



شركة الشرق الأوسط للرعاية الصحية (ميكو)  
Middle East Healthcare Company (MEAHCO)  
المستشفى السعودي الألماني  
Saudi German Hospitals

## **The agenda of the extraordinary general assembly meeting First meeting.**



## Items for the extraordinary general meeting of the first meeting

1. To Vote on the Board of Directors' report for the fiscal year ending on 12/31/2020 G.
2. To vote on the company's auditor's report for the fiscal year ending 12/31/2020G.
3. To Vote on the financial statements for the fiscal year ending 12/31/2020G.
4. To Vote for to appoint the company's auditor from among the candidates based on the recommendation of the audit committee to examine, review and audit the financial statements for the second, third and annual quarters of 2021 and the first quarter of 2022, and determine their fees.
5. To Vote on payment (1,400,000 SAR) as remunerations and compensations to the Board of Directors for the fiscal year ending 12/31/2020G.
6. To Vote on releasing the Board of Directors members from their responsibilities for the fiscal year ending 12/31/2020.
7. To Vote on the recommendation of the Board of Directors not to distribute dividends to shareholders for the fiscal year 2020 G.



8. To vote on authorizing the Board of Directors with the authority of the Ordinary Assembly with the license mentioned in paragraph (1) of an article (71) of the Companies Law for a period of one year effective from the date of approval of the Ordinary General Assembly or until the end of the delegated Board of Directors Terms, whichever is earlier, according to the terms mentioned in the Regulatory Rules and Procedures issued according to the Companies Law relating to Listed Joint Stock Companies.
9. To Vote on amending the third article of the articles of association related to the company's objectives (attached).
10. To Vote on the list of competition business standards (attached).
11. To Vote on the business and contracts that will be concluded between the company and the Emirates Health Care and Development Company, in which the Chairman of the Board of Directors Eng. Sobhi Abdul Jalil Batterjee and a member of the Board of Directors Dr. Khaled Abdel Jalil Batterjee and the Vice Chairman of the Board Dr. Makarem Subhi Batterjee have an indirect interest in it. The nature of Transaction is Administrative supervision agreement for the Saudi German Hospital in Dubai in exchange for the Middle East Healthcare Company obtaining 10% of the net profit before deduction of taxes and zakat for ten years, the transaction amounted to (8,675.187 SAR) during the year 2020 G. This contract was made without conditions or preferential benefits (attached).



**12.** To Vote on the business and contracts that will be concluded between the company and the Saudi Yemeni Health Care Company, in which the Chairman of the Board Eng. Sobhi Abdul-Jalil Batterjee, the Vice Chairman of the Board Dr. Makarem Sobhi Batterjee and a member of the Board of Directors Dr. Khaled Abdul-Jalil Batterjee have an indirect interest in it. The nature of the Transaction is an Administrative supervision agreement for the Saudi German Hospital in the Sana Republic of Yemen in exchange for the Middle East Healthcare Company obtaining 10% of the net profit before deduction of taxes and zakat for ten years, and there are no amounts for the year 2020 G and this contract was made without conditions or preferential benefits. (attached).

**13.** To Vote on the business and contracts that will be concluded between the company and the Egyptian Saudi Company for Health Care, in which the Chairman of the Board Eng. Sobhi Abdel Jalil Batterjee, Vice Chairman Dr. Makarem Sobhi Batterjee, and a member of the Board of Directors Dr. Khaled Abdel Jalil Batterjee have indirect interest in it, The nature of Transaction is Administrative supervision agreement for the Saudi German Hospital in Cairo- Egypt in exchange for the Middle East Healthcare Company obtaining 10% of the net profit before deduction of taxes and zakat for ten years, the transaction amounted to (1,048,699 SAR)during the year 2020 G. This contract was made without conditions or preferential benefits (attached).

**14.** To Vote on the business and contracts that will be concluded between the company and the Humania capital North Africa Holding Company Ltd., in which the Chairman of the Board Eng. Sobhi Abdul-Jalil Batterjee, the Vice Chairman of the Board Dr. Makarem Sobhi Batterjee and a member of the Board of Directors Dr. Khaled Abdul-Jalil Batterjee and member of the Board of Directors Mr. Sultan Sobhi Abdul-Jalil Batterjee have an



indirect interest in it, which is an alternative administrative supervision agreement to the administrative supervision agreement previously signed with the Egyptian Saudi Healthcare Company and the Bait Al-Batterjee Medical Company to supervise the Saudi German Hospital in Cairo, Egypt, in return for the Middle East Healthcare Company getting 10% of Net profit before tax deduction and zakat for ten years and administrative supervision of the Batterjee Medical City in the city of Alexandria, Egypt in return for the Middle East Health Care Company obtaining a percentage (10%) of the net profit before tax deduction and zakat for ten years and there are no amounts for the year 2020G. This contract was made without conditions or preferential benefits (attached).

