



الشركة الوطنية للرعاية الطبية  
National Medical Care Co.

# Annual Report



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### Message from the Chairman

The National Medical Care Company (CARE) has witnessed rapid growth in all the Company's activities. Such growth has been clearly shown throughout the Company's financial performance as well as all in the events the Company went through during 2021. Despite the fact that 2021 was burdensome for the whole world due to the Corona pandemic as well as its consequences at all levels and sectors, the Kingdom has proven its ability to face the repercussions of the pandemic, as it managed to take health and economic measures aimed primarily at protecting the health of its citizens by reducing the spread of the epidemic and by providing treatment for the infected.

Local economic policies are already bearing fruit. Such will be evident through various development projects carried out within the framework of the Kingdom's Vision, which typifies a powerful push for the economy in general and for the healthcare sector in particular in a manner that translates the objectives of the Kingdom's Vision 2030. The integrated approach adopted by government bodies has greatly contributed to enabling the healthcare system to provide the care necessary and to increase the opportunities of private sector investments in the field of healthcare. Thus, such a step has helped increase the efficiency of operations and leveled up comprehensive standards in patient services. It is expected that the healthcare industry in the Kingdom will develop in light of population growth and the increase of modern diseases amongst the elderly as well as the youth.

The National Medical Care Company (CARE) seeks to fulfill its vision and future objectives so that it achieves pioneership in the field of medical care via the diversification its activities in various medical services and medical support services. Moreover, our Company continues the efforts it exerts to pursue and realize the aspirations of its shareholders and to press on with its journey in the direction of constant successes thanks to Allah the Almighty as well as to the efforts exerted by the medical and the administrative teams, who spare no effort in serving customers and working to develop and improve the services provided. In wrapping up, I would like to extend my gratitude to our shareholders for the confidence they have placed in the Board of Directors; and I wish the Company more progress and success.

To conclude, the members of the Board of Directors of the National Medical Care Company (CARE) are delighted to extend their sincere gratitude and appreciation to all of those, who contributed to supporting and realizing the objectives of the Company as well as to those who have sought to develop it, including employees, doctors, suppliers, shareholders, customers, banks and government bodies. The members of the Board hope that the fiscal year 2022 will be full of achievements and successes.

**Saad Abdulmohsen Al Fadhli**  
**Chairman**

## Message from the CEO

At an accelerated pace, the National Medical Care Company (CARE) continues its uncompromising endeavor to contribute to the achievement of the Kingdom's Vision 2030. Hence, we were keen to make sure that 2021 would be a more dynamic and active year. Praise be to Allah; this has been clearly revealed through the Company's performance indicators as well as its financial activity during 2021.

At the National Medical Care Company (CARE), we do observe the remarkable progress in the medical care sector within the Kingdom of Saudi Arabia, which represents one of the performance indicators to achieve the Kingdom's Vision 2030, aiming at making a qualitative shift in the development of the health system, improving the quality of health services, expanding the base of beneficiaries of the health insurance system and developing as well as activating the legislative system which spurs more investments within the private sector regarding health services. Therefore, it is clear that the private sector has begun to obtain a larger share of the healthcare sector and is ready to start playing its role and bearing its responsibilities to become the strategic and complementary partner of the public sector, which together will provide the best medical services. In its vision for the healthcare sector in the Kingdom of Saudi Arabia, the National Medical Care Company (CARE) still relies on its firm conviction that this sector is promising; especially as it is considered as one of the largest healthcare sectors in the Middle East region. In addition, it includes attractive and growth factors for years to come, supported by the Kingdom's Vision 2030. The Company's management agrees with many partners and researchers, that the private sector must continue investing in the healthcare sector.

Praise be to Allah; and due to the efforts exerted by the Board of Directors and the Executive Management as well as by all the employees of the Company, including the medical and non-medical cadres, the Company has achieved the growth and development noted in the results reviewed in this report for the fiscal year ending on 31/12/2021, where the Company has sought to take all the financial and administrative measures required to reduce operating costs and to expand and develop business. The Company and its affiliated units will continue to grow, prosper and progress towards achieving its set of objectives.

**Dr. Abdulaziz Saleh Al Obaid**  
**CEO**

## Introduction

2021; another year passed, where the National Medical Care Company (CARE) has witnessed many achievements, challenges and opportunities. 2021; another year passed, where the National Medical Care Company (CARE) has managed to wrap up the year having gained a clear and positive orientation that leads towards more successes in the future. 2021 has witnessed many achievements and developments in various sectors of business. It has also witnessed many factors and changes, the most important of which are changes and reforms, the Corona pandemic and the consequent losses incurred by the global economy in general and the health sector in particular. This has placed some pressure on the profits of the service sectors, foremost of which is the health sector. Accordingly, the National Health Care Company (Care) has worked hard to overcome the difficulties of this phase and to turn the challenges into new opportunities. Examining such factors, we found that in order to derive the maximum value from such opportunities requires focusing on our ambitious plans, which began to be realized during the past year. Our plans were developed to support the directions of the National Health Care Company (Care) in achieving leadership and increasing its contribution to the provision of healthcare services in the Kingdom, as we spare no effort to live up to the trust in us shown by customers as well as to fulfill the increasing demand for our high-quality health services.

## About the company

The National Medical Care Company was established back in 2003 as a closed joint stock company, owned by the General Organization for Social Insurance (GOSI) and a group of shareholders. In 2013, it was transformed into a public joint stock company registered in the Saudi Stock Exchange (Tadawul). Currently, the Company owns the Riyadh Care Hospital (formerly known as the Social Insurance Hospital, established back in 1990) and the National Care Hospital (established in 1966).

The Company's current key activities are; to establish, to own and to equip hospitals, healthcare centers and units and to manage, to maintain and to operate such, to provide health services in all fields, to provide services and works that may cooperate in achieving its purposes or be complementary to them and to own land and real estate for the interest of the Company.



## Highlights of the year 2021 AD: Achievements of the National Care Hospital and the Riyadh Care Hospital:

Medical achievements and accomplishment of KPIs for CARE Hospitals:

The increase of the annual patient satisfaction rate from 72% to 81%

The increase of the patient experience satisfaction rate to 84%

The increase of the annual employee satisfaction rate from 80% to 82%

The significant reduction of waiting time in outpatient clinics and pharmacy thanks to the efforts exerted by the patient services administration at CARE hospitals.

The performance of more than 25,000 novel coronavirus (PCR) tests during the year.

The reduction of outpatient attendance from 27% to 15%; especially at the dental clinic of the Riyadh Care Hospital, where the rate was reduced from 35% to 15%, which helped to achieve higher revenues and improved the patient experience.

The increase of the follow-ups at the gynaecological and obstetric clinic. The increase of births by 150 births per month.

The increase of surgeries performed by 36% during the 2021 AD,

The increase of outpatient visits by 31%. The increase of emergency visits during 2021 AD.

The increase of emergency visits by 26% during 2021 AD.

International and local accreditations:

The National Care Hospital has been granted:

The renewal of the accreditation of the College of American Pathologists (CAP) for the second time.

The accreditation of the Association for Advancement of Blood & Biotherapies (AABB)

The accreditation of the Food and Drug Authority for the Blood Bank.

The renewal of the accreditation of the Saudi Central Board for Accreditation of Health-care Institutions (CBAHI) for the fourth time.

The accreditation of Weqaya for the performance of the novel coronavirus test (PCR)

The Riyadh Care Hospital has been granted:

The accreditation of the College of American Pathologists (CAP).

The accreditation of the Association for Advancement of Blood & Biotherapies (AABB)

The renewal of the Joint Commission International Accreditation of Health Facilities (JCIA) for the fifth time.

The accreditation of Weqaya for the performance of the novel coronavirus test (PCR)

For the past year, CARE hospitals have carried out numerous activities with the purpose of enhancing the marketing and media plan for CARE through:

Signing a contract with the "SANAR" application, which aims at providing electronic medical services including telecare, communicative medicine as well as home care services.

Signing a cooperation agreement by and between the Saudi Al Fayhaa Club and the Riyadh Care Hospital aiming at providing medical services to the concerned authorities in exchange for marketing and information services for CARE hospitals.

Targeting many companies and sports clubs that contribute to marketing for CARE and providing such with discounts on medical services that are not covered by insurance: Bank Albilad - Al Faisaly Club – Al Shoulla Club – Al Diraiyah Club – Al Mahmal Club

CARE hospitals have continuously developed and improved their facilities. Several projects have been accomplished including:

The installation of an MRI device at Riyadh Care Hospital to improve and develop the service provided.

The opening of the Ophthalmology and Lasik Surgery Unit at Riyadh Care Hospital.

The project targeting the renovation of the Gynecology and Obstetrics clinics at Riyadh Care Hospital, which was opened back in March 2021 AD.

The project targeting the construction of the Orthopaedic and Rehabilitation Center at Riyadh Care Hospital, which was opened back in April 2021 AD.

The project targeting the development and renovation of the emergency building at Riyadh Care Hospital, which was opened back in November 2021 AD.

The establishment of the Rehabilitation and Physical Medicine Centre (accredited by the Ministry of Health) as well as the Cardiology Centre at the National Care Hospital.

Driven by the significance of community engagement and health promotion within the Saudi society, CARE hospitals have contributed to the provision of medical services as well as to health development as follows:

The signing of an agreement by and between the Children with Disability Association and Riyadh Care Hospital which aims at referring children of the Association, who need rehabilitation services (for those over 12 years of age) and those who are not accepted in the Association to the second party and providing them with rehabilitation services in addition to splints and prostheses.

The signing of a cooperation agreement by and between the Botoury Association for Prosthetics and Rehabilitation Services and Riyadh Care Hospital, which aims at providing all medical and therapeutic services to the beneficiaries of the Botoury Association at a reduced cost of treatment.

The opening of the novel coronavirus (COVID-19) Vaccination Center through which more than 5,000 doses were given.

The establishment of a ward for CARE hospitals at the Granada Mall as a part of the educational program for Orthopedics and Physiotherapy. The event, which lasted for three days, included free consultations with orthopedists and physiotherapists.

The holding of an event for the World Diabetes Day at the headquarters of the Saudi Telecom Company (STC). The event included free examinations for the Company' staff in addition to other medical consultations.

The visit made to the Children with Disability Association and the participation in the International Day of Persons with Disabilities (IDPD). The visit included the provision of awareness lectures as well as physical and educational activities that contributed to spreading fun and increasing awareness in the attendees; especially children.

### **The highlights of the year: Achievements of the IT Department:**

The installation of a new version of the WEB EMR to dispose of hard copies and create electronic forms.

