



Audit Committee Report for the Fiscal Year 2025

Esteemed Shareholders of Twareat Medical Care Company,

May God protect you

Peace, mercy, and blessings of Allah be upon you.

After that,

The Audit Committee of Twareat Medical Care Company is pleased to present to the esteemed shareholders its report regarding the Committee's assessment of the adequacy and effectiveness of the Company's internal control systems, financial controls, and risk management framework. This assessment has been carried out in accordance with the responsibilities assigned to the Committee under the Companies Law and the relevant regulatory requirements.

During the fiscal year 2025, the Committee held two meetings via video conferencing, during which it reviewed the Company's oversight activities, examined relevant reports and operational processes, and ensured that the internal control environment continues to support enhanced discipline, transparency, and operational integrity across the Company.

First: Committee Responsibilities

The Audit Committee is responsible for overseeing the Company's activities to ensure the adequacy and effectiveness of its internal control systems, as well as providing its opinion and recommendations to the Board of Directors and the General Assembly in this regard. The Audit Committee Charter governs the Committee's work, including its powers, responsibilities, and duties. The Committee's key responsibilities can be summarized as follows:

1. With respect to financial reporting:

- Reviewing the interim (semi-annual) and annual financial statements before they are presented to the Board of Directors and providing recommendations to ensure their accuracy and proper accounting presentation.
- Submitting reports to the Board of Directors, as needed, containing the Committee's professional views on the Board Report and the financial statements, reflecting the fairness and balance of such reports as a whole, and assessing their adequacy in providing essential information to shareholders, investors, and stakeholders for evaluating the Company's performance, operations, and strategies.
- Reviewing any significant or unusual transactions included in the financial statements.
- Reviewing and considering any significant matters presented by the Company's Chief Financial Officer or his designee, as well as by the external auditors.
- Reviewing and assessing significant accounting estimates included in the financial reports.
- Providing recommendations to the Board of Directors regarding the appropriateness of the accounting policies applied in relation to the nature of the Company's business, and evaluating their suitability for the Company's financial reporting and audit processes.



- Ensuring that the financial statements and reports are prepared in accordance with accepted accounting standards and the Company's adopted accounting policies, in a manner that promotes transparency in the financial information disclosed by the Company.
- Providing recommendations to the Board of Directors regarding the Company's annual report prior to its approval.
- Monitoring the continued independence of the Internal Audit Department with respect to its advisory responsibilities.
- Determining the continued objectivity of the Internal Audit Department and ensuring that it maintains impartiality in its professional judgment.
- Reviewing the Internal Audit Department's adherence to professional ethics.

2. With respect to Internal Control and Risk Management:

- Reviewing draft policies, procedures, and internal regulations, and providing the Committee's opinion as part of its supervisory role before they are approved by the Board of Directors.
- Reviewing the Board of Directors' internal regulations and the charters of its subcommittees and advising the Board on regulatory matters prior to their approval.
- Reviewing the Board's executive regulations, the internal audit framework, and its various components, and providing recommendations to the Board in this regard.
- Reviewing any matters referred to the Committee by the Board of Directors for the purpose of providing its views within the scope of its supervisory responsibilities.
- Reviewing the key risks facing the Company—including financial, operational, and legal risks—and evaluating the policies applied by management for identifying, assessing, and mitigating such risks.
- Reviewing internal control reports and monitoring the implementation of corrective actions and procedures based on the observations contained therein.
- Overseeing and reviewing the performance and activities of the internal auditor and the Internal Audit Department, if applicable, to ensure the availability and competency of the resources required to carry out their assigned duties. If the Company does not have an Internal Audit Manager, the Committee shall recommend to the Board the need to appoint one and propose the related fees.
- Providing recommendations to the Board of Directors regarding the establishment or enhancement of the Internal Audit Department and the appointment of an Internal Audit Manager.
- Providing recommendations related to establishing, improving, and promoting the internal control environment within the Company.

3. With respect to Subsidiaries and Affiliates:

- Ensuring the effectiveness of procedures related to forming Audit Committees in subsidiaries, in accordance with the Company's policies and partnership agreements.
- Verifying the adequacy and efficiency of the internal audit function in subsidiaries or affiliates controlled by the Company, through reviewing the annual quality assessment of internal audit work—based on what is available under partner agreements—and submitting a report to the Board of Directors with the Committee's recommendations.



- Ensuring the proper process for nominating and appointing the external auditor for wholly owned subsidiaries or entities controlled by the Company, or as permitted under partnership agreements, and submitting the Committee's recommendations to the Board of Directors.
- Obtaining reasonable and necessary assurances from the Audit Committees of subsidiaries regarding the adequacy and effectiveness of their internal control systems, in accordance with applicable regulations and partnership agreements.
- Approving the general framework and audit protocols between the Company's Internal Audit Department, the Audit Committee, and the internal audit functions of subsidiaries or entities controlled by the Company, or as stipulated in partnership agreements.
- Reviewing the audit plan submitted by the Company's Internal Audit Department to ensure its alignment and coordination with the audit committees of subsidiaries or controlled entities, or as permitted under partnership agreements.

