

## **Mouwasat Medical Services Invites Its Shareholders To The Ordinary General Assembly Meeting (The First Meeting) By Means Of Modern Technology**

The Board of Directors of Mouwasat Medical Services Company is pleased to invite the valued shareholders to attend the 18<sup>th</sup> Ordinary General Assembly Meeting, which is scheduled to be held at 10:00 PM on Thursday 17/09/1442 H., (corresponding to 29/04/2021 G.) from the company's headquarters located in Dammam through the means of modern technology remotely through Tadawulaty platform (<https://tadawulaty.com.sa>), to ensure the safety of shareholders and to support the preventive and precautionary efforts & measures by the competent and relevant health authorities to address the emerging Corona Virus (COVID-19) and as an extension of the continuous efforts of all government agencies in the Kingdom of Saudi Arabia to take preventive measures to prevent its spread, in order to consider the following agenda:

- 1- Voting on the Board of Directors' report for the fiscal year ended December 31,2020 G.
- 2- Voting on the auditor report on the Company's accounts for the fiscal year ended December 31,2020 G.
- 3- Voting on the financial statements for the fiscal year ended December 31,2020 G.
- 4- Voting on appointing the Auditor for the Company from among nominees based on the Audit Committee's recommendation. The appointed auditor shall examine, review, and audit the (second and third) quarter and annual financial statements, of the fiscal year 2021 G., and the first quarter of fiscal year 2022 G., and the determination of the auditor's remuneration.
- 5- Voting on the Board's recommendation to distribute cash dividends amounting to SR 250 million to the shareholders for the fiscal year ended 31/12/2020 G. at SR 2.5 per share representing 25% of the nominal value of the share. Provided that the entitlement to dividends is for shareholders holding the shares by the end of the trading day of Assembly date, and who are registered in the Company's Shareholders Registry held with the Security Depository Center Company (Edaa) at the end of the second trading day following the entitlement date, the distribution date will be determined later.
- 6- Voting on paying an amount of SR 3,150,000 as remuneration to the Board members for the year ended 31/12/2020 G.
- 7- Voting on the business and contracts that will be concluded between the Company and Mouwasat International Co. Limited, in which the Board members Mr. Mohammed Sultan Al Subaie and Mr. Nasser Sultan Al Subaie have a direct interest, and the Board member Mr. Mohammed Suleiman Al Saleem has an indirect interest, and the nature of transaction is a rental contract of a residential for the Company's employees in Dammam and Jubail according to the Company's procurement system without preferential terms, with the value of transactions in 2020 G. amounted to SR 2,313,000 (Attached).
- 8- Voting on the business and contracts that will be concluded between the Company and Mouwasat international Co. limited, in which the Board members Mr. Mohammed Sultan Al Subaie and Mr. Nasser Sultan Al Subaie have a direct interest, and the Board member Mr. Mohammed Suleiman Al Saleem has an indirect interest, and the nature of transaction is for medical and pharmaceutical supplies in accordance with the Company's procurement system without preferential terms, value of transactions during 2020 G. amounted to SR 12,096,929 (Attached).
- 9- Voting on the business and contracts that will be concluded between the Company and Mouwasat International Co. limited, in which the Board members Mr. Mohammed Sultan Al Subaie and Mr. Nasser Sultan Al Subaie have a direct interest, and the Board member Mr. Mohammed Suleiman Al Saleem has an indirect interest, and the nature of transaction is for tickets and tourism and travel services according to the Company's system without preferential terms, noting that the value of transactions during 2020 G. amounted to SR 4,234,724 (Attached).
- 10- Voting on the business and contracts that will be concluded between the Company and Mouwasat International Co. limited, in which the members of the of Directors Mr. Mohammed Sultan Al Subaie and Mr. Nasser Sultan Al Subaie have a direct interest, and the Board member Mr. Mohammed Suleiman Al Saleem has an indirect interest, and the nature of

transaction is the supply of trained technical labor in accordance with the Company's system without preferential terms, noting that the value of transactions during 2020 G. amounted to SR 977,348 (Attached).