The addition of the Doctor Portal service to CARE's external site that enables doctors to access patient records from anywhere, at any time.

The launch of the new CARE website, where appointments can be booked, the Doctor Portal can be accessed and test results, like lab and PCR results, can be obtained. The promotions of CARE employees can also be controlled through the same website.

The expansion of the use of barcodes in the shipping areas of the wards. All stores have also been linked to their departments.

The performance of actual count for all sub shops in wards and sections, using data collection devices.

The application of the advanced dashboard at the hospital level to estimate the waiting time in each clinic and the hospital in general.

The improvement of mobile apps for patients and doctors to use.

Replacing the old e-mail exchange infrastructure with new technical devices.

The expansion of the current server environment.

The continuous fulfillment of cybersecurity requirements.

The launch of the Care Food App; a solution for serving food through digital assistants (APD).

The full integration with Nafis for eligibility and pre-authorization. It is a key portal for the healthcare insurance provider to approve or reject patient medical services systems.

The launch of the mobile application for employees, which includes all employees' information.

The integration between Vezeeta and the private web services system in a secure way that allows users to book their appointments.

The launch of the information technology services awareness program for all users by using e-mails and a few text messages.

The implementation of "drug versus medicine" event

The automation of MR Care HR service, which provides multiple services to human resources.

### Highlights of the year

2021 was a year packed with numerous substantial events and decisions made by the Company, which it was keen to inform its shareholders of and to make available to everyone at the same time without discrimination, through its announcement posted to the official website of the Saudi Stock Exchange (Tadawul), the most prominent of which were as follows:

NO.	Date	Event
1	03/01/2021AD	The National Medical Care Company (CARE) announces the latest developments of the contract concluded with the General Organization for Social Insurance (GOSI)
2	11/03/2021AD	The National Medical Care Company (CARE) announces the signing of a contract with Tabrak Najd Contracting Company
3	28/03/2021AD	The National Medical Care Company (CARE) announces the distribution of cash dividends to shareholders for 2020 AD
4	02/05/2021AD	The National Medical Care Company (CARE) invites its shareholders to attend the Ordinary General Assembly Meeting (first meeting) through means of modern technology
5	19/05/2021AD	The National Medical Care Company (CARE) announces the initial financial outcomes for the period ended 31/3/2021
6	23/05/2021AD	The National Medical Care Company (CARE) announces the commencement of electronic voting over the agenda items of the Ordinary General Assembly Meeting (first meeting) through means of modern technology
7	26/05/2021AD	The National Medical Care Company (CARE) announces the electronic voting over the agenda items of the Ordinary General Assembly Meeting (first meeting) (reminder)
8	30/05/2021AD	The National Medical Care Company (CARE) announces the results of the Ordinary General Assembly Meeting (first meeting)
9	10/06/2021AD	The National Medical Care Company (CARE) announces the date and mechanism of distributing cash dividends to shareholders for 2020
10	11/07/2021AD	The National Medical Care Company (CARE) announces the change of a member of its Board of Directors from the representatives of the Saudi Medical Care Group (SMG)
11	11/08/2021AD	The National Medical Care Company (CARE) announces the initial financial results for the period ended 30/6/2021
12	10/10/2021AD	The National Medical Care Company (CARE) announces the latest developments of its contract concluded with Tabrak Najd Contracting Company
13	02/11/2021AD	The National Medical Care Company (CARE) announces the initial financial results for the period ended 30/9/2021



### **Social responsibility of the National Medical Care Company (CARE)**

The company seeks to contribute to serving the community and assisting in the process of its social development, environmental conservation, charity works and improving communication with the Company's stakeholders, as the Company realizes the significance of protecting all its human, financial, physical, information, social and environmental assets.

The development works in the various fields covered by the Company, as represented by the technical progress that serves the Company's clients in CARE hospitals, have never stopped. Such development has significantly contributed to the provision of advanced services to increase the diversity of such services and to level up patients' satisfaction in order to improve patients' experience and to activate works under social responsibility services, where the Board of Directors sets programs and identifies the means necessary to present the Company's initiatives in the field of social work, namely:

- The approval of the Covid-19 Vaccination Center by the Ministry of Health.
- The signing of an agreement with the Children with Disability Association for Physiotherapy and Rehabilitation Services.
- Signing of an agreement with Botoury Association for Prosthetics and Rehabilitation Services.
- The organizing of a three-day social activity in Granada Mall for physiotherapy and rehabilitation services by CARE hospitals.
- The visit made to the head office of STC and the celebration of the World Diabetes Day.
- The visit made to the Children with Disability Association for Physiotherapy and Rehabilitation Services and the participation in the International Day of Persons with Disabilities.



# Financial performance

## Historical growth of key financial indicators during a period of five years

### Activity of Company

The table below shows the impact of each activity on the Company's business scale and its contribution to the results:

Activity	Activity Revenue	Ratio
Establishing, owning and equipping hospitals	845,380,520	100%
Distribution of medicines	0	0%
Maintain ace and operation	0	0%
Total	845,380,520	100%

The tables below show a summary of the Company's assets, liabilities and business results achieved during the last five fiscal years:

### Comparing business results

Statement	2021 AD	2020 AD	2019 AD	2018 AD	2017 AD
Revenues	845,380,520	808,953,117	708,393,995	763,804,127	855,083,581
Costs of Revenue	598,911,021	585,072,241	542,738,344	597,294,006	659,681,172
Gross profit	246,469,499	223,880,876	165,655,651	166,510,121	195,402,409
Net profit	136,356,673	97,269,000	80,089,715	62,182,388	85,296,444

### Comparing assets to liabilities

Statement	2021 AD	2020 AD	2019 AD	2018 AD	2017 AD
Current assets	1,068,776,584	932,697,916	818,110,787	795,778,510	772,390,742
Non-current assets	490,644,186	499,928,398	538,133,788	596,634,099	652,744,863
Total assets	1,559,420,770	1,432,626,314	1,356,244,575	1,392,412,609	1,425,135,605
Current liabilities	254,427,309	213,876,985	143,130,583	167,543,642	187,360,019
Non-current liabilities	180,718,883	181,800,398	180,223,458	228,004,305	252,150,905
Total liabilities	435,146,192	395,677,383	323,354,041	395,547,947	439,510,924

For more information regarding the financial results, please visit the approved financial statements posted to the Company's page on Tadawul.

### Substantial changes in operational results as compared to previous year's results or any forecast announced by the Company

The increase in the operating profits and the net profit during the current year as compared to the previous one is mainly due to the increase in revenues, the decrease in cost compared to revenues and the decrease in the cost of sales and marketing expenses due to the decrease in allocations from those taken during 2020 against the old dues from government bodies.

Statement	2021 AD	2020 AD	Change (+) or (-)	Change ratio
Revenues	845,380,520	808,953,117	36,427,403	5%
Cost of revenue	598,911,021	585,072,241	13,838,780	2%
Selling and marketing expenses	11,983,783	42,359,708	-30,375,925	-72%
General and administrative expenses	79,201,012	67,408,460	11,792,552	17%
Operating (loss) profit	155,284,704	114,112,708	41,171,996	36%
Other revenues (expenses)	9,116,967	9,184,230	-67,263	-1%
Net profit (loss) for the year before taking out Zakat (Alms tax)	164,401,671	123,296,938	41,104,733	33%
Expenses of Zakat (Alms tax)	28,044,998	26,027,938	2,017,060	8%
Net profit (loss) for the year	136,356,673	97,269,000	39,087,673	40%

### Geographical analysis of the total revenues of the Company and its subsidiaries

During the current year, the revenues of the Company amounted to (SAR 845,380,520), all collected from within the city of Riyadh - the Kingdom of Saudi Arabia. The table below shows the Company's revenues from its affiliated units:

Year	Geographical analysis of the Company's total revenues				
	Riyadh Care Hospital	National Care Hospital	Family Care Hospital	Care Unit for Medicines Distribution	Total
2021 AD	440,476,751	404,921,981	(18,212)	-	845,380,520

### Loans granted to the Company and total debt

The following table shows, in detail, all outstanding loans:

NO.	Loan grantor	Principal loan	Term of loan	Amounts paid in repayment of loan during the year	The remaining amount of the loan
1	The Ministry of Finance - Current portion of the long-term loan	118,843,835	25 years	5,942,174	5,942,174
2	The Ministry of Finance - Long-term loan			-	83,190,440
	Total loan	118,843,835	Total remaining loan		89,132,614

The Company has no due loans except those indicated in the table above. The Company has obtained such loans to support the construction and equipping of the additional building of the National Care Hospital, in addition to the restoration of the old National Care Hospital.

### Made and due Statutory payments

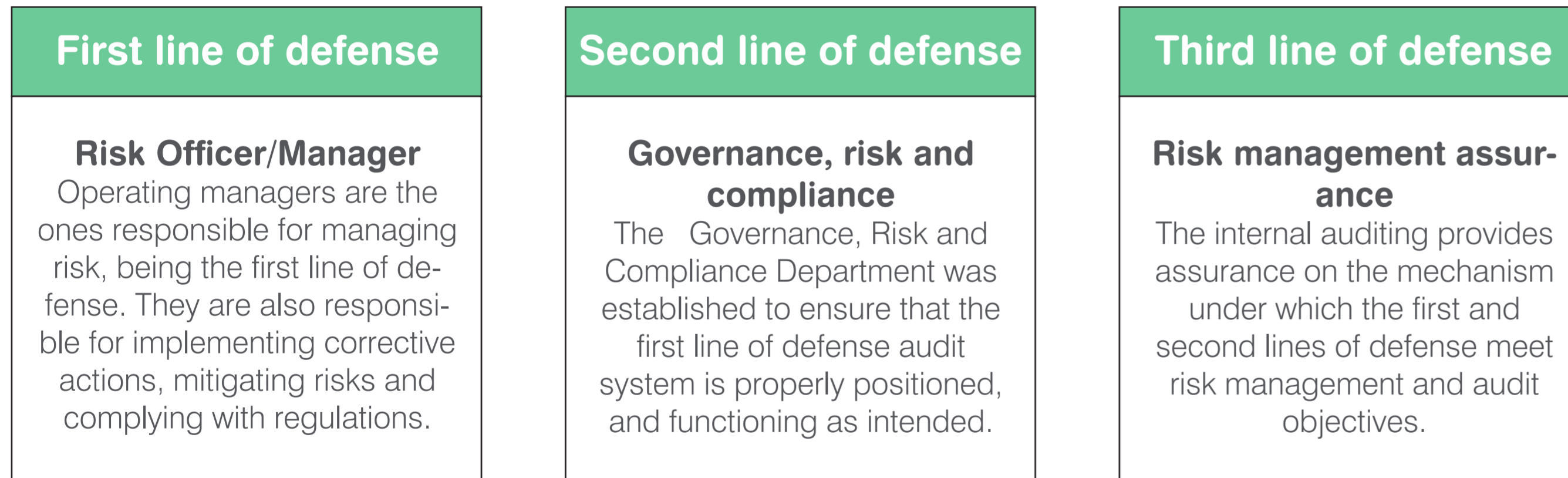
The following are the statutory payments made during the fiscal year ended 31/12/2021:

Statement	2021 AD		Brief description	Description of grounds
	Paid	Outstanding and unpaid as at the end of the annual fiscal period		
Zakat (Alms tax)	11,923,689	28,044,988	Zakat (Alms tax) allocation for 2021 AD	To be paid after the submission of the Zakat return
TAX	93,858,161	8,266,119	Value-Added Tax (VAT)	December dues shall be paid in January of the following year
The General Organization of Social Insurance (GOSI)	18,715,800	1,565,514	The payment made to the General Organization for Social Insurance	December dues shall be paid in January of the following year
Costs of visas and passports	2,198,913	-	Costs of employees' visas and passports	The requirements and procedures applied according to the regulations applicable in the Kingdom of Saudi Arabia
Labor Office fees	12,918,383	-	Payments of other government bodies- Labor Office	Fees payable according to the Labor Law

# Risk management

Risk management includes the management of risks and opportunities that affect the organizational strategies applied to achieve the Company's objectives. In the course of its activities, the National Medical Care Company (CARE) may face any possible and uncertain event that would threaten its ability to achieve the objectives which have been set.

