company is also responsible for preparing the Subject Matter information (i.e. Appendix 1).

This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and presentation of the Subject Matter that information is free from material misstatement, whether due to fraud or error. It also includes selecting the Applicable Criteria and ensuring that the Company complies with the Companies Law; designing, implementing and effectively operating controls to achieve the stated control objectives; selecting and applying policies; making judgments and estimates that are reasonable in the circumstances; and maintaining adequate records in relation to the Subject Matter information.

KPMG Professional Services, a professional closed joint stock company registered in the Kingdom of Saudi Arabia with a paid-up capital of SAR 40,000,000 (previously known as "KPMG Al Fozzan & Partners Certified Public Accountants") and a non-partner member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

كي بي إم جي للاستشارات المهنية شركة مهنية مساهمة مغلقة، مسجلة في المملكة العربية السعودية، رأسمالها (٤٠٠٠٠٠٠٠٠٠) ريال سعودي متداول بالكامل، المسماة سابقاً "شركة كي بي إم جي للقران وشركاه محاسبون ومراجعون قانونيون". وهي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المسندة والتابعة لـ كي بي إم جي العالمية المحدودة، شركة انجليزية محدودة بمسار. جميع الحقوق محفوظة.

Commercial Registration of the headquarters in Riyadh is 1010425494.



## Mouwasat Medical Services Company Responsibility (continued)

The management of the Company is also responsible for preventing and detecting fraud and for identifying and ensuring that the Company complies with laws and regulations applicable to its activities. The management of the Company is responsible for ensuring that staff involved with the preparation of the Subject Matter information are properly trained, systems are properly updated and that any changes in reporting encompass all significant business units.

### Our Responsibility

Our responsibility is to examine the Subject Matter information prepared by the Company and to report thereon in the form of an independent limited assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" endorsed in the Kingdom of Saudi Arabia and the terms and conditions for this engagement as agreed with the Company's management. That standard requires that we plan and perform our procedures to obtain a meaningful level of assurance about whether the Subject Matter information is properly prepared, in all material respects, as the basis for our limited assurance conclusion.

The firm applies International Standard on Quality Management 1 which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The procedures selected depend on our understanding of the Subject Matter and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise.

In obtaining an understanding of the Subject Matter and other engagement circumstances, we have considered the process used to prepare the Subject Matter information in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the Company's process or internal control over the preparation and presentation of the Subject Matter information.

Our engagement also included: assessing the appropriateness of the Subject Matter, the suitability of the criteria used by the Company in preparing the Subject Matter information in the circumstances of the engagement, evaluating the appropriateness of the procedures used in the preparation of the Subject Matter information and the reasonableness of estimates made by the Company.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We did not perform procedures to identify additional procedures that would have been performed if this were a reasonable assurance engagement.

As part of this engagement, we have not performed any procedures by way of audit, review or verification of the Subject Matter information nor of the underlying records or other sources from which the Subject Matter information was extracted.



## Procedures Performed

- Obtaining the BOD chairman's declaration that includes the transactions and contracts performed in which any of the BOD members of the Company has either direct or indirect interest during the year; (Appendix 1);
- Reviewing the minutes of meetings of the BOD that indicate notifications to the BOD by certain director(s) of actual or potential conflicts of direct or indirect interest in relation to transactions and/or contracts involving the BOD member;
- Checking that the minutes of meetings of the BOD that the relevant director(s) who notified the BOD of actual or potential conflicts of direct or indirect interest did not vote on the resolution to recommend the related transactions and contracts;
- Obtaining the required approvals along with supporting documents in respect of the transactions and contracts included in the declaration; and
- Checking the transaction amounts included in the Declaration agree, where applicable, to the transaction amounts disclosed in note 35 to the audited (consolidated) financial statements of the Company for the year ended 31 December 2023.

## Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Subject Matter information is not prepared, in all material respects, in accordance with the Applicable Criteria.

## Restriction of Use of Our report

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the Company and MOC for any purpose or in any context. Any party other than the Company and MOC who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than the Company and MOC for our work, for this independent limited assurance report, or for the conclusions we have reached.

Our report is released to the Company and MOC on the basis that it shall not be copied, referred to or disclosed, in whole (save for the Company's own internal purposes) or in part, without our prior written consent.

## KPMG Professional Services

**Nasser Ahmed Al Shutairy**

License No: 454

Al Khobar, 4 April, 2024G

Corresponding to: 25 Ramadhan, 1445H