- 11- Voting on the business and contracts that will be concluded between the Company and Mouwasat International Co. limited, in which the Board members Mr. Mohammed Sultan Al Subaie and Mr. Nasser Sultan Al Subaie have a direct interest, and the Board member Mr. Mohammed Sulaiman Al Saleem has an indirect interest, and the nature of transaction is the supply and installation of stainless steel works in accordance with the Company's procurement system without preferential terms, with the value of transactions during 2020 G. amounted to SR 1,015,429 (Attached).
- 12- Voting on the business and contracts that will be concluded between the Company and Advision for trading Est., in which the Board member Mr. Khalid Suleiman Al Saleem has an indirect interest, and the nature of transactions are of advertising and marketing related in accordance with the Company's procurement system without preferential terms, value of transactions during 2020 G. amounted to SR 19,623,277. (Attached)
- 13- Voting on the participation of the Board member Mr. Nasser Sultan Al Subaie in a business competing with the Company's business. (Attached)
- 14- Voting on the participation of the Board member Mr. Mohammed Suleiman Al Saleem in a business competing with the Company's business. (Attached)
- 15- Voting on to release Board members from liability for the period ended 31st of December 2020 G.

Quorum for Convening this General Assembly's Meeting is required to attend a number of shareholders representing at least 25% of the capital, and each shareholder who is registered in the Company share registry at (Edaa) at the end of the trading session prior to the General Assembly meeting is entitled to register electronic attendance and vote using Tadawulaty system, according to the rules and regulations, eligibility for attendance registration ends upon the convening of the General Assembly Meeting and the eligibility for voting on the meeting agenda ends upon the Counting Committee concluding counting of the votes.

Shareholders registered in Tadawulaty Services can vote electronically on the agenda items of the Ordinary Assembly, electronically, starting from 10:00 am on Sunday 13/09/1442 H. (corresponding to 25/04/2021 G.) until the end of the assembly meeting, and therefore all shareholders of the Company are invited to participate and vote remotely, noting that registration in Tadawulaty services and voting is available free of charge to all shareholders via the following link <https://tadawulaty.com.sa>.

For inquiries, shareholder relationships can be contacted by:

Phone: +966138200016 Ext. 119 or 114

Fax: +966138200014

E-mail: [Shares@mouwasat.com](mailto:Shares@mouwasat.com)

P.O. Box: 7011 Dammam 31462

# ATTACHMENTS

## Audit Committee Report



## **The Audit Committee report for the fiscal year 2020**

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 2020 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> 2020 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 Twaijri**

## **Attachments Regarding Items From 7 To 12**

### **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**



# شركة المواساة للخدمات الطبية ALMOUWASAT MEDICAL SERVICES

Share Holder Co.: Paid up Capital SR: 1000 million

P.O. Box 7011

Dammam 31462

Kingdom of Saudi Arabia



شركة مساهمة. رأس المال المدفوع ١٠٠٠ 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,

Pursuant to the requirements of Article 71 of Law Of Companies and chapter 6 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 2020 and licensed from Prior to the General Assembly at its meeting held on 22/04/2020, the company intends to renew these works 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 2020 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	2,313,000
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	12,096,929
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	4,234,724
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	Supply of trained technical labor	No preferential terms.	One year	977,348
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	1,015,429
Advision for trading Est.	Mr. Khaled Sulaiman Al Saleem has an indirect interest in it	advertising and marketing related	No preferential terms.	One year	19,623,277

Chairman  
Mohammed Sultan Al Subaie





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## Independent Limited Assurance Report

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

Upon request of the management of Mouwasat Medical Services (the "Company"), we have carried out a limited assurance engagement in order to state whether anything has come to our attention that causes us to believe that the subject matter detailed below ("Subject Matter"), has not been prepared, in all material respects, in accordance with 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 Regulations for Companies and 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 2020 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 Saudi Arabian Regulations for Companies issued by MOC (1437H -2015).