## Three lines of defense in the Company



Healthcare risks	
o Risks of medical errors	Medical errors may occur as a result of the complex nature of the case or treatment. In accordance with Article (41) of the Law of Practicing Healthcare Professions, all physicians and dentists working in CARE hospitals are obliged to be covered by the cooperative insurance against medical professional errors.
o Attracting medical cadres	The failure to recruit highly skilled health practitioners is one of the risks that hospitals may face, therefore CARE is keen to attract qualified medical staff and is able to provide special care to patients, motivate them and maintain them.
o Evolution in Medical Technologies and Devices	The failure to use modern technology to improve the medical services provided may adversely affect prevention, diagnosis and treatment, therefore CARE is keen to provide the latest medical devices to keep pace with the continuous development of technology.
Business risks	
o Operating risks	Risks arising from inadequate or failed internal procedures, human resources, external systems and events that may affect the Company's operations. Operational risks are managed through internal working procedures and follow-up mechanisms.
o Reporting risks	Risks arising from the breach of the credibility, integrity and accuracy of financial and non-financial reports, which adversely affect the credibility and transparency laid down in the requirements of the regulatory authorities, best practice in relation to which the Company is keen to follow. For example, the Board of Directors of the Company has adopted a disclosure policy that aims at regulating the information disclosure mechanism (financial and non-financial), which is deemed a basic right of investors.
o Compliance risks	Risks arising from violation of the laws, regulations and practices as stipulated as well as of the internal policies and procedures applicable; or the failure to comply with them. The Company, through the Compliance Department, verifies the non-violation of the laws and instructions related to the Company's activity.
o Credit risks	Risks arising from the failure of a party to meet its obligations in a manner that may lead to the Company incurring financial losses. Credit risks are not deemed to be risks with significant effects for the Company, as the Company's key customers are local entities that are contracted with after carrying out all the studies that guarantee the financial and non-financial rights of parties.
o Liquidity risks	Risks arising when the Company experiences difficulties while obtaining the funds necessary to meet the liabilities associated with financial instruments. Such risks are managed through the Company's plans set for its cash needs, and through a periodic monitoring of its position of liquidity.

## Enterprise risk management

Enterprise risk management” is the culture, capabilities and practices integrated with strategy and implementation, on which enterprises rely to manage risk.



- The enterprise risk management framework focuses on the need for risk management in strategic planning and its integration throughout the enterprise; because risks affect strategy and performance, and their alignment across all departments and posts. The enterprise risk management framework consists of five interrelated components that are necessary to ensure improved performance:

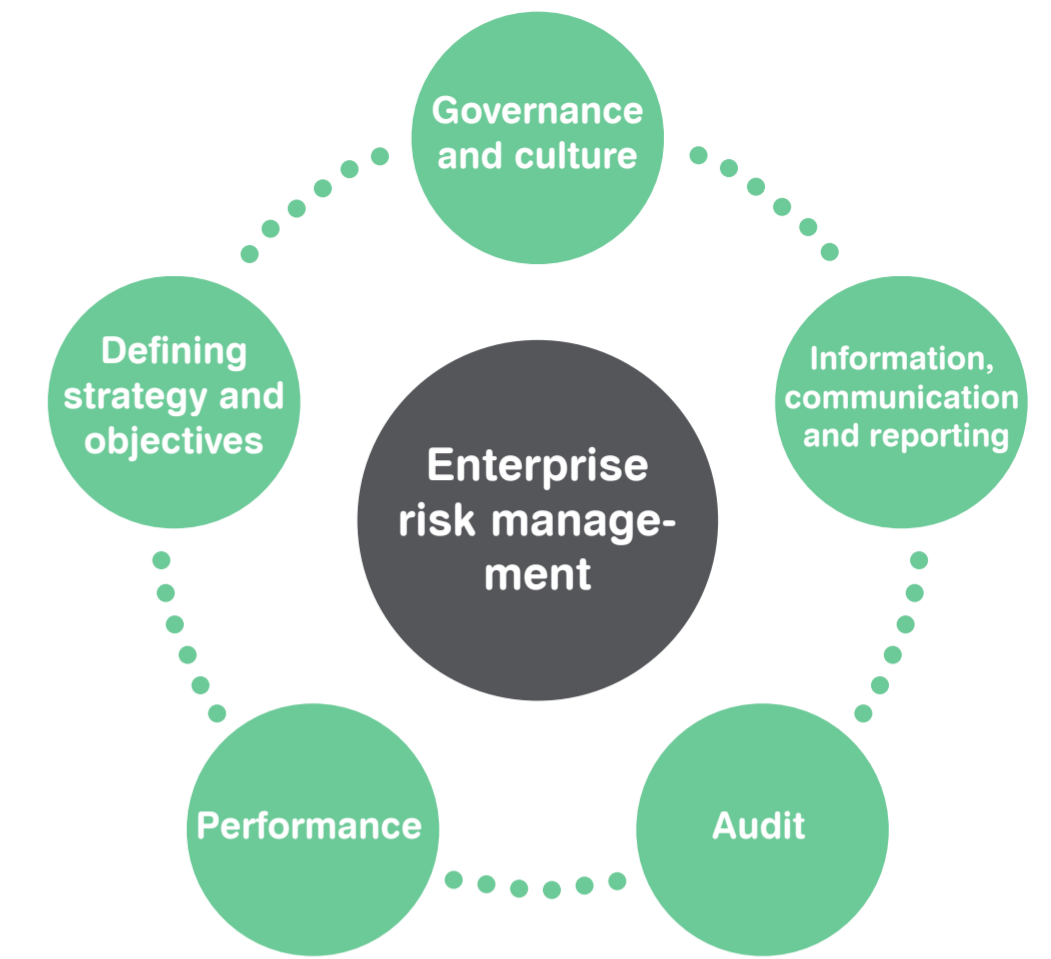
1) Governance and culture: Governance determines the way an enterprise works. It also establishes control responsibilities to manage the risks of the enterprise and enhances its relevance. As for culture, it is associated with ethical values, desired behaviors and the understanding of risks within the enterprise.

2) Defining strategy and objectives: Enterprise risk management and strategy work together in the process of the setting of objectives and strategic planning. Risk tolerance is defined and aligned with strategy, while the strategic business objectives are put in place to act as a basis for identifying and assessing risks as well as the mechanism required to respond to them.

3) Performance Risks that may affect the achievement of the enterprise strategy and objectives should be identified and assessed. Risks are prioritized as per their severity in the context of risk appetite. Then, a way to respond to such risks is determined. The results of such process are communicated to key risk stakeholders.

4) Auditing: By auditing the entity's performance, the enterprise can consider how substantially the ERM components are performing over time in the light of substantive changes and periodic audits.

5) Information, communication and reporting: The ERM process is an ongoing process that is carried out to obtain the information necessary from both internal and external sources that flow through the enterprise.



Enterprise risk management process  
The National Medical Care Company (CARE) has developed the ERM process to identify, manage and control its risks. The process consists of six interrelated components:



## Governance

Based on its conviction that valid governance is one of the basic tools for the development of shareholders' wealth in the long run, and seeking to adhere to the best practices of governance and disclosure, the Company has created a special department for governance, risk and compliance to undertake all tasks related to the Company's and its Board of Directors' governance. Such department shall also be responsible for the management of shareholders' affairs, questions and remarks. The Company also has governance regulations and policies for the Company and its affiliated units. These regulations aim at establishing regulating rules and standards in order to ensure the protection of shareholders' and stakeholders' rights as well as the adherence to best governance practices. Such regulations and policies are binding on the members of the Board of Directors, Executive Management and employees of the Company.

### **Formation of Board of Directors (BoD) and Executive Management**

#### **First: The Board of Directors (BoD):**

The Board of Directors of the Company consists of nine members, whose session began back on 15/09/2019, and remains valid for a period of three years. The table below shows a brief summary for them, as well as for the independent members:





**1. Mr. Saad bin Abdulmohsen Al Fadhli**  
**Chairman - Non-Executive**

#### **Qualifications**

- Master of Finance Economics, obtained from Boston University.
- Bachelor of Accounting, obtained from King Saud University.

#### **Current position and memberships**

- CEO - Hassana Investment Company.
- Member of Board of Directors - The Saudi British Bank (SABB).
- Member of Board of Directors - Almarai Company.
- Member of the Board of Directors of GEMS KSA Education
- Chairman - Maarif Education.

#### **Previous posts and memberships**

- Chief of Staff and Senior Manager for Central and Eastern Region - Al Ahli Capital (SNB Capital).
- Vice President - Morgan Stanley.
- Investment Department - The Saudi Arabian Monetary Agency (SAMA).

#### **Experiences**

More than 20 years' experience in investment management and banking services in a number of financial and regulatory institutions.



**2. Mr. Michael Davis**  
**Vice Chairman- Non-Executive**

#### **Qualifications**

- Bachelor of Nursing Science, obtained from McNeese State University.
- Master of Healthcare Management, obtained from TWU Health Sciences, Houston

#### **Current position and memberships**

- CEO - NMC Healthcare.
- Member of Board of Directors - AL-Qadi Specialist Hospital.

