

التاريخ: ١٤٤٥/١٠/٢٠ هـ
الموافق: ٢٠٢٤/٠٤/٢٩ م
الرياض، المملكة العربية السعودية

الموضوع: التوصية بتعيين المراجع الخارجي.

المكرم / رئيس مجلس الإدارة سلمه الله،،

السلام عليكم ورحمة الله وبركاته،،

اشارة الى متطلبات اعمال مراجعة حسابات الشركة من خلال مراجع خارجي لفحص ومراجعة القوائم المالية النصف الأول والسنوية للعام المالي ٢٠٢٤ م، وبناء على افادة الادارة التنفيذية بالشركة عن العروض المستلمة من عدد من المكاتب حسب الموضوع ادناه:

الشركة	سعر الخدمات لسنة/ ريال سعودي
شركة ار اس ام المحاسبون المتحدون للاستشارات المهنية (R S M)	١٥٥.٠٠٠ ريال سعودي
شركة الصالح والزومان والفهد محاسبون قانونيون	١٧٧.٠٠٠ ريال سعودي
شركة إبراهيم احمد البسام وشركاؤه محاسبون وقانونيون (P K F)	٣٠٥.٠٠٠ ريال سعودي

و اشارة الى توصية لجنة المراجعة بالشركة رقم (١-٤٤/١) في محضرها رقم (٤٥/١) بتاريخ ١٤٤٥/١٠/١٩ هـ الموافق في ٢٠٢٤/٠٤/٢٨ م (الرفع لمجلس الإدارة بالتوصية على تعيين شركة ار اس ام المحاسبون المتحدون للاستشارات المهنية RSM كمراجع خارجي لشركة الطاقات المعدنية لعام ٢٠٢٤ م بقيمة (١٥٥,٠٠٠) مائة وخمسة وخمسون الف ريال او التوجيه بما يراه مجلس الإدارة مناسب).

حيث أن الشركة لديها الخبرة المتخصصة في المجال ولتناسبها مع حجم احتياج ومتطلبات الشركة . وذلك لفحص ومراجعة وتدقيق القوائم المالية النصف الأول والسنوية للعام المالي ٢٠٢٤ . عليه، ترفع اللجنة هذه التوصية لمجلس الإدارة لعرضها على السادة مساهمي الشركة خلال الاجتماع القادم للجمعية العامة.

والله ولي التوفيق،،

عضو لجنة المراجعة

إبراهيم العواد

رئيس لجنة المراجعة

عبد العزيز الصالح



PKF
Ibrahim Ahmed Al-Bassam
& Co. Certified Public Accountants

Mineral Energy Trading Company Audit Financial Proposal

13 February 2024

Mineral Energy Trading Company
Riyadh
Kingdom of Saudi Arabia
Attn: Audit Committee

Dear Sir,

Thank you for providing us the opportunity for rendering the professional services relating to the audit and review of the financial statements of Mineral Energy Trading Company ("the Company") for the year ending December 31, 2024.

The following is the fee structure for the above services (SAR excluding VAT):

S. No	Description	Fees	Payment Terms	Required Time (working days)	Total Allocated Team Hours
1.	Annual Audit of the Financial Statements for the year ending 31 December 2024 of the Company	210,000	- 50% upon signing of Engagement letter - 50% upon issuance of draft deliverables	6	526
2.	Semi Annual Audit of the Financial Statements for the year ending 31 December 2024	75,000	- 100% upon issuance of each draft deliverable	3	263
3.	Zakat Annual Return Filing for the period ended 2024	20,000		-	-
4.	QAWAEM Upload	Nil		-	-
5.	Total	305,000			

RIVADH

Tel: +966 11 206 5323 | P.O. Box 09636
Fax: +966 11 206 5444 | Riyadh 11557

JEDDAH

Tel: +966 12 662 5323 | P.O. Box 10661
Fax: +966 12 662 2834 | Jeddah 21434

AL KHOBAR

Tel: +966 13 863 3078 | P.O. Box 4636
Fax: +966 13 863 3049 | Al Khobar 31952

TERMS AND CONDITIONS

- All Invoices are required to be cleared within 1 week of invoice date. Signed deliverables will be issued upon clearance of outstanding dues only. Without limiting its rights or remedies, Firm may halt or terminate immediately its services entirely, without any prior written notice if payment is not received within 30 days of the date of the invoice.
- Our proposal is valid for the period of **30 working days**.
- Acceptance of proposal is subject to clearance from risk and quality department.
- Out of pocket expenses will be billed separately based on the overrun hours due to management delays, implication of new accounting treatment and adoption of new standards after mutual consent.
- Pricing of the proposal is based on the minimum timeline required. If there is a need to reduce the timeline, additional resources can be deployed as per the required and the pricing will be increased in the same proportion.
- Pricing is based on the assumptions that field work will start in xx 2025
- Pricing is considered as a group package and will not be valid for individual selection.
- For any travelling need (including inventory counts and field visits) logistics including accommodation, food and per diem other than Riyadh, has to be arranged by the management or PKF can arrange the same and will be billed to the client.