**15.** To Vote on the business and contracts that will be concluded between the company and the Hail National Company for Health Services, in which the Chairman of the Board Eng. Sobhi Abdul Jalil Batterjee, the Vice Chairman of the Board Dr. Makarem Sobhi Batterjee and a member of the Board of Directors Dr. Khaled Abdel Jalil Batterjee have indirect interest in it. On the administrative supervision agreement on the Saudi German Hospital in Hail in return for the Middle East Healthcare Company obtaining (10%) of the net profit before tax deduction and zakat for ten years, and there are no amounts during the year 2020 AD, and this contract was made without conditions or preferential benefits. (Attached).

**16.** To vote on the business and contracts that will be concluded between the company and the Bait Al-Batterjee Medical Company, which the Chairman of the Board of Directors Eng. Sobhi Abdul-Jalil Batterjee and a member of the Board of Directors Dr. Khaled Abdul-Jalil Batterjee have indirect interest in it, The nature of Transaction is an ongoing contract to provide consultations related to the management of new projects and the implementation of administrative supervision agreements that is carried out by the Middle East Healthcare Company with other hospitals for ten years, and the transaction amounted to (6,300,895 SAR) during the year 2020G, and this contract was made without conditions or preferential benefits (attached).



**17.** To Vote on the business and contracts that will be concluded between the company and the Bait Al-Batterjee Company for Education and Training, which the Chairman of the Board of Directors Eng. Sobhi Abdel-Jalil Batterjee and a member of the Board of Directors Dr. Khaled Abdul-Jalil Batterjee have indirect interest in it, the nature of Transaction is a continuous contract that is renewed annually through which the Bait Al-Batterjee Company for Education and Training. It provides services for developing skills, training and qualifying national cadres and is considered a source for employing Saudis in the Middle East Healthcare Company. The transaction amounted to (241,993 SAR) during the year 2020G, and this contract was concluded without preferential conditions or benefits. (Attached).

**18.** To vote on the business and contracts that will be concluded between the company and the Abdul Jalil Khaled Batterjee Company for the maintenance of medical devices (SYANAH) in which a member of the Board of Directors Dr. Khaled Abdel Jalil Batterjee has indirect interest in it. The nature of Transaction is a continuous contract that is renewed annually through which (SYANAH) is a renewal, repair, and maintenance of surgical instruments for the company's hospitals, the transaction amounted to (3,541,496 SAR) during the year 2020 G, and this contract was made without conditions or preferential benefits (attached).

**19.** To vote on the business and contracts that will be concluded between the company and the Bait Al-Batterjee Company for Pharmaceutical Industries (Bab Pharma), in which the Chairman of the Board Eng. Subhi Abdul-Jalil Batterjee has indirect interest in it. The nature of the Transaction is a continuous contract that is renewed annually through which taking into consideration the specialized competence of BAB pharma to procure and supply non-stock and selected Medicines with payments based on the actual purchase price of MEAHCO from third party suppliers. the transaction amounted to (24,532,764 SAR) during the year 2020, and this contract was made without conditions or preferential benefits. (Attached).



**20.** To vote on the business and contracts that will be concluded between the company and the Gulf Youth Investment and Real Estate Development Company (Janpro), which the Vice Chairman of the Board of Directors Dr. Makarem Subhi Abdul Jalil Batterjee has indirect interest in, and it is a continuous contract that is renewed annually through which (JanPro Company) performs cleaning work And preserving the safety of the environment in the company's hospitals, and the transaction amounted to (11,769,744 SAR) during the year 2020, and this contract was made without conditions or preferential benefits. (Attached).

**21.** To vote on the business and contracts that will be concluded between the company and the Bait Al-Batterjee College of Medical Sciences and Technology Company, which is the Chairman of the Board of Directors, Eng. Sobhi Abdul-Jalil Batterjee, a member of the Board of Directors, Dr. Khaled Abdul-Jalil Batterjee, Vice-Chairman of the Board of Directors Dr. Makarem Subhi Abdul-Jalil Batterjee and a member of the Board of Directors Mr. Sultan Sobhi Abdul Jalil Batterjee have indirect interest in it, it is a continuous contract that is renewed annually through which the Middle East Healthcare Company provides training for students of medical specialties and others for the employees of the Batterjee Medical College. The volume of dealings for the year 2020G amounted to (1,069,883 SAR) and this contract was made without Preferential terms or benefits. (Attached).