#### **Previous posts and memberships**

- CEO - The Profita World Medical Center.
- Chief Market Officer - Kindred Healthcare.
- Triumph Healthcare.

#### **Experiences**

More than 31 years' experience in healthcare for executive operations of hospitals.





**3. Mr. Faraj Al-Qabbani**  
**Member of board of directors - Non-Executive**

*\*Membership commenced on 13/07/2021*

#### **Qualifications**

- Master of Accounting with a rigorous specialization in Management Information Systems (Excellent Grade with Honors), obtained from the University of Denver, Denver, Colorado, United States of America.
- Bachelor of Science in Accounting, obtained from King Saud University, Riyadh, Saudi Arabia CME-1

#### **Current position and memberships**

- CEO In-charge - The Saudi Medical Care Group (SMCG).
- Chairman of all subsidiaries of the Saudi Medical Care Group (SMCG).
- Member of the Audit Committee - Watheer Real Estate Company.
- Member of the Executive Committee - The National Medical Care Company (CARE).

#### **Previous posts and memberships**

- Chief Strategy Officer - The Saudi Medical Care Group (SMCG).
- Acting Head of Operations - The Saudi Medical Care Group (SMCG).
- Head of the Executive Office - The Ministry of Human Resources and Social Development.
- Head of Operations (Finance Department - Business Technology - Operations and Support Services) - Riyadh Capital.
- Director of Finance and Administration - Riyadh Holding.
- Director of Finance and Administration - Harf for Information Technology Company.

#### **Experiences**

- Extensive experience in management, finance, operations and information technology.



**4. Ms. Mai bint Muhammad Al Hoshan**  
**Member of Board of Directors - Independent**

#### **Qualifications**

- Bachelor of Business Administration, obtained from Boston University.
- Master of Engineering Management, obtained from George Washington University.

#### **Current position and memberships**

- Head of Human Resources - Banque Saudi Fransi.**Previous posts and memberships**
- Head of Human Resources Department - Al Ahli Capital (SNB) Capital.
- Director-General of Human Resources - Alawwal Bank.
- Co-Director of Leadership and Development - The National Commercial Bank.

#### **Experiences**

Extended expertise in the field of Human Resources.



**5. Mr. Bashar bin Abdulaziz Aba Al Khail**  
**Member of Board of Directors - Independent**

#### **Qualifications**

- Bachelor of Financial Management, obtained from King Saud University
- Master of Business Administration, obtained from Cass Business School.

#### **Current position and memberships**

- Chairman of the Nominations Committee - The National Medical Care Company (CARE).
- Founder and Chairman of Yasmina Information Technology (InsureTech)
- Member of the Board of Directors of the Saudi Paper Industry Group and Chairman of the Audit Committee.
- Member of the Board of Directors of the Food Development Company

#### **Previous posts and memberships**

- Bank Supervisor - Banking Inspection Department - The Saudi Arabian Monetary Agency (SAMA).
- Insurance Supervisor and Director of Insurance Sector Inspection - The Saudi Arabian Monetary Agency (SAMA)
- Head of Strategy and Business Development at Al Sagr Cooperative Insurance Company.
- Chief Executive Officer of Al-Sagr Cooperative Insurance Company

#### **Experiences**

Experience in the field of strategy, finance, insurance, governance and compliance, as well as oversight of financial institutions and international relations.



**6. Mr. Badr Bin Fahd Al-Athel**  
**Member of board of directors - Non-Executive**

#### **Qualifications**

- Bachelor of Business Administration, obtained from the University of Portland.

#### **Current position and memberships**

- Chairman and CEO - FAL Holdings Arabia Co.
- Member of the Executive Committee, Nominations Committee and Investment Committee - Falcom Financial Services.
- Member of Board of Directors of: AlAmthal Financing company - Fal Arab Holding Group - Al-Bilad Catalyst Company Limited - Arab Center for Special Medicine and Surgery Company - Detecon Al Saudia - Albilad Concrete Pipes Co. Ltd. - Saudi Gulf Company - FAL Insurance Broker Co. - Al Kader Al Arabi Business Development Company.
- Member of the Executive Committee, the Strategic Planning Committee and the Audit Committee of Falcom Holding Co.
- Member of the Executive Committee of the Warehouses and Support Services Company.
- Member of the Nominations Committee of the Industrialization & Energy Services Co.

#### **Previous posts and memberships**

- Senior Vice Chairman and Deputy CEO - FAL Holdings Arabia Ltd.
- Executive Director - Arabian Medical Hospital Supply Company Ltd.
- Banking Investment Services - Falcom Financial Services.
- Triumph Healthcare.

#### **Experiences**

Experience in banking, financial and corporate management consulting.



**7. Mr. Sami bin Sulaiman Al Khashan**  
Member of Board of Directors - Independent

#### **Qualifications**

- Bachelor of Accounting, obtained from King Fahd University of Petroleum and Minerals.

#### **Current position and memberships**

- Head of Technical Affairs - Prime Risks for Insurance Brokers.

#### **Previous posts and memberships**

- Eastern Regional Director - Saudi Arabian Cooperative Insurance Company (SAICO).
- Auditor/Senior Consultant - PwC.
- Compliance Manager - Samba Financial Group.
- Head of Risk Management and compliance Department - Malath cooperative Insurance
- Chief Internal Auditor - Amana Cooperative Insurance.
- Chief Internal Auditor - Saudi cooperative Insurance Company

#### **Experiences**

Variety of financial and auditing expertise.



**8. Eng. Mashhour bin Muhammad Al Obeikan**  
Member of Board of Directors - Independent

#### **Qualifications**

- Bachelor of Industrial Engineering, obtained from King Saud University.

#### **Current position and memberships**

- CEO Prime Unit Holding Co.
- Member of the board of directors - Prime Unit Holding Co.
- Member of the board of directors- Aldoliaa Investment Co.
- Member of the board of directors - AIRajhi Co. for HRD

#### **Previous posts and memberships**

- Marketing Officer - Bank Al Jazeera.
- Corporate Banking Credit Manager - Riyadh Bank.
- Head of Finance and Administration - Akwaan Real Estate Company.
- Director-General of the Treasury - The Human Resources Development Fund
- CEO - Hadaf for Business Services.
- Member of the Board of Directors -The International Real Estate Investment Company.
- Member of the Audit Committee - The National Factory for Glass Bottles - (NFGB) - Zoujaj.
- Chairman - Baseel Real Estate Company.
- Member of the Board of Directors - Hadaf for Business Services Company.

#### **Experiences**

Various experiences in finance and corporate management.



**9. Mr. Ahmed bin Wazaa Al Qahtani**  
**Member of board of directors - Non-Executive**

#### **Qualifications**

- Bachelor of Finance, obtained from King Fahd University of Petroleum and Minerals.

#### **Current position and memberships**

- Chief Investment officer, local Markets - Hassana Investment Company.
- Member of the Board of Directors of GEMS KSA Education
- Member of the Board of Directors of Maarif Education Ltd.
- Member of the Board of Directors of SMCG.
- Chairman - Jawda Integrated Real Estate.

#### **Previous posts and memberships**

- Senior Portfolio Manager - HSBC Saudi Arabia.
- Investment Analyst - Al Ahli Capital (SNB Capital).
- Member of the Board of Directors of Jabal Omar Development Company.
- Member of the Board of Directors of National Arab Bank.

#### **Experiences**

Various experiences in the field of investments.



**10. Mr. Abdul Mohsen Al Ashry**  
**Member of board of directors - Non-Executive**

*\*Membership ended on 13/07/2021*

#### **Qualifications**

- Bachelor of Business Administration, obtained from King Abdulaziz University.
- Postgraduate Diploma - Executive Management, obtained from Harvard.

#### **Current position and memberships**

- Member of Board of Directors - Elixir Medical Company

#### **Previous posts and memberships**

- Assistant Secretary-General for Financial and Administrative Affairs - Council of Health Insurance.
- Chief Operating Officer - Medical City at King Saud University.
- Executive Director of Internal Audit and Development of Organizational Performance - Health Affairs of the National Guard.
- CEO - The Saudi Medical Care Group (SMG).
- Chairman - Al Salam Health Medical Hospital.
- Member of Board of Directors - AL-Qadi Specialist Hospital.

#### **Experiences**

Executive Director with more than 30 years of experience in leading the best health-care institutions within the Kingdom of Saudi Arabia.

## Executive Management



1. Dr. Abdulaziz bin Saleh Al-Obeid

### Qualifications

- Bachelor of Medicine and Surgery, obtained from King Saud University
- Master of Health Care Management.
- Specialized in Gynecologic oncology.
- Fellowship obtained from the Royal College of Physicians and Surgeons of Canada.
- Medical Fellowship obtained from the American Osteopathic Board of Obstetrics and Gynecology.

### Current position and memberships

- CEO - The Saudi Medical Care Group (SMG).

### Previous posts and memberships

- Chairman of the Nominations Committee - The National Medical Care Company (CARE).
- Consultant Gynecologic Oncologist - King Khalid University Hospital.
- Physician Assistant and member of several committees - King Saud University.
- Medical Director - Women Specialized Hospital - King Fahd Medical City.
- Executive Director of Medical Affairs - King Fahd Medical City.

### Experiences

More than 23 years' experience in the medical and administrative fields.



2. Mr. Jahanzib Ahmed Khan

### Qualifications

- Chartered Certified Accountant - The Institute of Chartered Accountants of Pakistan (ICAP)

### Current position and memberships

- CFO - The National Medical Care Company (CARE).

### Previous posts and memberships

- Regional Financial Controller - The Middle East Company (Pladis Global).
- Financial Controller - The National Biscuits & Confectionery CO. LTD.
- Senior Audit Manager - KPMG.
- Senior Director of Planning and Budget - Central Innovation Company (Pakistan).
- Deputy Audit Manager - KPMG (Pakistan).

### Experiences

Multiple experiences in auditing and financial auditing.



3. Eng. Ibrahim Abdullah Al Ammar

#### Qualifications

- Master of Finance Economics, obtained from Boston University.
- Bachelor of Accounting, obtained from King Saud University.

#### Current position and memberships

- Chief Information Technology Officer - The National Medical Care Company (CARE).

#### Previous posts and memberships

- Held numerous positions and established projects with STC Bahrain.

#### Experiences

22 years' experience in various areas of information technology .



4. Mr. Sharafuddin Madawi

#### Qualifications

- Certified Management Accountant Certificate (CMA).
- Certified Internal Auditor Certificate (CIA).
- Bachelor of Accounting and Financial Management, obtained from the University of Khartoum.