- **The fees quoted for the services are based on certain assumptions. Circumstances may arise during the engagement that may significantly affect the targeted completion dates and our fee estimate. As a result, additional fees may be necessary. Such circumstances include but are not limited to the following:**

• Audit Facilitation

- Changes to the timing of the engagement at the Company's request usually require reassignment of personnel used by the firm in the performance of services hereunder. However, because it is often difficult to reassign individuals to other engagements, firm may incur significant unanticipated costs.
- Deterioration in the quality of the Company's accounting records.
- A completed trial balance, referenced to the supporting analyses and schedules and the Financial Statements, is not provided timely by the Company.
- Draft of the Financial Statements with appropriate supporting documentation are not prepared accurately and timely by the Company's personnel.
- Electronic files in an appropriate format and containing the information requested are not provided by the Company on the date requested for our use in performing file interrogation. Firm will provide the Company with a separate listing of the required files and the dates the files are needed.

RIVADH

Tel: +966 11 208 5533 | P.O. Box: 68659
Fax: +966 11 208 5444 | Riyadh 11557

JEDDAH

Tel: +966 12 652 5533 | P.O. Box: 16663
Fax: +966 12 652 2844 | Jeddah 21454

AL KHOBAR

Tel: +966 13 883 5378 | P.O. Box: 4638
Fax: +966 13 883 5399 | Al Khobar 31062

Significant issues or changes

- Significant deficiencies or material weaknesses in the design or operating effectiveness of the Company's internal control over financial reporting are identified during our audit that result in either an expansion of the scope of our testing procedures related to internal control over financial reporting and/or an expansion of our audit procedures on the related financial-statement accounts.
- A significant level of proposed audit adjustments is identified during our audit.
- A significant number of drafts of the Financial Statements submitted for our review or we identify a significant level of deficiencies in the draft of the Financial Statements.
 - *Significant new issues or changes as follows:*
 - *New accounting issues.*
 - *Changes in accounting policies or practices from those used in prior year.*
 - *Events or transactions not contemplated in our budgets.*
 - *Changes in the Company's financial reporting process or IT systems.*
 - *Changes in the Company's accounting personnel, their responsibilities, or their availability.*
 - *Changes in auditing standards.*
- Change in the Company's use of specialists or their work product does not meet the qualifications required by generally accepted auditing standards for our reliance upon their work.
- The procedures necessary to adopt any new Financial Reporting Framework Standards have not been completed by the Company's personnel.
- Changes in audit scope caused by events that are beyond our control.

RIVADH

Tel: +966 11 206 5333 | P.O. Box: 69599
Fax: +966 11 206 5444 | Riyadh 11557

JEDDAH

Tel: +966 12 652 5533 | P.O. Box: 12651
Fax: +966 12 652 2654 | Jeddah 21424

AL KHOBAR

Tel: +966 13 633 4378 | P.O. Box: 4536
Fax: +966 13 633 3369 | Al Khobar 31552



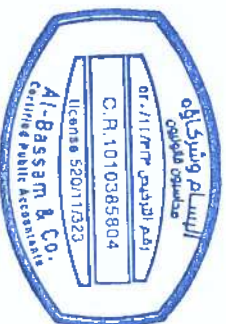
PKF
Ibrahim Ahmed Al-Bassam
& Co., Certified Public Accountants

Upon your acceptance, we will provide you with the engagement letter, which will formalize the terms of the engagement for our professional services. We want to take this opportunity to assure you that, if appointed, our people will be responsive and contribute in every way to your future success.

Sincerely,

For Al-Bassam & Co.