**22.** To vote on the business and contracts to be concluded between the company and (MEGAMIND Company), which is the Chairman of the Board of Directors, Eng. Sobhi Abdel-Jalil Batterjee, Vice-Chairman of the Board of Directors, Dr. Makarem Sobhi Abdel-Jalil Batterjee, and a member of the Board of Directors Dr. Khaled Abdel-Jalil Batterjee And a member of the Board of Directors, Mr. Sultan Subhi Abdul Jalil Batterjee, have an indirect interest in it, The nature of Transaction is the digital transformation project for the company's hospitals, at an amount of 264,683,026 SAR for three years, and there are no amounts during the year 2020G. This contract was made without conditions or preferential benefits. (Attached).



**23.**To vote on the business and contracts that will be concluded between the company and the International Hospitals Construction Company, in which the Chairman of the Board Eng. Sobhi Abdul-Jalil Batterjee and a member of the Board of Directors Dr. Khaled Abdel-Jalil Batterjee and a member of the Board of Directors Mr. Sultan Subhi Abdul-Jalil Batterjee have indirect interest in it, The nature of Transaction is the contract of restoration and the renewal of the company's hospitals at an amount of 346,526,924 SAR for three years and the amount of (26,351,683 SAR) was dealt during the year 2020G, and this contract was made without conditions or preferential benefits. (Attached).

**24.**To vote on the business and contracts that will be concluded between the company and the International Hospital Construction Company, in which the Chairman of the Board of Directors Eng. Sobhi Abdul-Jalil Batterjee and a member of the Board of Directors Dr. Khaled Abdel-Jalil Batterjee and a member of the Board of Directors Mr. Sultan Subhi Abdul-Jalil Batterjee have indirect interest in it. The nature of the Transaction is the contract for the construction of the medical tower at the Saudi German Hospital in Aseer, where the project was completed, and the total contract value was (53,060,552 SAR) to be repaid over five years until the year 2021G, as accordingly, the transaction amounted was (10,612,110 SAR) during the year 2020G, and this contract was made without conditions or Preferential benefits (attached).

**25.**To vote on the business and contracts that will be concluded between the company and the International Hospitals Construction Company, in which the Chairman of the Board of Directors Eng. Sobhi Abdel Jalil Batterjee and a member of the Board of Directors Dr. Khaled Abdel Jalil Batterjee and a member of the Board of Directors Mr. Sultan Subhi Abdul Jalil Batterjee have indirect interest in it. The nature of the Transaction is the construction of the Saudi German Hospital in Makkah, with a capacity of 300 beds, at an amount of (388,911,533 SAR) for 36 months, and the amount of dealing was (104,261,637 SAR) during the year 2020G.This contract was made without conditions or preferential benefits. (Attached).





**26.**To vote on the business and contracts that will be concluded between the company and the International Hospital Construction Company, in which the Chairman of the Board Eng. Sobhi Abdul-Jalil Batterjee and a member of the Board of Directors Dr. Khaled Abdel-Jalil Batterjee and a member of the Board of Directors Mr. Sultan Subhi Abdul-Jalil Batterjee have indirect interest in it, The nature of Transaction is the construction Staff housing at SGH Makkah which amount (113,732,085 SAR) for 36 months, and there are no funds for the year 2020 G and this contract was made without conditions or preferential benefits. (Attached).

**27.**To vote on the business and contracts that will be concluded between the company and the International Hospital Construction Company, in which the Chairman of the Board Eng. Sobhi Abdul-Jalil Batterjee and a member of the Board of Directors Dr. Khaled Abdel-Jalil Batterjee and a member of the Board of Directors Mr. Sultan Subhi Abdul-Jalil Batterjee have indirect interest in it, The nature of Transaction is the construction Staff housing at SGH Dammam for the amount of (98,100,745 SAR) for 36 months and the amount of dealings was (59,733,942 SAR) during the year 2020 G, This contract was made without conditions or preferential benefits. (Attached).

**28.**To vote on the business and contracts that will be concluded between the company and the International Hospitals Construction Company, in which the Chairman of the Board of Directors Eng. Subhi Abdul Jalil Batterjee and a member of the Board of Directors Dr. Khaled Abdel Jalil Batterjee and a member of the Board of Directors Mr. Sultan Subhi Abdul Jalil Batterjee have indirect interest in it, The nature of Transaction is the construction Outpatient Tower at the Saudi German Hospital in Riyadh for the amount of (132,621,449 SAR) for 36 months, and the amount of dealings was (47,982,374 SAR) during the year 2020 G. This contract was made without conditions or preferential benefits. (Attached).



**29.**To vote on the business and contracts that will be concluded between the company and the International Hospitals Construction Company, in which the Chairman of the Board of Directors Eng. Subhi Abdul Jalil Batterjee and a member of the Board of Directors Dr. Khaled Abdel Jalil Batterjee and a member of the Board of Directors Mr. Sultan Subhi Abdul Jalil Batterjee have in direct interest in it. The nature of the Transaction is the construction of Inpatient Beds Expansion at the Saudi German Hospital in Riyadh, at an amount of (61,040,987 SAR) for 36 months, the transaction amount was (22,029,238 SAR) during the year 2020G. This contract was concluded without conditions or preferential benefits. (Attached).