### Management Responsibility

The Management and the Chairman of the Company are responsible for the preparation and appropriate presentation of the Subject Matter in accordance with the Applicable Criteria. Further, the Company's management is responsible for establishing and maintaining internal controls relevant to the preparation and presentation of the Subject Matter that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate criteria; maintaining adequate records and making estimates that are reasonable in the circumstances.

### Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Subject Matter based on our limited assurance engagement conducted 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.

Our procedures were designed to obtain a limited level of assurance on which to base our conclusion, and, as such, do not provide all of the evidence that would be required to provide a reasonable level of assurance. The procedures performed depend on the assurance practitioner's judgment including the risk of material misstatement of the Subject Matter, whether due to fraud or error. While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls.

# Independent Limited Assurance Report

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

## Independence and quality controls

We are independent of the Company in accordance with professional code of conduct and ethics that are endorsed in the Kingdom of Saudi Arabia that are relevant to our assurance engagement and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Summary of Procedures

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.

As part of this engagement, we have not performed any procedures by way of audit, review or verification of the Subject matter, nor of the underlying records or other sources from which the Subject matter was extracted. Accordingly, we do not express such an opinion

Our procedures included, but are not limited to:

- Obtaining the BOD chairman's list that includes all kind of business and contracts performed by any of the BOD members of the Company either directly or indirectly in the favor of the (Company) during the year; (Appendix 1);
- Reviewing of the BOD's minutes of meetings that indicate member notification to the BOD on the business and contracts performed by the BOD member; and further that the concerned Board Member did not vote on the resolution issued in this regard at the meetings of the BOD and shareholders assembly;
- Obtaining the required approvals on the transactions included in the Chairman's declaration (Appendix 1);
- Obtaining confirmation from the concerned BOD member on the business and contracts performed by the member during the year; and
- Ensuring the total transactions amounts included in the list prepared by the BOD chairman agrees to the total transactions amounts included in the note 35 to the audited financial statements.

# Independent Limited Assurance Report

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

## Limited Assurance Conclusion

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

## Restriction of Use of Our report

Our report is prepared upon the request of the Company's management to be presented to the shareholders in their ordinary General Assembly Meeting in accordance with the requirements of Article (71) of the Saudi Arabian Regulations for Companies and should not be used for any other purpose.

**For KPMG Al Fozan & Partners**  
**Certified Public Accountants**



**Abdulaziz Abdullah Alnaim**  
License No: 394



Al Khobar, 5 Sha'ban, 1442H  
Corresponding to: 18 March, 2021G

## **Attachments Regarding Items From 13 To 14**

### **A Statement and A Description of The Company in Which Board Member Is Participating a Competing Activity**

**Board Member**

**Mr. Nasser Sultan Al Subaie**

**A statement and a description of the company in which Mr. Nasser Sultan Al Subaie is participating a competing activity**

Company Name	Main activity	Legal form	Membership status	The nature of membership
Advanced Medical Projects Co. (Associate Company) which owns the assets of Magrabi Eye Center located next to Mouwasat hospital in Dammam.	Construction, ownership, and operation of hospitals	Limited liability	Board member of directors	Representative of Mouwasat Medical Services which owns 50% of the company's capital



**Board Member**

**Mr. Mohammed Sulaiman Al Saleem**

**A statement and a description of the company in which Mr. Mohammed Sulaiman Al Saleem is participating a competing activity**

Company Name	Main activity	Legal form	Membership status	The nature of membership
Advanced Medical Projects Co. (Associate Company) which owns the assets of Magrabi Eye Center located next to Mouwasat hospital in Dammam.	Construction, ownership, and operation of hospitals	Limited liability	Board member of directors	Representative of Mouwasat Medical Services which owns 50% of the company's capital