Abdullellah Al Bassam
Partner



RIYADH

Tel. +906 11 206 5333 P.O. Box 69656
Fax +906 11 206 5444 Plymouth 11567

JEDDAH

Tel. +900 12 052 5333	P.O. Box 15051
Fax +900 12 052 2894	Jacklyn 21454

AL KHOBAR

Tel. +966 13 693 3379 **P.O. Box** 4636
Fax +966 13 883 3349 **Al Khobar** 31652

Illustration: Armand M. Baumann & Co., Confidential Public Accounting, C.H. 1010385804, P.O. Box 5204 VV523 is a member of PWC Global, the network of member firms of PwC International Limited, each of which is a separate and independent legal entity and does not accept any responsibility or liability for the actions or inactions of any individual member or corresponding firm. E-mail: info.pwcglobal@pwc.com; www.pwcglobal.com

TAQAT MINERAL TRADING COMPANY

Proposal for annual audit and zakat services

December 2023

CONTENTS

Proposal Letter	2
-----------------	---

Scope of Work	3
---------------	---

RSM International	5
-------------------	---

RSM Saudi Arabia	11
------------------	----

Audit Methodology and Commitment to Quality	15
---	----

Audit Approach	23
----------------	----

Our Credentials	33
-----------------	----

Team CVs	37
----------	----

Commercial	46
------------	----

Our Presence in Saudi Arabia	48
------------------------------	----



Proposal Letter

11 December 2023

We are delighted to have the opportunity to propose our external audit services for Taqat Mineral Trading Company ("the company") for the year ended December 31, 2024.

RSM is among the major professional firms providing audit, zakat and consulting services in the Kingdom of Saudi Arabia. We have continued to invest in our people and processes in order to meet the demands of our clients who operate in almost all sectors of the economy domestically and abroad.

Our proposal, which is detailed over the following pages, mirrors the approach we will take for your audit – a true partnership which features robust communication, a joined-up team bringing you fresh ideas and innovative thinking, with the underlying support from across the firm to help you grow the business.

We are very excited to present there our ideas on how we envisage working together, but most importantly the benefits you will get from appointing RSM.

Key features of our proposal

Our team

We have picked a team for their powerful combination of credentials, skills, working style and enthusiasm. They have unprecedented experience of auditing several sectors and large conglomerates. They fully understand business risks and will be able to advise you on the matters of significant judgement. The team will be duly supported by specialists and subject matter advisors.

Working with Company's Audit Committee

We will play our part in ensuring that Company has an effective risk management process and in supporting those charged with governance role by providing clear opinions and insights on topics that directly impact your ability to manage risk and uncertainty. We will work with others to provide coherent, understandable views that lead to practical recommendations.

Advisory Panel

We have already set up a Company's Advisory Panel who will sit alongside the core Audit team, and meet with you on a regular basis to provide insight and facilitate audit team's responsiveness to the Company requests. The panel comprises some of our most experienced Partners/directors in their respective fields who would be there to help you.

Value

A competitive fee

We will be the best value, not measured just on price but also on the level of quality and insight, knowledge and people we will bring to the table.