**30.**To vote on the business and contracts that will be concluded between the company and the Bait Al-Batterjee Fitness Company, in which the Vice-Chairman Dr. Makarem Subhi Abdul-Jalil Batterjee has indirect interest in it. The nature of Transaction is the annual contract to provide medical services to Bait Al-Batterjee Fitness Company employees by the company's hospitals. The transaction amounted to (33,586 SAR) during the year 2020 G, and this contract was concluded without conditions or preferential benefits (Attached).

**31.**To vote on the business and contracts that will be concluded between the company and the Bait Al-Batterjee Medical Company, in which the Chairman of the Board of Directors Eng. Sobhi Abdel-Jalil Batterjee and a member of the Board of Directors Dr. Khaled Abdel-Jalil Batterjee have indirect interest in it, The nature of Transaction is the agreement for administrative supervision of the Batterjee Medical City project in the city of Alexandria in Egypt (Alex West) in return for the company obtaining a percentage (10%) of the net profits before deduction of taxes and zakat, and there are no amounts during the year 2020 G, the duration of the agreement is ten years from the date of signing. This contract was made without conditions or preferential benefits (attached).



**32.** To vote on the business and contracts that will be concluded between the company and the Bait Al-Batterjee Medical Company, in which the Chairman of the Board of Directors Eng. Sobhi Abdel-Jalil Batterjee and a member of the Board of Directors Dr. Khaled Abdel-Jalil Batterjee have indirect interest in it, the nature of Transaction is the administrative supervision agreements of Sharjah Hospital and Ajman Hospital for ten years. The company Obtaining a percentage (10%) of the net profit before tax and zakat deduction. There are no amounts during the year 2020 G, and this contract was made without preferential conditions or benefits. (Attached).

**33.** To vote on the business and contracts that will be concluded between the company and the Bait Al-Batterjee Medical Company, which the Chairman of the Board of Directors Eng. Sobhi Abdul-Jalil Batterjee and a member of the Board of Directors Dr. Khaled Abdul-Jalil Batterjee have indirect interest in it, the nature of the Transaction is the administrative supervision agreements on four hospitals in Pakistan. The company Obtaining a percentage of (10%) of the net profit before tax and zakat deduction, and these agreements will be valid for ten years from the date of their signing, and there are no amounts during the year 2020 G, and this contract was made without preferential conditions or benefits. (Attached).

**34.**To Vote on the participation of the board Chairman, Eng Sobhi Abdel-Jalil Batterjee, in a competing business to the company activities (attached).

**35.**To Vote on the participation of the vice Chairman, Dr. Makarem Sobhi Abdel-Jalil Batterjee, in a competing business to the company activities (attached).

**36.**To Vote on the participation of the Board member, Dr. Khalid Abdel-Jalil Batterjee, in a competing business to the company activities (attached).

**37.** To Vote on the participation of the Board member, Mr. Sultan Sobhi Batterjee, in a competing business to the company activities (attached).



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## PROXY FORM



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## PROXY FORM

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Dear Shareholder,

The proxy form is not available, as the Extraordinary General Assembly meeting will only be conducted via modern technology means, to ensure the safety of dealers in the Stock Exchange market, in the context of supporting the preventive and precautionary efforts conducted by the competent and relevant health authorities to address the new Corona Virus (COVID-19).

Thank you.



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## **The annual report of the audit committee for the year 2020**



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Saudi German Hospitals

Date: 21 April 2021

Dear Shareholders

**Subject: Audit Committee Annual Report 2020**

Greetings,

Please find below itemized audit committee's annual report for 2020, that shows the performance details for the committee's responsibilities and duties as stated in the approved regulations of the committee's charter, including its recommendations and opinion regarding adequacy of the Company's internal and financial control systems, based on the committee's meetings and deliberations during 2020.

**First: Financial reports:**

The Committee has studied the preliminary and annual consolidated financial statements for 2020, verified accounting estimates of core matters, and it has reviewed the Company's accounting policies and examined the issues raised by the external auditor to the Company's Chief Executive Officer (CEO) and finance department, and the committee considers that the financial statements and adopted accounting estimates and policies do not conflict with international accounting standards and are consistent with the nature of the Company's activities and are commensurate with its operations.

**Second: Internal audit:**

The implementation of internal control systems and controls is the responsibility of the executive management of the Company, under the supervision of the committee through study of those systems and the effectiveness of its procedures and overseeing the performance of the internal audit department of the Company, in addition to reviewing the internal audit reports and following up the corrective and improvement procedures that are implemented by the executive management or which will be implemented based on recommendations related to observations of the internal audit department in order to comply with the internal control and control systems and enhance their effectiveness and focus on improving and developing them.



