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Experience | Responsiveness |
Exceptional Value | Digital Innovation

Our Commercial Proposal to
Provide External Audit Services for

MBC Group
(A Listed Joint Stock Company)
And Its Subsidiaries

21 April 2024 | Confidential





Building a better working world

Ernst & Young Middle East (Dubai Br.)
ICD Brookfield Place, Al Mustaqbal Street
Dubai International Financial Centre
P.O. Box 9267, Dubai, United Arab Emirates

Private and confidential

MBC Group (A Saudi Joint Stock Company)
3237 Riyadh, Samha Street,
Diplomatic Quarter District, 6501
Kingdom of Saudi Arabia

21 April 2024

External Audit Commercial Proposal for MBC Group (A Listed Joint Stock Company) And Its Subsidiaries commencing for the year ending 31 December 2024

Dear Sir,

On behalf of EY and our team, we would like to thank you for inviting us to present our proposal to provide external audit services to **MBC Group (A Listed Joint Stock Company) And Its Subsidiaries** (hereafter referred to as the "Group" or "company" or "MBC"), as detailed in the request for proposal, commencing for the year ending 31 December 2024.

The insights and quality of services we deliver help build trust and confidence in the capital markets and economies around the world.

Our relationship with the Group as the preferred service provider coupled by **our experience of working with you in the past** has given us insights into your operations, processes and systems. We are well placed to serve you more effectively as we understand your business strategy, organizational culture and issues/challenges.

We believe that the combination of our strong local presence and our industry expertise, along with our **global and regional resources**, represents a winning combination that will enable us to deliver world-class services to MBC. This is demonstrated by us having a proven track record of providing quality, proactive and timely audit services to Listed entities across MENA and globally.

We will have a predefined audit timeline and **clear communication lines** throughout the year, as opposed to end of the year surprises, and conversations to identify ways to continuously improve the business.



In this proposal, we have reflected on why EY is uniquely placed to work with you as external auditor.

We truly believe we are the right choice for MBC and are looking forward to be a part of your organization’s successful future. We look forward to further discussing our proposal with you. If you have any specific questions, please do not hesitate to contact us.

Yours sincerely,

Fahad M.Al-Toami
Lead Audit Engagement Partner

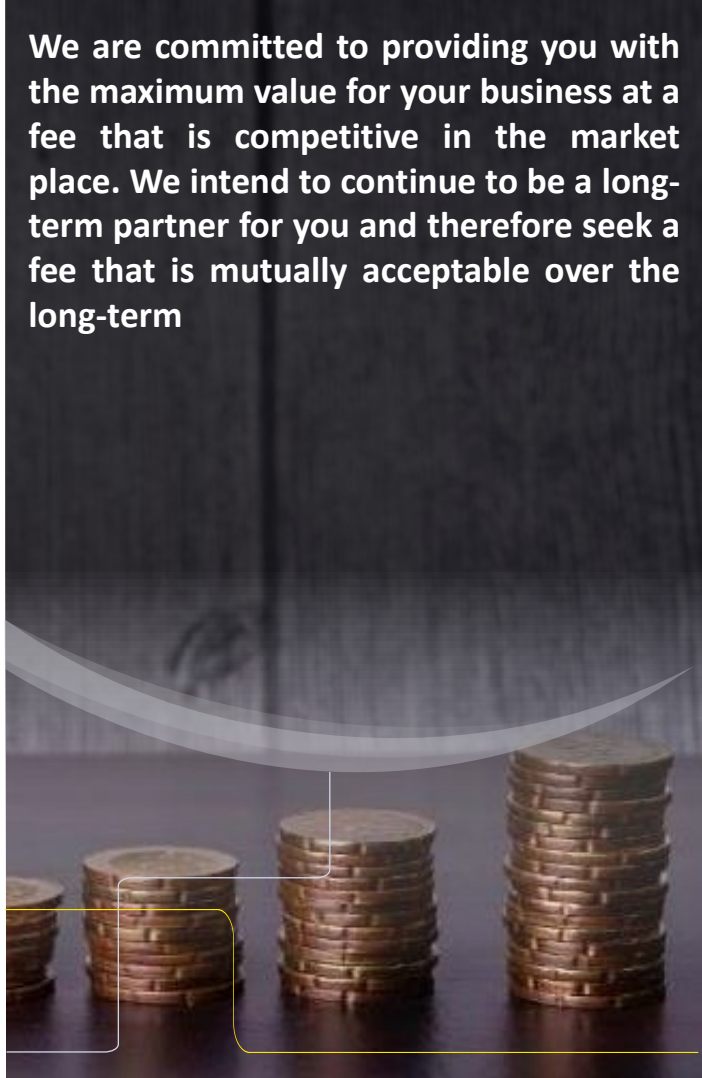


Audit and Review fee

SECTION

01

Fair and transparent fees



We are committed to providing you with the maximum value for your business at a fee that is competitive in the market place. We intend to continue to be a long-term partner for you and therefore seek a fee that is mutually acceptable over the long-term