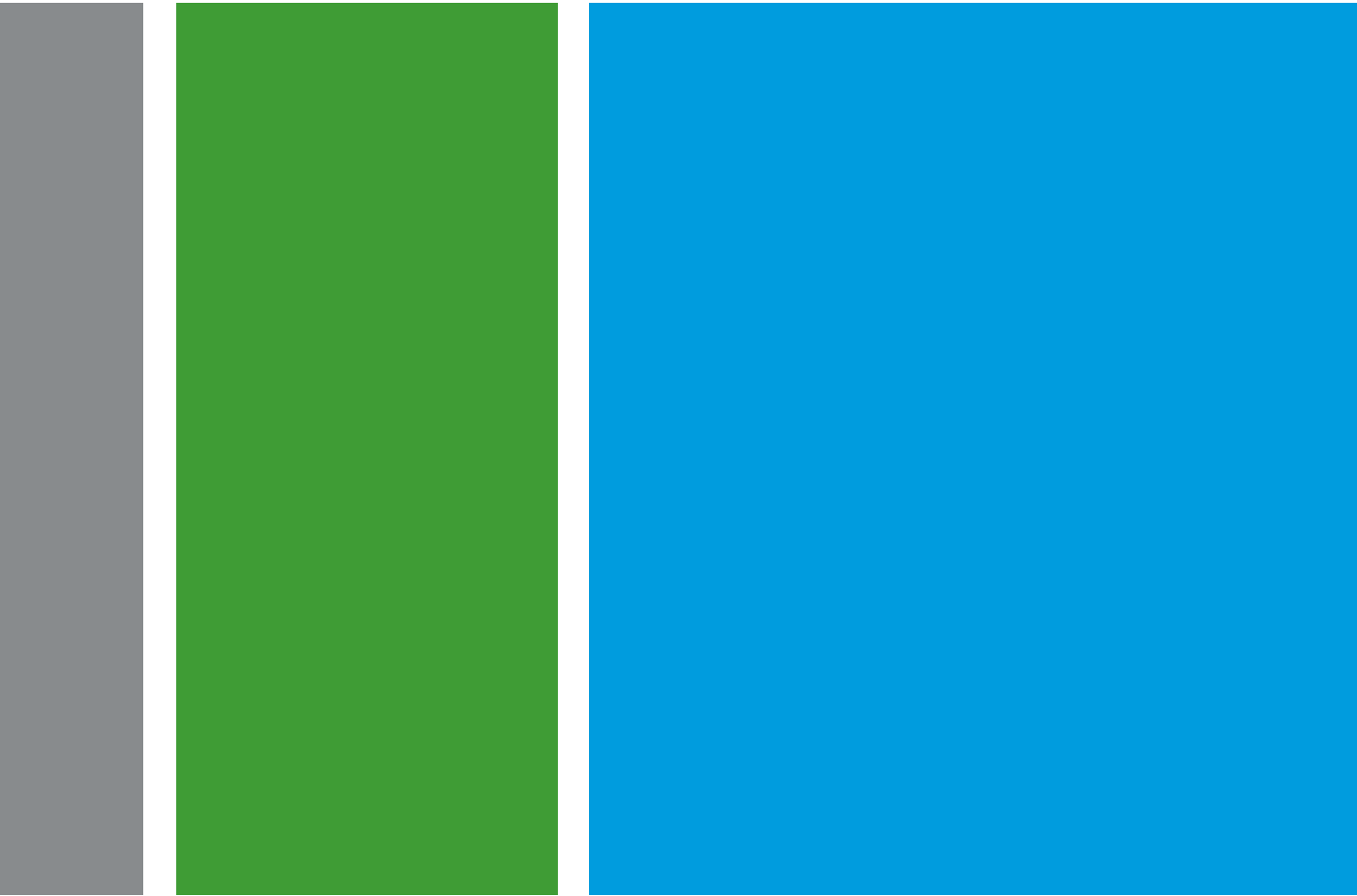
Our proposal aims to bring to life the solutions and benefits that working in partnership with us can bring to the Company.

We look forward to the opportunity to continue build a long-term relationship with you.

In the meantime, please feel free to contact us with any questions.



Mohammed Al Nader
Managing Partner



Scope of Work

Scope of work

We will perform audit of the financial statements of the Company for the for the year ended in December 31, 2024.

Our principal objective will be to express an opinion whether the financial statements taken as a whole present fairly the financial position and results of its operations and cash its flow in accordance with International Financial Reporting Standards as endorsed in Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

Audit

Our examination will be carried out in accordance with international standards of auditing and, accordingly, will include such test of the accounting records, selection of items on a test basis, evaluation of accounting policies adopted by management and accounting estimates and such other auditing procedures that we consider necessary in the circumstances.

It is our normal practice to write a management letter at the conclusion of our audit, setting out our comments on the systems and controls, together with suggestions for improvements and other matters relevant to the financial statements which merit management's attention and necessary action. Our aim is to offer constructive comments with the objective of assisting our clients to manage their business more effectively.

Zakat

We will review the Tax return for the year ended 31 December 2023 for the purpose of uploading the Tax return on the Zakat, Tax and Customs Authority (ZATCA) website.

Furnish you with a list of the required documents, forms, and information needed in order for you to complete the Company's Tax Return and offer any assistance and advice that you may require to fulfill these requirements.

Review the Tax Return, based solely on the information provided by you. Including the required schedules and forms and submitting it on your behalf to the ZATCA. The return along with the accompanying set of financial statements and various supporting schedules and forms should be submitted to us in Arabic. The accuracy of the return is the responsibility of your management who will approve it in final forms to enable us to submit it on your behalf to the ZATCA.

We will certify the income tax return as under article 57 (6) of the by-laws, the tax return is to be certified by a certified public accountant for extraction of information from the Company's books and records and review of the tax return in accordance with the tax regulations.



RSM International



THE RSM INTERNATIONAL NETWORK

The **RSM** network connects member firms through common methods and processes, including commonly agreed and applied quality standards. This connection provides comfort to **RSM** member firm partners and their clients that the quality of service and advice to referred clients will be to a consistently high standard, everywhere in the world.

Many RSM member firms are among the top firms in their respective countries and possess some of the best professional resources and experience available. The member firms have a broad client base, from large listed and international companies to smaller, Owner-Managed Businesses in the public and private sectors. In addition to traditional assurance services, RSM possesses significant resources and experience in Zakat, transaction support, risk advisory, internal audit and corporate recovery and insolvency.