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المستشفى السعودي الألماني  
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The Committee also submits its decisions and recommendations to the Board of Directors through the minutes of the committee meetings, in addition to what the Chairman of the Committee presents during the board meetings.

The Committee did not find any observations with a substantial impact on the normal functioning of the company under the current control system.

### **Third: The external auditor:**

The Committee recommended by selecting the external auditor to the Board of Directors for the fiscal year 2020, and to ascertain its independence and determine its fees. Furthermore; the committee reviewed the external audit plan for the fiscal year 2020, and followed the execution of the auditor's fieldwork and discussed its observations regarding the financial statements and follow-up its implementation with the executive management of the Company.

### **General revealed results of the audit committee:**

The Committee reviewed the external auditor's observations during examination and audit of the financial statements for 2020. Furthermore; supervising of the internal audit department activities in accordance with its tasks and duties and discussing reports that submitted to the executive management and BOD "as appropriate", which included observations and recommendations. The executive management is working continuously to document, strengthen and improve internal control system, policies, procedures, organizational structures, information technology systems, business automation and continuous follow-up via the Committee; it can be said that the internal control system has been prepared and implemented on acceptable bases.

### **Audit Committee Chairman**

**Amr Mohamed Khashoggi**





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المستشفى السعودي الألماني  
Saudi German Hospitals

## **Attachment regarding item # 9**

**Amending the third article of the articles of association related to the company's objectives**

**Article before and after modification.**



Article before amendment	Article after amendment
<p data-bbox="86 346 560 384"><b><u>Article(3): Company purposes:</u></b></p> <p data-bbox="86 422 527 459">The company's purposes are:</p> <ol data-bbox="134 497 795 1766" style="list-style-type: none"><li data-bbox="134 497 795 682">1. The establishment, management, operation and maintenance of hospitals, clinics, centres, institutes, health rehabilitation and physiotherapy centers, analysis and radiology laboratories and pharmacies.</li><li data-bbox="134 804 795 1136">2. Purchase of land to build buildings on it and invest it for the benefit of the company in medical projects and the establishment of factories necessary for the purposes of the company and import the necessary machinery and machinery including pharmaceutical factories, equipment and supplies and own patents and benefit from them in achieving the company's purposes inside and outside the Kingdom.</li><li data-bbox="134 1148 795 1333">3. Wholesale and retail trade in medicines, tools, equipment, medical supplies, health rehabilitation tools, physiotherapy and everything related to hospitals and medical centers.</li><li data-bbox="134 1346 795 1446">4. Wholesale and retail trade in computers, spare parts and programs related to health care, hospitals and health centers.</li><li data-bbox="134 1459 795 1484">5. Commercial agencies in the fields of health and medicines.</li><li data-bbox="134 1518 795 1585">6. Setting up employment training centres for the company's activities.</li><li data-bbox="134 1698 795 1766">7. Creating, managing and organizing the company's exhibitions and conferences</li></ol> <p data-bbox="86 1803 795 1871">The company engages in these activities after obtaining the necessary licenses from the competent authorities (if any).</p>	<p data-bbox="828 346 1302 384"><b><u>Article(3): Company purposes:</u></b></p> <p data-bbox="828 422 1269 459">The company's purposes are:</p> <ol data-bbox="893 489 1554 1837" style="list-style-type: none"><li data-bbox="893 489 1554 791">1. The establishment, management, operation and maintenance of hospitals, clinics, centers, institutes, health rehabilitation and physiotherapy centers, analysis and radiology laboratories, pharmacies and <b><u>medical services in specialized hospitals, specialized medical clinics, alternative medicine, psychiatry and treatment of alcohol and drug addiction.</u></b></li><li data-bbox="893 804 1554 1173">2. Purchase of land to build buildings on it and invest it for the benefit of the company in medical projects and the establishment of factories necessary for the purposes of the company and import the necessary machinery and machinery including pharmaceutical factories, equipment and supplies and own patents and benefit from them in achieving the company's purposes inside and outside the Kingdom.</li><li data-bbox="893 1186 1554 1371">3. Wholesale and retail trade in medicines, tools, equipment, medical supplies, health rehabilitation tools, physiotherapy and all related to hospitals, medical centers, <b><u>hardware stores and medical products.</u></b></li><li data-bbox="893 1383 1554 1484">4. Wholesale and retail trade in computers, spare parts and programs related to health care, hospitals and health centers.</li><li data-bbox="893 1497 1554 1564">5. Commercial agencies in the fields of health and medicines.</li><li data-bbox="893 1577 1554 1728">6. Setting up employment training centers for the company's <b><u>activities, establishing university medical colleges and other types of higher education facilities.</u></b></li><li data-bbox="893 1770 1554 1837">7. Creating, managing and organizing the company's exhibitions and conferences</li></ol> <p data-bbox="828 1875 1554 1942">The company engages in these activities after obtaining the necessary licenses from the competent authorities (if any).</p>