#### Current position and memberships

- Executive Director of Internal Audit - The National Medical Care Company (CARE).

#### Previous posts and memberships

- Executive Director of Internal Audit - Raysut Cement Company - Oman.
- Director of Internal Audit - Al Rajhi Bank.
- Head of Internal Audit - Qatar Fertiliser Company (QAFCO).
- Internal Audit Supervisor - Al Faisaliah Group.

#### Experiences

- More than 27 years of extended experience in the Internal Audit field.



5. Dr. Bader bin Saqr Al Otaibi

#### Qualifications

- Executive Master of Health Administration, obtained from University of Minnesota, USA
- Medical Simulation Fellowship, obtained from Harvard, Boston, USA
- Fellowship of Disaster Medicine, obtained from Harvard, Boston, USA
- Saudi Board of Emergency Medicine (SBEM), obtained from King Abdulaziz Medical City, Riyadh, Saudi Arabia.
- Bachelor of Medicine and Surgery, obtained from King Saud University, Riyadh, Saudi Arabia.

#### Current position and memberships

- Chief Medical Officer - The National Medical Care Company (CARE).
- Managing Director - Riyadh Care Hospital.

#### Previous posts and memberships

- Medical and Administrative Director - Riyadh Care Hospital.
- Director of Emergency Medicine Department - The Royal Commission Hospital.
- Director of the National Adult Emergency Program - The Ministry of Health - The Kingdom of Saudi Arabia.

#### Experiences

- Extended experience in the field of medical management and leadership.
- Many scientific courses in leadership and management, including:
  - Finance for Non-Financial Managers, obtained from Prince Mohammed bin Salman College of Executive Education.
  - Leadership strategies for developing healthcare executives, obtained from Harvard School of Public Health.



6. Dr. Turki bin Mohsen Al Harbi

#### Qualifications

- Bachelor of Medicine and Surgery, obtained from King Faisal University.
- Doctor of Medicine - Saudi Pediatric Board.
- Doctor of Medicine - Arab Pediatric Board.
- Doctor of Medicine - Jordanian Pediatric Board.
- Postdoctoral Degree in Pediatrics Emergency Medicine, obtained from University of Calgary, Canada.
- Postdoctoral Degree in Research, obtained from University of Calgary, Canada.
- Master of Business Administration, obtained from Asia Metropolitan University, Malaysia

#### Current position and memberships

- Director-General - The National Care Hospital.

#### Previous posts and memberships

- Director of Emergency Department - King Fahd Medical City.
- Director of Emergency Department - Prince Muhammad bin Abdulaziz Hospital.
- Head of the Scientific Council for Children's Emergency - The Saudi Commission for Health Specialties (SCFHS).
- Member of the Scientific Council for Emergency - The Saudi Commission for Health Specialties (SCFHS).

#### Experiences

More than 20 years of extended experience in the field of health management.

### Meetings of Board of Directors (BoD) and attendance record of its members

During 2021AD, the Board of Directors of the Company held four meetings. The table below shows the dates of the meetings and the attendance record of the members of the Board of Directors:

NO.	Name	07/03/20	09/06/20	11/08/20	12/12/20
		21 AD	21 AD	21AD	21AD
		1	2	3	4
1	Mr. Saad bin Abdulmohsen Al Fadhli	√	√	√	√
2	Mr. Michael Davis	√	√	X	√
3	Mr. Sami bin Sulaiman Al Khashan	√	√	√	√
4	Mr. Bashar bin Abdulaziz Aba Al Khail	√	√	√	√
5	Mr. Ahmed bin Wazaa Al Qahtani	√	X	√	√
6	Mr. Badr bin Fahad Al-Athel	√	X	√	√
7	Eng. Mashhour bin Muhammad Al Obeikan	√	√	√	√
8	Ms. Mai bint Muhammad Al Hoshan	√	√	X	√
9	Mr. Abdul Mohsen bin Hammad Al-Ashry*	√	√		
10	Mr. Faraj bin Saad Al-Qabbani* *			√	√

\* Membership ended on 13/07/2021

\* \* Membership commenced on 13/07/2021

### A statement of the dates of the general assemblies of shareholders and the names of the members of the Board of Directors present

The General Assembly of the Company held one meeting during 2021. The attendance record of the members of the Board of Directors is as follows:

NO.	Name	Attendance record
		Meeting of the Assembly 27/05/2021AD
1	Mr. Saad bin Abdulmohsen Al Fadhli	√
2	Mr. Michael Davis	√
3	Mr. Abdul Mohsen bin Hammad Al-Ashry*	√
4	Mr. Badr bin Fahad Al-Athel	√
5	Ms. Mai bint Muhammad Al Hoshan	√
6	Eng. Mashhour bin Muhammad Al Obeikan	√
7	Mr. Sami bin Sulaiman Al Khashan	√
8	Mr. Bashar bin Abdulaziz Aba Al Khail	√
9	Mr. Ahmed bin Wazaa Al Qahtani	√

\* Membership ended on 13/07/2021



## Committees of the Board of Directors

The Board of Directors is the body responsible for managing the Company. However, for higher level of efficiency based on the circumstances of the Company, the Board shall form committees with formally delegated objectives, authorities and responsibilities.

The Company has formed the following committees, which have been appointed by the Board:

- The Nominations and Remuneration Committee.
- The Executive Committee.

Moreover, the Company has formed the Audit Committee, which has been appointed by the Ordinary General Assembly in accordance with the relevant rules and regulations issued by the Saudi Arabian Capital Market Authority as well as the Ministry of Commerce.

### First: The Audit Committee

The Audit Committee was formed and its missions, work controls and the remuneration of its members were determined by the General Assembly of the Company. The Committee carries out a number of missions; including supervising the Internal Audit Department, in addition to other missions, including, for example, the following:

Examining the initial, quarterly, and annual financial statements, the financial statements of the Company and its declarations issued in relation to its financial performance before submitting such to the Board of Directors for approval; and expressing an opinion and recommendation on such to ensure its integrity, fairness and transparency.

Recommending to the Board of Directors the nomination of auditors, dismissing such, determining their fees, evaluating their performance after verifying their independence and reviewing the scope of their work as well as the conditions of contracting with them, and expressing their views regarding them.

Studying and reviewing the substantial changes and accounting estimates that may occur in the financial statements, discussing such with the Executive Management, and the auditors and expressing an opinion regarding them.

During 2021, the Audit Committee held seven meetings. The table below shows the dates of such meetings as well as the attendance record of its members:

No.	Name	Nature of membership	Number of meetings (7)						
			24/01/20 21	21/03/20 21	18/05/20 21	05/07/20 21	10/08/20 21	01/09/20 21	01/11/20 21
1	Eng. Mashhour bin Muhammad Al Obeikan	Chairperson of Committee	√	√	√	√	√	√	√
2	Mr. Bashar bin Abdulaziz Aba Al Khail	Member	√	√	√	√	√	√	√
3	Mr. Sami bin Sulaiman Al Khashan	Member	√	√	√	√	√	√	√

### Second: The Executive Committee:

The Executive Committee aims at assisting the Board of Directors of the Company in making decisions regarding financing and investment resolutions and policies, formulating strategic plans and transactions, monitoring the performance of the Company's Executive Management, as well as making decisions that are within the competence of the Committee or referred to it by the Board of Directors, by studying recommendations and taking decisions in every manner that increases the efficiency and effectiveness of the Company's internal work. In addition, it aims at assisting the Board of Directors of the Company in monitoring the performance of the Company and supervising its overall activities and financial resources. The Executive Committee also carries out a number of missions, including, but not limited to, the following:

- Following up the financial and operational performance of the Company.
- Reviewing the planning components and budgets of the Company as well as of the various business units of the Company.
- Reviewing and evaluating investment proposals and projects submitted by the Executive Management while recommending such to the Board of Directors.
- Carrying out any other missions or responsibilities delegated to it by the Board of Directors from time to time.

During 2021, the Executive Committee held twelve meetings. The table below shows the dates of such meetings as well as the attendance record of its members:

No.	Name	Nature of membership	Number of meetings (12)												
			20/01/2021 AD	14/02/2021 AD	04/03/2021 AD	28/03/2021 AD	02/06/2021 AD	15/07/2021 AD	08/08/2021 AD	30/09/2021 AD	04/11/2021 AD	29/11/2021 AD	05/12/2021 AD	27/12/2021	
			1	2	3	4	5	6	7	8	9	10	11	12	
1	Mr. Michael Davis	Chairperson of Committee	√	√	√	√	√	√	√	√	√	√	√	√	X
2	Mr. Abdul Mohsen bin Hammad Al-Ashry*	Member	√	√	√	√	√								
3	Mr. Sami bin Sulaiman Al Khashan	Member	√	√	√	√	√	√	√	√	√	√	√	√	√
4	Mr. Ahmed bin Wazaa Al Qahtani	Member	√	√	√	√	√	√	√	√	√	√	√	√	√
5	Mr. Faraj bin Saad Al-Qabbani*	Member						√	√	√	√	√	√	√	√

\* Membership ended on 13/07/2021

\* Membership ended on 13/07/2021

### Third: The Nominations and Remuneration Committee.

The Nominations and Remuneration Committee aims at carrying out all the missions assigned to it by the Board of Directors in addition to the missions stipulated in the Committee's work regulations approved by the General Assembly, including, but not limited to, the following:

- Clarifying the relationship between the remunerations granted and the applicable remunerations policy; and indicating any substantial deviation from such policy.
- Periodically, reviewing of the remuneration policy and evaluating its effectiveness in achieving the objectives which it has set.
- Recommending to the Board of Directors the remunerations to be granted to the members of the Board of Directors, its committees and the senior executives of the Company in the light of the approved policy.
- Proposing clear policies and standards for membership of the Board of Directors and Executive Management.
- Reviewing the structure of the Board of Directors and the Executive Management while recommending changes that can be made.
- Identifying weaknesses and strengths of the Board of Directors and proposing solutions to address such in line with the Company's interest.

During 2021, the Audit Committee held seven meetings. The table below shows the dates of such meetings as well as the attendance record of its members:

No.	Name	Nature of membership	Number of meetings (4)			
			23/02/2021	15/04/2021	27/09/2021	19/11/2021
			1	2	3	4
1	Mr. Bashar bin Abdulaziz Aba Al Khail	Chairperson of Committee	√	√	√	√
2	Mr. Badr bin Fahad Al-Athel	Member	√	√	√	√
3	Ms. Mai bint Muhammad Al Hoshan	Member	√	√	√	√
4	Mr. Saad bin Abdulmohsen Al Fadhli	Member	√	√	√	√

## Remunerations and compensations paid to members of the Board of Directors and the Executive Management and its policy

The General Assembly of the Company, held on 27/05/2021 AD, approved the remunerations policy for the members of the Board of Directors, the members of its committees as well as the Executive Management. The policy aims at regulating the remunerations to attract board and committee members, who are scientifically, technically and administratively competent with proportionate experience, in order to empower them to carry out their missions and duties professionally and efficiently, taking into account the sector within which the Company operates as well as the skills necessary to manage such.

