

**Audit Committee Report**  
**to the Shareholders of Care Medical Company**  
**for the Year 2025**

**Subject: Annual report of the Audit Committee 2025**

**Honored shareholders of the Care Medical Company-CMC**

This report delineates the activities undertaken by the audit committee during the year 2025, in alignment with the duties and responsibilities outlined in the approved Audit Committee Charter of the Medical Care Company. The charter has been prepared in accordance with regulatory requirements issued by the Ministry of Commerce and the corporate governance regulations issued by the Saudi Arabian Capital Market Authority.

The committee actively supports the Board of Directors in fulfilling its overall responsibilities, with a particular focus on ensuring the effectiveness and efficiency of the company's internal control system. It provides recommendations to the Board to enhance and evolve these systems to achieve the company's objectives while safeguarding the interests of shareholders and investors.

Furthermore, the audit committee dedicates its efforts to enhance the independence and objectivity of internal audit activities and external audit reviews. The following is a concise summary of the key tasks included in this report

**First: Formation of the Committee:**

During its meeting on September 6, 2022, the General Assembly endorsed the names of the nominees as members of the predecessor Audit Committee. The assembly also outlined the committee's tasks, responsibilities, scope of work, and annual remuneration for a three-year period commenced on September 15, 2022, and ended on September 14, 2025. However, the new Board of Directors, which elected by assembly general on September 2<sup>nd</sup>, 2025, has formed the successor Audit Committee on September 15th, 2025 for 4 years starting on September 15, 2025 to September 14, 2029.

The Audit Committee is comprised of three members, including one independent member and two non-executive members from the board of directors. The current committee members are acquainting diverse and enriched expertise in financial affairs, accounting, Business administration and compliance.

**Second: Committee Meetings:**

The Audit Committee for the Care Medical Company held (5) meetings throughout the year 2025 to ensure the implementation of its assigned tasks in accordance with the best international practices in the field. This is in alignment with the responsibilities and tasks outlined in the company's governance regulations, which had formulated based on the corporate system issued by the Ministry of Commerce, as well as the governance regulations issued by the Saudi Arabian Capital Market Authority.

The committee's notable activities during the year include:

1. Examination of the audited annual financial statements for the year 2024, as well as the preliminary financial statements for the year 2025, ensuring their fairness, transparency, and compliance with recognized accounting principles in the Kingdom. The committee recommended to the Board of Directors the approval of the reviewed financial statements for presentation to the General Assembly.
2. Discussion and approval of the methodology for updating and preparing the internal audit plan for the year 2025.
3. Adoption of the risk-based internal audit plan for the year 2025, along with the approval of the budget necessary to support the audit activities efficiently and effectively.
4. Monitoring the implementation of the internal audit plan for the year 2025 and discussing the periodic reports presented by the Internal Audit Management on its outcomes.
5. Follow-up on the implementation of internal audit recommendations by various company departments, confirming the execution of necessary corrective measures in accordance with agreed-upon action plans.
6. Examination of reports submitted by external auditors, holding meetings to discuss financial statements 2025 before approval, ensuring their independence, objectivity, and the effectiveness of the audit work, responding to inquiries, and confirming the absence of any impediments that may affect their work.
7. Monitoring the implementation of corrective measures to address external auditor observations regarding the control system with the company's executive management.
8. Periodic verification of the independence and objectivity of internal audit activities within the company, recommending necessary measures to ensure compliance when required.
9. Verification of the company's compliance with regulations, systems, policies, and relevant instructions, reviewing compliance reports from regulatory authorities, and ensuring that necessary actions are taken.
10. Review of the organizational structure of the internal audit management, ensuring its consistency with the company's directions and goals, and approval of necessary organizational arrangements for management structuring. Review of internal audit charter and manual.
11. Review of contracts and transactions entered into by the company with related parties.

### **Third: Opinion of the Committee on the Adequacy of the Internal Control Systems in the Company:**

Based on the aforementioned information and the endeavors undertaken by both internal and external audit teams throughout the year 2025, the Audit Committee did not identify any significant deficiencies or fundamental flaws in the internal control systems and procedures that could jeopardize the company's continuity or hinder the achievement of its objectives. It is worth noting that the current accounting and control system is reasonably suitable given the size and activities of the company.

The Audit Committee further notes that no instances of fraud or irregularities that could affect the accuracy and integrity of the company's financials report were been detected during 2025.

Additionally, the committee recommends that the Board of Directors engage in continuous follow up with the executive management to enhance the efficiency and effectiveness of internal controls. This includes the implementation of corrective actions suggested by both internal and external auditors and ensure the ongoing updating process of the company's policies and procedures to align with changes in internal and external business dynamics.

Sincerely,

**Audit Committee Member**

Mr. Sami Suleiman Ali  
Al-Khashan



**Audit Committee Member**

Mr. Bader Fahad Mohamed Al  
Athel



**Committee Audit Chairman**

Mr. Faraj Saad Al Gabani