شركة الشرق الأوسط للرعاية الصحية (ميكو)

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## **Attachment regarding item # 10 Competitive business standards.**



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Saudi German Hospitals

## Standards of Business Competition

### 1. Introduction

These competing business standards (standards) of The Middle East Healthcare Company (Saudi German Hospital) are prepared on the basis of the text of Article (72) of the Corporate System and Article (46) of the Corporate Government Regulation, and these competitive business standards show the standards and procedures governing the rules of participation of the company's board members in competing businesses, and these standards are based on the relevant provisions contained in the corporate system, the corporate governance regulation, and regulatory controls and procedures in accordance with the corporate system of listed joint stock companies, and the company's statutes. The company's work, related activities in its statutes and the founding contracts of its subsidiaries have been separately demonstrated, namely, the provision of health services through the establishment, management, operation and maintenance of hospitals, clinics, centres, institutes, health rehabilitation centres, physiotherapy, laboratories of analysis, radiology, pharmacies and other support areas, including wholesale trade in medical equipment, equipment and supplies. Health rehabilitation tools, physiotherapy and everything related to hospitals, medical centres, wholesale and retail in computers, spare parts and programs related to health care, hospitals, health centres, commercial agencies in the fields of health and medicines and the establishment, management, management and organization of exhibitions and conferences of the company, and the competitive business cases of the members of the Company's Board of Directors will be dealt with in accordance with the provisions of these standards.

### 2. The scope of application for the standards of business competition

2/1 These competing business standards apply to the company's board members.

2/2 These standards will not compromise the other duties of the company's board members under the relevant provisions of other company policies, such as a conflict-of-interest policy. The obligations set out in these standards apply in addition to the duties set out in those policies and must be adhered to at all times.



### 3. The concept of competition practices

The concept of participating in any business that would compete with the company or its competitor in one of its branches of activity is included:

3/1 The board member establishes an individual company or institution, or is owned by an influential share or stake in another company or facility engaged in activity of the type of activity of the company or its group.

3/2 Accept the board of directors of a rival company or group, or take over the management of a competing individual institution or company in any form.

3/3 Accept the membership of any committee in a company that competes with the company or its group.

3/4 A member's access to a commercial agency or what is in its judgment, a phenomenon that was or is hidden for another company or facility competing with the company or its group.

3/5 The Board member provides advice or guidance to any company or person working for a company that engages in competing businesses for the company's business or group.

3/6 The Board member uses his or her knowledge or influence on any of the company's customers, group, suppliers or advisers for the benefit of any company or person working for a rival company.

### 4. Compete with the company

4/1 A board member may not participate in any business that may compete with the company, or any of its activities, nor may a board member be a member of the board of directors of a company that competes with the company, or any of its activities, unless that member receives authorization from the Company's AGM.

4/2 The above-mentioned duty is the personal responsibility of each member of the Council and council members have pledged to disclose to the Council on an ongoing basis any change in their respective positions.



شركة الشرق الأوسط للرعاية الصحية (ميكو)  
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Saudi German Hospitals

**4/3** When any member of the Board wishes to engage in a business that may compete with the company's business, or any of its activities, the following should be taken into account:

**4/3/1** Inform the Board of the competing work it wishes to exercise and prove it in the minutes of the Board meeting.

**4/3/2** The stakeholder member does not participate in the vote on the relevant decision or in the decision-making at the Board meeting and shareholders' associations.

**4/3/3** The Chairman of the Board of Directors informs the AGM when it convenes of the competing work involving the Board member.

**4/3/4** Obtaining a license from the Company's AGM allowing the member to engage in competitive business.

**4/4** When assessing the board member's competition for the company's business, the Board of Directors must take into account The following:

**4/4/1** Geographical extension of the competing business of the company.

**4/4/2** Whether a competing business practice will prevent the board member from taking care of the company's interests.

**4/4/3** Whether the activities of the Board member are likely to significantly affect a course as a board member of the company.

**4/5** Deliberations and decisions on the board member's competing work must be restricted in the minutes of the Board meeting.

**4/6** If the Board of Directors decides that a breach has occurred in relation to this policy, the violators will be liable to the competent judicial authorities for paying appropriate compensation for all damages or losses incurred by the company in that regard unless authorization has been obtained from the company's AGM.



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Saudi German Hospitals

## 5. Candidate disclosure of competing business

Anyone wishing to run for the Board of Directors must disclose to the General Assembly or the Board whether or not to engage in any work that may be a competing to the company or any of its activities.

## 6. The duties of board members involved in competing business.

**6/1** The Board member must exercise his duties honestly and fairly, present the company's interests over his own interests and not use his position for his own interests.

**6/2** The Board member should protect the confidentiality of information related to the company and its activities, and not to disclose it to anyone.