In accordance with the approved policy, the remunerations of the members of the Board of Directors, its committees as well as the Executive Management shall be in the light of the following principles and rules:

### First: Remunerations paid to members of Board of Directors

1. A member of the Board of Directors shall be entitled to an annual remuneration in accordance with the relevant laws and regulations, in return for his membership in the Board as per the recommendation made by the Nominations and Remuneration Committee.
2. The contribution of the member, his presence, his participation in the topics raised as well as any contributions that serve the interest of the Company shall be taken into consideration when approving the remuneration of the members of the Board of Directors.
3. Remunerations of members of the Board of Directors may vary based on the missions, responsibilities and achievements made by each member.
4. An additional remuneration may be paid to the member of the Board of Directors in the event that he is assigned to carry out other, additional missions, based on the recommendation of the Nominations and Remuneration Committee after obtaining the approval of the Board of Directors.
5. The members of the Board of Directors shall not be entitled to vote on the members of the Board of Directors' remuneration clause at a General Assembly Meeting of Shareholders.
6. The total remunerations, allowances and benefits that a member of the Board of Directors receives for his membership in the Board and the committees may not exceed what is stipulated by the laws and regulations set by the competent authority. The said shall also be within the limits stipulated in the Law of Companies and its regulations.

### Second: Remunerations and compensations paid to members of the Board of Directors' committees

1. A member of the committee shall be entitled to an annual remuneration in accordance with the relevant laws and regulations, in return for his membership in the committee as per the recommendation made by the Nominations and Remuneration Committee.
2. The contribution of the member, his presence, his participation in the topics raised as well as any contributions that serve the interest of the Company shall be taken into consideration when approving the remuneration of the members of the committees.
3. The remuneration of committee members may vary based on the missions, responsibilities and achievements made by each member.
4. An additional remuneration may be paid to the member of the committee in the event that he is assigned to carry out other additional missions, based on the recommendation of the Nominations and Remuneration Committee after obtaining the approval of the Board of Directors.

### Third: The Remuneration of Senior Executives

1. The Board of Directors shall determine the remunerations to be paid to the senior executives, based on the recommendation of the Nominations and Remuneration Committee, provided that the remuneration and allowances shall be made in accordance with the following principles:
2. The remunerations and allowances shall be compatible with the Company's strategic objectives. Such shall also be a motivating factor for the senior executives to achieve such objectives and enhance the Company's ability to grow and sustain its businesses.
3. The remunerations and allowances shall be appropriate to the nature of the Company's business, its activity and size as well as the skills and experiences required.
4. The remunerations and allowances shall enable the Company to attract senior executives with the desired abilities, skills and qualifications to enable the Company to achieve its objectives.
5. The remunerations and allowances shall not cause any conflict of interests that would adversely affect the interest of the Company and its ability to achieve its objectives.

**The Company has been keen to apply the remunerations policy applied to the members of the Board of Directors, the members of its committees as well as the Executive Management; and the relevant laws and regulations. Therefore, there was no substantial deviations from the approved policy detected in the remunerations granted to the members of the Board of Directors and the Executive Management in the Company. The tables below show the remunerations granted to the members of the Board of Directors and the Executive Management:**

## First: Remunerations paid to members of Board of Directors

Name	Fixed remunerations						Total
	Specific amount*	Allowance for attending Board's sessions	Total allowance for attending committees meetings	In-kind benefits	A statement of what the Board members have received in their capacity as workers or administrators; or what they have received in return for technical or administrative works or consultancy	The remuneration of the Chairman, the Managing Director or the Secretary, if such is a member	
First: Independent Members							
1. Ms. Mai bint Muhammad Al Hoshan	200,000	9,000	12,000		N/A		221,000
2. Mr. Sami bin Sulaiman Al Khashan	200,000	12,000	57,000		N/A		269,000
3. Mr. Bashar bin Abdulaziz Aba Al Khail	200,000	12,000	33,000		N/A		245,000
4. Eng. Mashhour bin Muhammad Al Obeikan	200,000	12,000	21,000		N/A		233,000
Second: Non-executive Members							
1. Mr. Saad bin Abdulmohsen Al Fadhli	200,000	12,000	12,000			100,000	324,000
2. Mr. Michael Davis	200,000	9,000	33,000		N/A		242,000
3. Mr. Abdul Mohsen bin Hammad Al-Ashry*	106,988	6,000	15,000		N/A		127,988
4. Mr. Badr bin Fahad Al-Athel	200,000	9,000	12,000		N/A		221,000
5. Mr. Ahmed bin Wazaa Al Qahtani**	200,000	9,000	36,000		N/A		245,000
6. Mr. Faraj bin Saad Al-Qabbani* *	93,012	6,000	21,000		N/A		120,012

\*Membership ended on 13/07/2021

\* \* Membership commenced on 22/06/2020

\* \* Membership commenced on 13/07/2021

The aforementioned amounts; specifically, the remunerations, represent what shall be granted to the members of the Board of Directors during 2022 for the fiscal year ending on 31/12/2021, which shall be approved for disbursement through the General Assembly, which is expected to be held in 2022, noting that the Board of Directors has recommended to the General Assembly to approve the remunerations of the members of the Board of Directors for 2021 for a total amount of SAR 1,900,000.

**Kindly, note that the columns of the variable remunerations, end-of-service benefits and allowances of expense set out in the remunerations schedule approved under the Corporate Governance Regulation issued by the Capital Market Authority, have been removed from the table above as such are not applicable.**

## Second: Remunerations paid to members of committees

Name	Fixed remunerations (except allowances for attending sessions)	Allowance for attending Board's sessions	Total
First: Members of the Audit Committee:			
1. Mr. Bashar bin Abdulaziz Aba Al Khail	120,000	21,000	141,000
2. Eng. Mashhour bin Muhammad Al Obeikan	120,000	21,000	141,000
3. Mr. Sami bin Sulaiman Al Khashan	120,000	21,000	141,000
Second: The Nominations and Remuneration Committee:			
1. Mr. Bashar bin Abdulaziz Aba Al Khail	50,000	12,000	62,000
2. Mr. Badr bin Fahad Al-Athel	50,000	12,000	62,000
3. Ms. Mai bint Muhammad Al Hoshan	50,000	12,000	62,000
4. Mr. Saad bin Abdulmohsen Al Fadhli	50,000	12,000	62,000
Third: Members of the Executive Committee:			
1. Mr. Michael Davis	50,000	33,000	83,000
2. Mr. Abdul Mohsen bin Hammad Al-Ashry	50,000	15,000	65,000
3. Mr. Sami bin Sulaiman Al Khashan	50,000	36,000	86,000
4. Mr. Faraj bin Saad Al-Qabbani	50,000	21,000	71,000
5. Mr. Ahmed bin Wazaa Al Qahtani	50,000	36,000	86,000

### Third: Remuneration paid to Senior Executives (including CEO and CFO)

Senior Executives	Fixed remunerations				Variable remunerations					End-of-service benefits	Total remuneration paid to Executives for the Board, if any	Total
	Salaries	Allowances	In-kind benefits	Total	Periodic	Dividends	Short - term incentive plans	Long - term incentive plans	Shares granted			
	5,482,284	1,110,564	-		2,322,682	-	-	-	-	-	-	8,915,530

### Ownership of members of Board of Directors and Executive Management and their spouses and minors

The following tables show the benefits received by the members of the Board of Directors and the senior executives for the shares as well as for the Company's debt instruments; in addition to any change made to such benefits or those rights during the current year, noting that there are no interests or rights granted to their spouses and minors in the Company's shares.

#### First: Ownership of members of the Board of Directors

NO.	Name	Beginning of the year		End of the year		Net change	Change ratio
		Number of shares	Debt instruments	Number of shares	Debt instruments		
1	Mr. Bashar bin Abdulaziz Aba Al Khail	5000	-	5000	-	N/A	-
2	Mr. Saad bin Abdulmohsen Al Fadhli	22,066,901	-	22,066,901	-	N/A	-

3	Mr. Michael Davis*	22,066,901	-	22,066,901	-	N/A	-
4	Mr. Badr bin Fahad Al-Athel**	2000	-	2000	-	N/A	-
5	Mr. Abdul Mohsen bin Hammad Al-Ashry*	22,066,901	-	-	-	N/A	-
6	Mr. Faraj bin Saad Al-Qabbani*	-	-	22,066,901	-	N/A	-
7	Ms. Mai bint Muhammad Al Hoshan	-	-	-	-	N/A	-
8	Eng. Mashhour bin Muhammad Al Obeikan	1000	-	1000	-	N/A	-
9	Mr. Sami bin Sulaiman Al Khashan	-	-	-	-	N/A	-
10	Mr. Ahmed bin Wazaa Al Qahtani*	22,066,901	-	22,066,901	-	N/A	-

\* Does not have a direct or indirect interest in the shares and the Company's debt instruments; however, represents the Saudi Group for Medical Care, which owns 49.2%

\*\* Does not have a direct or indirect interest in the shares and the Company's debt instruments; however, represents FAL Holdings Arabia Co. Ltd.

#### Second: Ownership of Senior Executives

NO.	The name of the person to whom the interest or the contractual papers belongs	Beginning of the year		End of the year		Net change	Change ratio
		Number of shares	Debt instruments	Number of shares	Debt instruments		
1	Dr. Abdulaziz bin Saleh Al-Obeid	-	-	-	-	-	-
2	Mr. Jahanzib Ahmed Khan	-	-	-	-	-	-
3	Dr. Turki bin Mohsen Al Harbi	-	-	-	-	-	-
4	Dr. Bader bin Saqr Al Otaibi	-	-	-	-	-	-
5	Eng. Ibrahim Abdullah Al Ammar	-	-	-	-	-	-
6	Mr. Sharafuddin Madawi	-	-	-	-	-	-

## Interactions conducted with relevant parties

The Company is keen to avoid any conflict of interests of any kind that may affect the management of the Company's business or its resolutions. The Company is also keen to protect the rights of shareholders and stakeholders in a manner that does not conflict with the Company's Articles of Association as well as related regulations. Noting that the cases of conflict of interests and deals or transactions conducted with relevant parties in the Company are handled in accordance with the provisions of the Conflict of Interest Policy, the regulation of the relationship with stakeholders as approved by the Board of Directors of the Company and in a manner that does not conflict with the Company's Articles of Association, the provisions of the Law of Companies as well as the Law of Capital Market and their Executive Regulations.