4. With respect to the External Auditor:

- Providing recommendations regarding the selection or dismissal of the external auditor, including assessing the auditor's professional competence, independence, potential conflict-of-interest risks, and proposed fees.
- Evaluating the independence, objectivity, fairness, and effectiveness of the external auditor, taking into account all applicable regulations and professional standards.
- Coordinating with the external auditor to prepare the annual audit plan and procedures, and ensuring that the auditor does not perform any technical or administrative work outside the scope of the assigned audit engagement, the Committee issues recommendations accordingly.
- Discussing significant findings and recommendations presented by the external auditor, assessing management's responsiveness, and reviewing corrective actions taken by management.
- Reviewing the external auditor's opinion and observations on the financial statements and following up on actions taken to address them.
- Working to resolve any issues encountered by the external auditor during the audit process, including difficulties related to achieving audit objectives or accessing necessary information.
- Holding private meetings with the external auditor to discuss important matters raised by either the Committee or the auditor and ensuring that the auditor has unrestricted access to the Chair of the Audit Committee at any time.
- Preparing recommendations regarding the Company's policy on determining the required rotation period for changing the external auditor.

5. With respect to Internal Audit:

- Preparing recommendations regarding the establishment of the Internal Audit Department, its budget, the selection of its head, and ensuring the independence of internal auditors.
- Conducting an evaluation of the performance of the Internal Audit Department and its auditors, including assessing the Department's objectives, authority, reports, annual audit plan, and results achieved during the year, and issuing recommendations to enhance its effectiveness while ensuring that all high-risk findings are addressed as a priority.

- Discussing deviations and errors identified in the monthly reports prepared by the Internal Audit Department and ensuring that management takes appropriate corrective actions.

Second: Committee Authorities

- Requesting documents, records, reports, explanations, and any other relevant information from members of the Board of Directors, executive management, and Company officials.
- Inviting executive managers and Company officials to attend Committee meetings to respond to inquiries raised by the Committee.
- Engaging external experts, consultants, and specialists as needed to support the Committee in performing its duties.
- Carrying out any tasks assigned by the Board of Directors within the scope of the Committee's authority.
- Reviewing and evaluating the provisions of this Charter and preparing recommendations to the Board of Directors regarding amendments when necessary.
- Preparing quarterly reports for the Board of Directors on a regular basis and submitting them immediately after each Committee meeting.

Third: Duties of Committee Members

- Attending Committee meetings regularly and contributing effectively to its work. In the event of absence, the member must notify the Committee Chair and provide the reasons for such absence.
- The Committee Chair—or a delegated member—must attend the General Assembly meeting to respond to shareholders' questions and inquiries.
- Maintaining strict confidentiality of all Company information. Members are prohibited from disclosing any information to shareholders (except during the General Assembly) or to any external party. Any breach exposes the member to removal from the Committee and potential financial and legal accountability.
- Committee members must not engage in any executive functions of the Company.
- Performing Committee duties with professionalism and a high level of commitment, and ensuring they obtain sufficient information related to the Company's operations.
- Acting with fairness, integrity, transparency, and objectivity, and avoiding any bias or personal interest that may influence their opinions or decisions.
- Refraining from any direct or indirect involvement in activities that compromise honor or integrity.
- Not accepting any items of material value from employees, clients, or suppliers who have a business relationship with the Company, as such acceptance may impair the member's independence or influence their decisions.
- Disclosing to the Board of Directors any dealings or relationships between the member and the Company, as well as any relationships with the Board or executive management, in accordance with the Company's Code of Ethics.
- Performing any duties assigned by the Board of Directors within the limits of the Committee's authority.



- Conducting an annual review and evaluation of this Charter and preparing recommendations to the Board of Directors regarding amendments when necessary.
- Preparing periodic reports for the Board of Directors as required by business needs.

Forth: Committee Members

Member Name	Position	Membership Type
Mr. Raed bin Mohammed Al-Naeem	Committee Chair	Independent
Mr. Abdullah bin Mohammed Al-Hamdān	Member	Non-Executive
Mr. Hani bin Mohammed Al-Hashmi	Member	Independent
Mr. Saud bin Mualla Al-Otaibi	Committee Secretary	-

Fifth: Audit Committee Tasks and Key Activities During the Fiscal Year 2025

During the fiscal year 2025, the Audit Committee held two meetings, all conducted via video conferencing, to follow up on its oversight and supervisory responsibilities in accordance with its delegated authorities. The Committee carried out the following activities:

- Reviewing and approving the Company's annual and semi-annual financial statements, ensuring their proper presentation and compliance with the applicable accounting standards.
- Assessing the material risks facing the Company—including financial, operational, and legal risks—and reviewing the policies and procedures adopted for managing such risks, as well as evaluating their effectiveness.
- Recommending the appointment of an external auditor for the Internal Audit function and monitoring the implementation of previous recommendations and corrective actions, with emphasis on addressing high-risk observations without delay.
- Discussing executive management's recommendations regarding the selection of the external auditor, with a focus on professional competence, independence, avoidance of conflicts of interest, and quality of performance.
- Reviewing contracts related to internal audit activities and the external auditor, including the audit fees for the fiscal year 2025, and ensuring their alignment with the scope and quality of work.
- Confirming that no conflicts arose between the decisions of the Board of Directors and the recommendations of the Audit Committee or the external auditor, and that the Board did not reject any recommendation issued by the Committee during the year.

Sixth: Audit Committee Opinion on the Adequacy of Internal Control, Financial Control, and Risk Management Systems

The Audit Committee believes that internal control systems—regardless of how well they are designed or how precisely their procedures are implemented—cannot provide absolute assurance of complete effectiveness. However, they do offer a reasonable level of assurance regarding the soundness and effectiveness of the control environment applied within the Company. This opinion is based on the Committee's reviews and procedures carried out during the year, as well as its examination of internal and external audit reports and risk management reports.



Mr. Hani bin Mohammed Al Hashmi

Member

Mr. Abdullah bin Mohammed Al-Hamdān

Member

Mr. Raed bin Mohammed Al-Naeem

Committee Chair

Mr. Saud bin Mualla Al Otaibi

Committee Secretary