**6/3** The Board member is prohibited from exploiting or benefiting directly or indirectly from any of the company's assets, information or investment opportunities presented to him as a board member, including investment opportunities that fall within the company's activities, or which the company wishes to benefit from, and the ban applies to a board member who resigns in order to exploit the investment opportunities directly or indirectly that the company wishes to take advantage of and which he know it during his membership.

## 7. Refusal to grant a license:

If the General Assembly refuses to grant the necessary license in accordance with the text of Article (72) of the Corporate System and Article (46) of the Corporate Governance Regulation, the Board member must submit his resignation within the period specified by the Company's AGM, otherwise his membership of the Board will be considered expired, unless the member decides to withdraw from that contract, transaction or competing project, or reconcile his status in accordance with the corporate system and executive regulations, before the expiry of the deadline set by the Company's General Assembly.



شركة الشرق الأوسط للرعاية الصحية (ميكو)  
Middle East Healthcare Company (MEAHCO)  
الستشفى السعودي الألماني  
Saudi German Hospitals

## 8. Governing the standards.

The Nominations and Rewards Committee will be responsible for periodically reviewing these criteria in accordance with article (7) paragraph (65) of the Corporate Government Regulation, as well as assessing their effectiveness in achieving their purposes.

## 9. Publishing and editing.

It operates in these standards and is adhered to by the Company as of the date of the decision to approve it by the Company's AGM, and must be posted on the company's website to enable shareholders, stakeholders and the public to view them





شركة الشرق الأوسط للرعاية الصحية (ميكو)  
Middle East Healthcare Company (MEAHCO)  
المستشفى السعودي الألماني  
Saudi German Hospitals

## **Attachment regarding item # 11 to 33**

Limited examination report and the notification of the chairman of the board to the shareholders about the business and contracts that the members of the board have any direct or indirect interest in



Date: 30/08/1442

Corresponding: 12/04/2021

Shareholders of Middle East Healthcare Company (Saudi-German Hospital)

### Peace be upon you and God's mercy and blessings;

Based on the requirements of article (71) of the corporate system relating to the reporting of the General Assembly when it is held about the works and contracts made for the company and any member of the Board of Directors of the company has a direct or indirect interest in it, the Board of Directors informs your esteemed association that the members of the Board of Directors who They have a direct or indirect interest in these actions and contracts and have informed the Board of Directors of this for 2020 and the Board has approved these works and contracts without participating in the vote on their decisions and recommending that they be submitted to your esteemed association as follows:

Figure	The name of the relevant party	The nature of the transaction	Amount of transaction		Terms of dealing.	Duration
			Due from	due to		
١	UAE HealthCare and Development Company (Sobhi Abdul-Jalil Batterjee, Khaled Abdul-Jalil Batterjee, Makarem Sobhi Batterjee own stakes in the company and are members of its board of directors)	Management fees	8.675.187	-	The prevailing market conditions as the duration of this management consultancy transaction has been going on for many years.	10 years from 3/6/2015, renewed annually
٢	Beit Al-Batterjee College of Medical Sciences and Technology (Sobhi Abdul-Jalil Batterjee, Khaled Abdel-Jalil Batterjee, Makarem Sobhi Batterjee and Sultan Sobhi Batterjee own stakes in the company and are members of its board of directors)	Training fees	1.069.883	-	The prevailing market conditions as the duration of this medical training transaction continues and has been going on for many years.	One year.
٣	Beit Al-Batterjee Medical Company (main shareholder in MEAHCO Sobhi Abdul Jalil Batterjee and Khaled Abdul Jalil Batterjee own stakes in the company and are members of its board of directors)	Consulting fees	-	6.300.895	The prevailing market conditions as the duration of this management consultancy transaction has been going on for many years.	10 years from 24 May 2015, renewed annually
٤	Beit Al-Batrabi Education and Training Company (Sobhi Abdel-Jalil Batterjee and Khaled Abdel-	Training fees	241.993	-	The prevailing market conditions as the duration of this training transaction has been	One year.





١٣	Hail National Medical Services Company (Sobhi Abdul Jalil Batterjee, Khaled Abdel-Jalil Batterjee and Makarem Sobhi Batterjee are members of the company's board of directors and shareholders)	Administrative fees	--	-	The prevailing market conditions as the duration of this management consultancy transaction has been going on for many years.	10 years from 24 May 2015, renewed annually
١٤	Saudi-German Hospital Sharjah (Sobhi Abdul Jalil Batterjee and Khalid Abdul Jalil Batterjee as partners in Beit Al-Batterjee Medical Company, which owns most of the hospital's shares.	Medical services	-	-	Prevailing market conditions as the duration of this transaction continues and has begun for many years.	10 years from 24 May 2015, renewed annually
١٥	Saudi-German Hospital Ajman (Sobhi Abdul Jalil Batterjee and Khalid Abdul Jalil Batterjee as partners in Ajman Health Care and Development Company	Medical services	-	-	Prevailing market conditions as the duration of this transaction continues and has begun for many years.	10 years from 24 May 2015, renewed annually

We attach to this report the special report of the Company's Auditor, Messrs. KPMG Al Fawzan & Co., on these transactions in accordance with the regular requirements and the Board proposes to your esteemed association to approve these transactions and license their renewal for the coming year.