During 2021 and within the framework of the normal activity of the Company under the prior authorization of the General Assembly, relevant parties were handled in the manner shown in the following table:

NO.	Name of the relevant party	Nature of works or contract	Amount of works or contract	Term of works or contract	Terms and conditions of works or contract	Name of member/ senior executives or person relevant to any of them	Remarks
1	The General Organization of Social Insurance (GOSI) (a direct owner in the Saudi Group for Medical Care, owns 49.2% of CARE)	Providing medical services for the treatment of work injuries	355,105,153	Contract not renewed	Ordinary works without any preferential conditions or privileges	Mr. Saad bin Abdulmohsen Al Fadhli	
						Mr. Abdul Mohsen bin Hammad Al-Ashry	Membership ended on 13/07/2021
						Mr. Faraj bin Saad Al-Qabbani	Commenced representation on 13/07/2021
						Mr. Ahmed bin Wazaa Al Qahtani	
						Mr. Michael Davis	
2	Dräger Arabia Co. Ltd.	Supply	1,157,504	One year and renewable		Mr. Badr bin Fahad Al-Athel	-

## Declarations of Board of Directors

The Board of Directors declares that:

- The accounting records have been prepared correctly.
- The system of internal audit is well established and effectively implemented.
- There is no significant doubt regarding the Company's ability to continue its activity.
- The Board of Directors is working on a mechanism to evaluate its performance as well as the performance of its committees and members.
- The Company did not receive a request from the auditor to hold the General Assembly during the ended fiscal year, and it was not held.
- The Company has an internal audit department.
- There are no recommendations of the Audit Committee that contradict with the resolutions reached by the Board of Directors, or recommendations that the Board refused to take into account regarding the appointment and dismissal of the auditor of the Company, the determination of his fees, the evaluation of his performance or the appointment of the internal auditor.
- The International Financial Reporting Standards (IFRSs) have been applied as directed by the Saudi Organization for Certified Public Accountants (SOCPA) and such are not different than the standards adopted by the Authority.
- There are no subsidiaries of the Company.
- The Company has not been informed of any interest in the voting stock class of persons (other than members of the Board of Directors, senior executives and their relatives) under Article (45) of the Registration and Listing Rules.
- There are no convertible debt instruments, contractual securities, subscription notes or similar rights issued or granted by the Company during the fiscal year nor any compensation obtained by the Company in return.
- There are no transfer or underwriting rights under convertible debt instruments, contractual securities, underwriting notes or similar rights issued or granted by the Company.
- There is no recovery, purchase or cancellation made by the Company of any recoverable debt instruments, and the value of the remaining securities, distinguishing between the securities listed purchased by the Company and those purchased by its subsidiaries.
- There is no deal conducted by and between the Company and a relevant party, whether such are members of board of directors or senior executives except what is

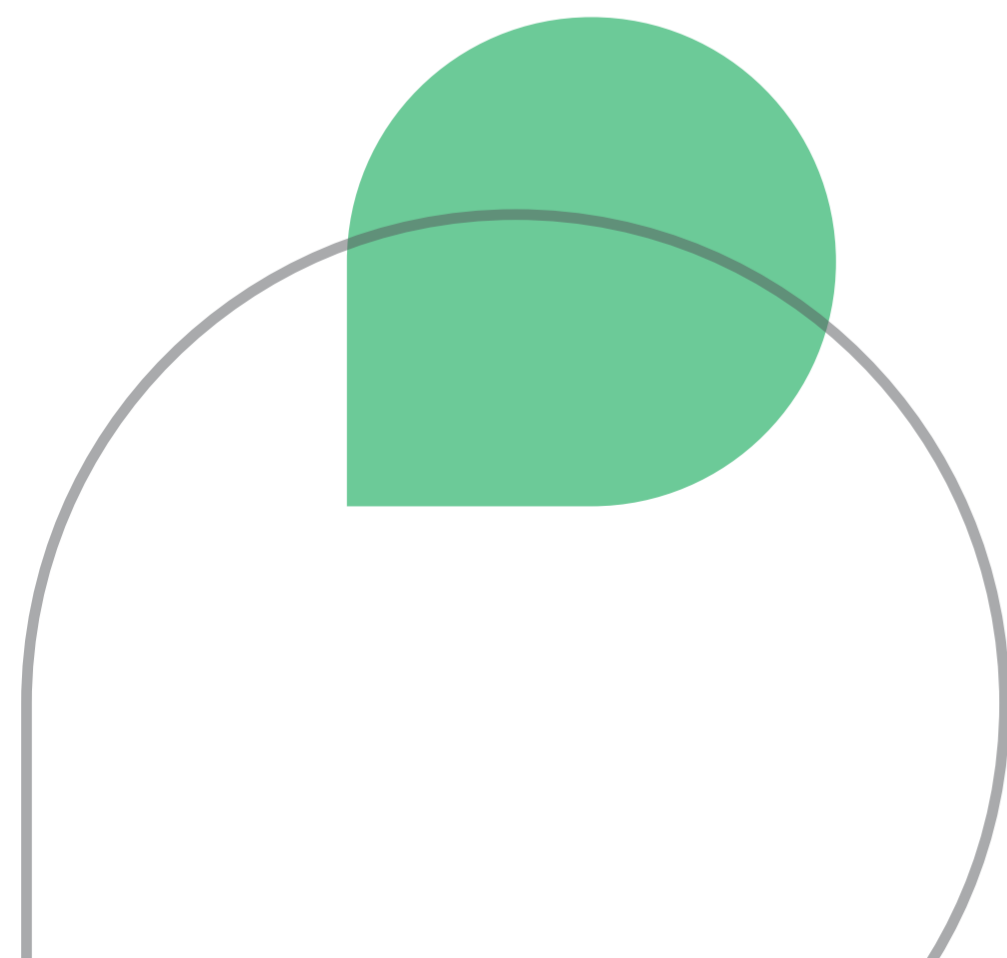
detailed on page (36) of the report.

- There is no arrangement or agreement made under which a shareholder of the Company has waived any rights of the dividend.
- There are no arrangements or agreement made under which a member of the Board of Directors or a senior executive has waived any remuneration.
- There are no investments or reserves made for the benefit of the Company's employees.
- The auditor's report does not contain any reservations regarding the financial statements.
- The Board of Directors did not recommend to change the auditor prior to the expiration of the period for which he was appointed.

### Applicable and nonapplicable provisions of the Corporate Governance Regulations

The Company shall apply all the provisions stated in the Corporate Governance Regulations issued by the Capital Market Authority, except the following:

Article No.	Article	Grounds for non-applicability
Article (41), Paragraph a	The Board of Directors shall develop, based on the proposal of the Nominations and Remuneration Committee, the necessary mechanisms to annually assess the performance of the Board, its members and committees; (as provided in the Article).	This is an indicative Article; the Board of Directors confirms that it is working to develop a mechanism to assess the performance of the Board, its members and committees, noting that Board of Directors has been assessed for 2021.
70	The Company's Board shall, under its resolution, form a committee to be named the "Risk Management Committee"; (as provided in the Article).	The Audit Committee has been authorized to supervise the scope of work of the Risk Management Committee.
71	The Risk Management Committee shall be competent to: (as provided in the Article).	The Audit Committee has been authorized to supervise the scope of work of the Risk Management Committee.
72	The Risk Management Committee shall meet periodically at least every (six) months and whenever necessary.	The Audit Committee has been authorized to supervise the scope of work of the Risk Management Committee.
85	The Company shall set out programs to develop and stimulate the participation and performance of the Company's employees; provided that such include in particular the following: (as provided in the Article).	This is an indicative Article; the need for the application of this Article shall be studied.
87	The Ordinary General Assembly, based on the Board of Directors' recommendation, shall establish a policy that guarantees a balance between its objectives and those of the community for purposes of developing the social and economic conditions of the community.	This is an indicative Article; the need for the application of this Article shall be studied.
88	The Board of Directors shall develop programs and determine the means necessary to present the Company's initiatives in the field of social work... (as provided in the Article).	This is an indicative Article; the need for the application of this Article shall be studied.
95	If the Board of Directors forms a corporate governance committee, it shall assign to it... (as provided in the Article).	The Article is indicative; the Board of Directors does not see the need to form a committee for corporate governance, noting that the Company has a special department for governance and compliance.





## Shareholders' equity and the General Assembly

The Company's Articles of Association, the Company's governance regulations and its policies guarantee all rights related to the Company's shares including: the rights to distribute dividends, attend shareholders' assemblies, participate in their deliberations, vote on their resolutions, monitor the resolutions of the Board of Directors, file a liability lawsuit in addition to the right to inquire and request information in a way that does not harm the Company's interests. The Company also is keen to have the majority of the Company's shareholders attend the Company's General Assemblies by choosing the convenient times, in addition to the possibility of voting remotely to facilitate the voting procedures for the Company's shareholders.

The Board of Directors has taken the measures necessary to inform its members, especially the non-executives, of the shareholders' proposals and observations regarding the Company and its performance. The Board of Directors of the Company has approved the conflict-of-interest policy and the regulation of its cases, which included regulating the relationship with stakeholders, specifically shareholders, in the light of the following:

### **- Communication means applied to receive complaints, feedback and suggestions:**

- Phone calls according to the switch shown on the Company's page on Tadawul website.
- E-mails sent to the e-mail address shown on the Company's page on Tadawul.
- Letters sent by mail or fax.
- Complaints and suggestions boxes placed at the Company as well as at its affiliated units.
- Questionnaires provided by the Company

### **- Settlement and handling of complaints, observations and suggestions:**

- The department or competent employee receives the complaint.
- The complaint is to be submitted to the Head of the competent department according to the quality of the complaint.
- Parties such as the Head of the Legal Affairs Department or the Head of the Internal Audit Department may be approached.
- The Company issues circulars and resolutions to avoid the recurrence of the complaint or observation.