Fair and transparent fees

- MBC is a Priority Account for EY. Our philosophy throughout our service relationship with you will be to provide quality services for a fair and competitive fee. We strive to keep our fees at a reasonable level, consistent with professional standards and market trends. The intent of our fee structure is to demonstrate our capabilities and commitment to establishing a long-term relationship with MBC
- Billings will be made based on a mutually agreed schedule of billing
- We will define our expectations in terms of the cooperation required from you

Value dimension

- We understand that you take your relationship with your independent audit provider very seriously and are looking for a firm that has the ability and desire to form a long-lasting business relationship
- Successful relationships link value received to fees paid. While we realize fees are a component in your decision, we anticipate you will, first and foremost, select the firm that is most qualified to serve you, and offers the greatest quality and audit service
- A fair fee arrangement should help you achieve your expectations. This requires an understanding of how fees and value correlate and the resultant impact on risk, as well as a clear articulation of how value is defined, tracked, measured and communicated



Fair Value Fees



Audit/review of Financial Statements



Management Letter



Data Analytics Insights



Access to Knowledge Portal

Cost matrix

SI #	Description	Cost in USD without VAT
1	Fee for annual Audit of MBC Group Consolidated financial statements for the year ending 31 December 2024	210,000
2	Review of condensed interim consolidated financial statements of the Group for the quarters ending 30 June 2024, 30 September 2024 and 31 March 2025.	210,000
3	Audit of MBC Initiatives limited for the year ending 31 December 2024	28,000
4	Audit of MBC Media KSA Limited for the year ending 31 December 2024	30,000
5	Audit of MBC Studio Project Saudi Limited for the year ending 31 December 2024	15,000
6	Audit of MBC Media Solutions KSA Limited for the year ending 31 December 2024	34,000
7	Audit of ZE QAR Art Productions for the year ending 31 December 2024	28,000
8	Audit of MBC Events for the year ending 31 December 2024	12,000
9	MBC Media services (BVI) Limited - consolidated	12,000
10	MBC Media Solutions FZ LLC -Standalone	119,000
11	MBC Media Solutions FZ LLC - Consolidated	12,000
12	MBC Media Solutions for advertising services LLC	16,000
13	Desert Warrior holdings limited	13,000
14	CG Drama Project holdings limited	9,000
15	MBC FZ LLC -Consolidated	311,000
16	MBC FZ LLC -Standalone	10,500
17	MBC Studio Projects FZ LLC -Consolidated	65,000
18	MBC Media FZ LLC -Standalone	30,000
19	MBC Studios FZ LLC –Standalone	24,000
20	Platinum FZ LLC –Standalone	12,600
21	Wanasah FZ LLC -Standalone	12,600
22	MBC Ventures limited -Standalone	25,500
	Total	1,239,200

Notes

1. Our fees are charged on the basis of time occupied and expenses incurred having regard to the degree of responsibility involved and the experience and skills required for the audit of the financial statements of the Group. The fee estimate assumes we will receive appropriate assistance from your staff in preparation of schedules and other matters, and that this assistance is on a timely basis.
2. The above fees exclude out-of-pocket expenses which will be billed separately. Further, these do not include our costs relating to site visits, as required during audits of significant and high risk components, which will be discussed with Management and charged on actuals along with any related out-of-pocket expenses incurred during the services.
3. Our fees are exclusive of taxes or similar charges, including but not limited to value added taxes, and any applicable sales or services taxes, withholding taxes, as well as customs, duties or tariffs imposed in respect of the services, all of which shall be paid by you (other than taxes imposed on our income generally).
4. Further, in order to be able to continually improve our suite of digital tools being provided to the Group, we charge a technology fee at the rate of 3% on audit and review engagements which will be in addition to the fees mentioned above for these units.
5. Our policy is to request an advance payment on account of our fees at the commencement of our work (50%) and further advance payments as the work progresses with the balance (10%) due on completion of each specific assignment. Our invoices are due for settlement upon receipt. However, we will be happy to discuss other payment terms if requested by Management.
6. The fee for all entities is based on our best estimate considering our prior knowledge of the business, operations and financial statements provided. Any significant event that would result in scope changes will be negotiated separately when such event arise.
7. The fee estimate is based on the understanding that no significant engagement scope changes during the period ending 31 December 2024, any scope changes that we come to know as part of our audit procedures would be discussed with the management separately.

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EY exists to build a better working world, helping to create long-term value for clients, people and society and build trust in the capital markets.

Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

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The MENA practice of EY has been operating in the region since 1923. Over the past 100 years, we have grown to over 8,000 people united across 26 offices and 15 countries, sharing the same values and an unwavering commitment to quality. As an organization, we continue to develop outstanding leaders who deliver exceptional services to our clients and who contribute to our communities. We are proud of our accomplishments over the years, reaffirming our position as the largest and most established professional services organization in the region.

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