And please accept my sincere greetings and appreciation;

M. Sobhi Abdul Jalil Batterjee  
Chairman





شركة الشرق الأوسط للرعاية الصحية (ميكو)  
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#### KPMG Professional Services

Zahran Business Center  
Prince Sultan Street  
P.O. Box 55078  
Jeddah 21534  
Kingdom of Saudi Arabia  
Headquarter in Riyadh

Commercial Registration No 4030290792

#### كي بي إم جي للاستشارات المهنية

مركز الزهران للأعمال  
شارع الأمير سلطان  
ص.ب 55078  
جده 21534  
المملكة العربية السعودية  
المركز الرئيسي الرياض

سجل تجاري رقم 4030290792

## Independent Limited Assurance Report

To the Shareholders of Middle East Health Care Company

Upon request of the management of Middle East Health Care Company (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 Middle East Health Care 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 Ministry of Commerce (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.

KPMG Professional Services is a professional closed joint stock company registered in the Kingdom of Saudi Arabia with the paid-up capital of SAR 15,000,000. Previously known as KPMG Al Fozan & Partners Certified Public Accountants. A member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited.

كي بي إم جي للاستشارات المهنية شركة مساهمة مغلقة مسجلة في المملكة العربية السعودية وأسمها (15000000) ريال سعودي مطلق بالتجارة تم دفعه. اسم الشركة من الاسم السابق "شركة كي بي إم جي للخدمات المحاسبية وشركائهم المحاسبين المعتمدين". عضو في المنظمة العالمية للشركات المستقلة التابعة لـ كي بي إم جي للخدمات المحاسبية شركة مساهمة في بريطانيا.

Commercial Registration of the headquarter in Riyadh is 1010425494.



## Independent Limited Assurance Report

To the Shareholders of Middle East Health Care 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 ended 31 December 2020; (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); 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 30 to the audited consolidated financial statements.

### 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.

### KPMG Professional Services

Ebrahim Oboud Baeshen  
License No: 382

Jeddah, 26 April 2021  
Corresponding to 14 Ramadan 1442H



شركة الشرق الأوسط للرعاية الصحية (ميكو)  
Middle East Healthcare Company (MEAHCO)  
المستشفى السعودي الألماني  
Saudi German Hospitals

## Attachments regarding item # 34

A statement and description of the participation of the Chairman of the Board of Directors Eng. Sobhi Abduljallel Batterjee, in a competing business to the Company activities in the AlSoboh new medical LLC& Bab Al-Khair Medical Services Company.

- AlSoboh new medical LLC is a limited liability company operating in the field of public hospitals.
- Bab Al-Khair Medical Services Company is a limited liability, not-for-profit company working in the field of establishing and operating hospitals, medical centers, government and private clinics.



شركة الشرق الأوسط للرعاية الصحية (ميكو)  
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Saudi German Hospitals

## Attachments regarding item # 35

A statement and description of the participation of the vice Chairman Dr. Makarem Sobhi Abdel-Jalil Batterjee in a competing business to the Company activities in the Bab Al-Khair Medical Services Company.

\*Bab Al-Khair Medical Services Company is a limited liability, not-for-profit company working in the field of establishing and operating hospitals, medical centers, government and private clinics.





شركة الشرق الأوسط للرعاية الصحية (ميكو)  
Middle East Healthcare Company (MEAHCO)  
الستشفى السعودي الألماني  
Saudi German Hospitals

## Attachments regarding item # 36

A statement and description of the participation of the Board Member Dr. Khalid Abdel-Jalil Batterjee in a competing business to the Company activities in the Bab Al-Khair Medical Services Company.

\*Bab Al-Khair Medical Services Company is a limited liability, not-for-profit company working in the field of establishing and operating hospitals, medical centers, government and private clinics.



شركة الشرق الأوسط للرعاية الصحية (ميكو)  
Middle East Healthcare Company (MEAHCO)  
الستشفى السعودي الألماني  
Saudi German Hospitals

## Attachments regarding item # 37

A statement and description of the participation of the Board Member Mr. Sultan Sobhi Batterjee, in a competing business to the Company activities in the Bab Al-Khair Medical Services Company.

\*Bab Al-Khair Medical Services Company is a limited liability, not-for-profit company working in the field of establishing and operating hospitals, medical centers, government and private clinics.