### The mechanism applied for communicating with shareholders

Based on the Company's keenness and interest to preserve the rights of its shareholders, the Company has recently established an Investor Affairs Management Department, which communicates with the Company's shareholders and follows up on any potential problems that may face shareholders. The Company has also posted the following contacts to Tadawul website along with the contacts of the Investor Affairs Management Department:

Fax	Phone	e-mail	Website:
00966114936277	00966114931881	care.ir@care.med.sa	www.care.med.sa

### Key Contributors

Name	Ownership ratio on last trading day (%)	Change
The Saudi Medical Care Group (SMG) *	49.2%	0%

\* Kindly, refer to page (35) for more details regarding ownership

### Description of the Company's dividend policy

The Company distributes annual dividends in accordance with the net profits made, the cash flows and the future projections of investments after deducting general expenses and other costs and following the formation of the reserves necessary to face doubtful debts, losses of investments and contingent liabilities that the Board of Directors deems necessary. In accordance with Article (46) of the Company's Articles of Association and in accordance with the Company's approved dividends distribution policy, the distribution of dividends shall be as follows:

**First: Retention of 10% of the net profits to make the statutory reserve of the Company.**

**Second: The Ordinary General Assembly may decide as follows:**

- Cessation of the retention mentioned in Clause (First) of this policy, when the said reserve reaches 30% of the paid-up capital (the General Assembly approved the cessation of such retention on 23/04/2019).
- Retention of 10% of the net profits to make a consensual reserve allocated for a specific purpose or purposes, based on a proposal made by the Board of Directors.
- To decide on the formation of other reserves, to the extent that fulfills the interest of the Company or ensures the distribution of fixed dividends as much as possible for the shareholders. It may also deduct from the net profits the amounts required to establish social institutions for the employees of the Company or to assist the existing ones; or to use such to give the employees of the Company shares in the Company as a reward.
- To decide - based on the proposal made by the Board of Directors - to distribute the remainder of the above (if any) as a down payment to the shareholders equivalent to 5% of the paid-up capital.
- To decide - based on the proposal made by the Board of Directors - to distribute the remaining amount thereafter to the shareholders as an additional share in the dividends in the proportion proposed by the Board of Directors as approved by the General Assembly.

**Third: The Company may distribute interim dividends to its shareholders semi-annually or quarterly in accordance with the regulations issued by the Capital Market Authority, based on an authorization issued by the Ordinary General Assembly of the Board of Directors in such regard.**

**Fourth: The dividends distribution policy may be changed from time to time in accordance with the financial performance of the Company and as per the vision of the Board of Directors. In any case, the dividends shall not be distributed except under a resolution issued by the General Assembly following the recommendation of the Board of Directors, and in accordance with the regulatory controls and procedures issued in implementation of the Law of Companies and the regulations and instructions issued by the Capital Market Authority in such regard.**

## Number of the Company's requests for the shareholders' register and their dates and grounds

During 2021, the Company requested the shareholders' register for seven times. The table below shows the Company's requests for the shareholders' register and its grounds:

NO.	Date of request	Reasons for request
1	11/02/2021AD	Corporate procedures
2	22/04/2021AD	Dividends related file
3	22/04/2021AD	Dividends related file
4	31/05/2021AD	Dividends related file
5	02/06/2021AD	Dividends related file
6	19/09/2021AD	Corporate procedures
7	05/10/2021AD	Corporate procedures

## Sanctions, penalties and precautionary measures imposed on the Company

Penalty /Penalty precautionary measure /Precautionary restriction	Reasons for violation	Violating party/body	Ways to address violations and avoid the occurrences of such in the future
A fine	Violation of the Private Health Institutions Law	Health Affairs	An objection has been filed and is being considered by the Board of Grievances.
A fine	Violation of the Private Health Institutions Law	Health Affairs	An objection has been filed and is being considered by the Board of Grievances.
A fine	Violation of the Private Health Institutions Law	Health Affairs	An objection has been filed and is being considered by the Board of Grievances.
A fine	Violation of the Private Health Institutions Law	Health Affairs	An objection has been filed and is being considered by the Board of Grievances.

A fine	Violation of the Private Health Institutions Law	Health Affairs	An objection has been filed and is being considered by the Board of Grievances
A fine	Violation of the Law of Labor	The Ministry of Labor and Social Development	The objection was filed and the decision was canceled by the 9th Administrative Department.
A fine	Violation of the Law of Labor	The Ministry of Labor and Social Development	The name on the worker's license was changed after the violation was settled.
A fine	Violation of the Law of Labor	The Ministry of Labor and Social Development	The expiration of the worker's contract after the violation was settled and the necessary measures taken by the concerned department to ensure that it will not reoccur in the future.
A fine	Late payment penalty	The General Authority of Zakat and Tax (GAZT)	Avoiding delays.
Covid-19 violation	Violation of the Private Health Institutions Law	The Ministry of Health	Following up Covid-19 patients and communicate effectively with the concerned authorities to coordinate and accept cases.
Violation of a practitioner's license	Violation of the Private Health Institutions Law	The Ministry of Health	HR verify all personnel files and their fulfillment.
A fine	Violation of the Private Health Institutions Law	Health Affairs	The case has been filed in court.
A fine	Violation of the Private Health Institutions Law	Health Affairs	---
A fine	Violation of the Private Health Institutions Law	Health Affairs	Judgement passed in favor of the National Care Hospital.
A fine	Violation of the Private Health Institutions Law	Health Affairs	The case has been filed in court.

### **Findings of the annual review of the internal audit procedures' effectiveness and the Audit Committee's opinion on the adequacy of the internal auditing system**

The Audit Committee shall assist the Board of Directors to carry out its responsibilities; particularly, ensuring the effectiveness of internal audit procedures and the adequacy of the internal audit system in the Company, and its efficient and effective implementation, so that the Committee provides objective and independent assessments that include all the Company's activities in operational and financial aspects, performance and compliance. It shall also study the periodic reports provided by the internal audit in the Company, in addition to the observations of the External Auditor of the Company regarding its assessment of internal audit procedures in terms of their design as well as their application. The Committee shall follow up on the recommendations of the internal audit and the External Auditor to address the observations and follow up on their correction; and shall consider - through internal audit reports - the aspects related to the effectiveness of internal audit procedures in general, and the fairness of the financial statements in particular, taking into account that any internal audit system, regardless of the soundness of its design and the effectiveness of its application, cannot provide absolute verification on the effectiveness of the internal audit system.

The Audit Committee shall submit to the Board of Directors any recommendations that would activate and develop the system efficiently at reasonable costs to achieve the Company's objectives, protect the interests of shareholders and investors, support the independency and follow-up of the work of the Internal Audit Department as well as the independence of the External Auditor and control the quality of financial reports.

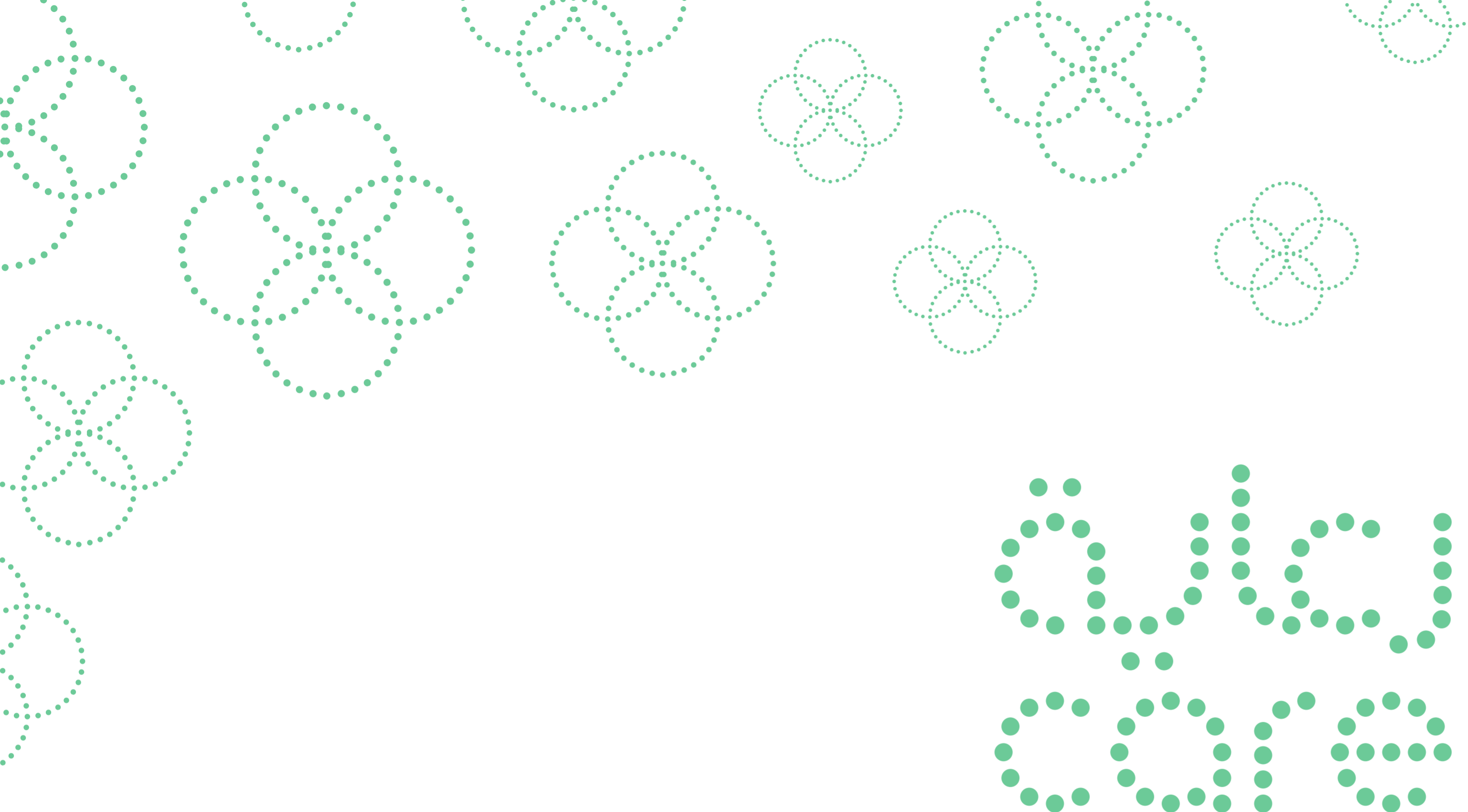
The Committee found that the internal audit system in the Company provides it with an acceptable conviction on the effectiveness of the design and application of the system. Based on the reports and recommendations received from the Audit Committee, the Board of Directors confirms that the audit results did not show any substantial weakness or deficiency of the Company's internal audit system, its adequacy as well as the integrity of the financial and accounting systems and internal audit. The Board also confirms that the Company's Executive Management is taking all measures necessary to rectify and address any observations and recommendations "if any".

### **Declarations:**

The Board of Directors declares that:

- The accounting records have been prepared correctly.
- The internal audit system was prepared on valid bases and was effectively implemented.
- There is no significant doubt regarding the Company's ability to continue its activity.

**May Allah grant us success**



# تعاليت care

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National Medical Care Co.

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