LEGAL STRUCTURE AND OWNERSHIP

RSM International Limited is a company limited by guarantee and is incorporated in England and Wales (company number 4040598) and whose registered office is at 50, Cannon Street, London, EC4N 6JJ.

RSM International Limited does not itself provide professional services to clients but acts as a member services organisation. Client services are delivered by the independent member firms of RSM International, each of which is a separate and independent legal entity. Member firms are not members of an international partnership or legal partners with each other. No single member is responsible for the services or actions of another. Although many member firms take the RSM name, there is no common ownership between these firms or ownership of them by RSM International Limited.

The brand and trademark RSM and other intellectual property rights used by members of the network are owned by RSM International Association, an association governed by article 60 et seq of the Civil Code of Switzerland whose seat is in Zug

REQUIREMENTS OF MEMBER FIRMS

RSM member firms agree to adopt and align with the following policies and procedures as a requirement of membership:

- ☐ RSM Quality Assurance and Risk Containment Policies and Procedures.
- ☐ RSM Audit Manual and its methodology
- ☐ RSM Ethics and Independence Policies.
- ☐ RSM Assurance Services Training and CPD Policies.
- ☐ RSM Member Firm Inspection Programme Policies and Guidelines.
- ☐ RSM Anti-bribery and Corruption Policies and Procedures

FUNDING

The cost of coordinating the RSM International network is funded by member firms. Each year the International management of Directors approves the budget for the coming year. Substantially all budgeted income is derived from annual membership fees paid by member firms. The fees for member firms are calculated in accordance with an approved funding formula that takes into account a number of factors including the member firm revenues and their level of net referral fees.

MANAGEMENT AND GOVERNANCE

The organisational structure of RSM International is aimed at executing the RSM global strategy – the Power of Focus – and providing member firms with the platforms to develop business together in a high-quality manner. The structure also reflects the network's geographic coverage, ensuring representation from all key regions.

THE RSM INTERNATIONAL NETWORK

INTERNATIONAL BOARD OF DIRECTORS

RSM International is an organisation with the infrastructure and resources needed to establish common standards and quality assurance programmes, as well as to facilitate effective management of transnational work by its member firms.

Governance of RSM International is comprised of representatives of member firms who form the International management of Directors. Members of the management, which comprises 12 Directors, are put forward by the Nomination Committee who apply the management Appointment Process relevant to the vacancy on the International management of Directors. The Directors elect a Chairman and appoint a Chief Executive Officer. The management sets the international strategy of RSM International and acts in the interest of the network as a whole.

The current Chair of the International management of Directors is Mike Kirley, who also acts as the International Strategy Officer of RSM US LLP in the USA. The full time CEO is Jean Stephens who leads the Global Executive Office in London and whose responsibilities include the implementation of short and long-term organisational strategies for the growth and development of the network.

REGIONAL OPERATION

The member firms of RSM International are organized into geographic regions for purposes of administrative and quality control programmes, as well as for coordination of cross-border or multinational team assignments.

Currently, the key regions of RSM International are Africa, Asia Pacific, Europe, Latin America, North America and Middle East/North Africa (MENA).

The Africa, Asia Pacific, Europe, Latin America and MENA regions have a governance structure that takes the form of Regional Councils. Each council is comprised of the Managing Partners of each member firm within that region.

Regional Leaders are devoted to the development of the region and work with the member firms in that region on a daily basis.

The current Regional Leaders are:

Africa	Europe	MENA
Clive Betty	Gregor Schmidt	Bassam Dahman
Asia Pacific	Latin America	North America
Neil Hough	Brendan Quirk	RSM US LLP
		International Office

RSM INTERNATIONAL'S COMMITMENT TO QUALITY

Quality is the absolute cornerstone for RSM International and as such every member firm is required to meet a number of obligations in relation to quality. To ensure consistent practices and standards among member firms, RSM International has developed a number of global methodologies, policies and practices which are compliant with International Standards (where applicable). These have been developed by specialists and leaders at member firms and the Global Executive Office, under the oversight of the RSM Transnational Assurance Services Executive Committee.

Every member firm is required to conduct an internal inspection over the quality of services delivered and compliance with network policies and procedures as well as their own incremental policies and procedures each year. RSM International organises global observations of these inspections on a cyclical basis, not to exceed every three years. If a firm's annual inspection or the cyclical global observations highlight significant non-compliance, a follow-up review is scheduled to check progress on issues raised. Significant non-compliance can result in a number of sanctions being imposed on the firm, including up to termination of the firm's membership in RSM International.

THE RSM INTERNATIONAL NETWORK

RSM is a leading provider of audit, Zakat and consulting services to global leaders.

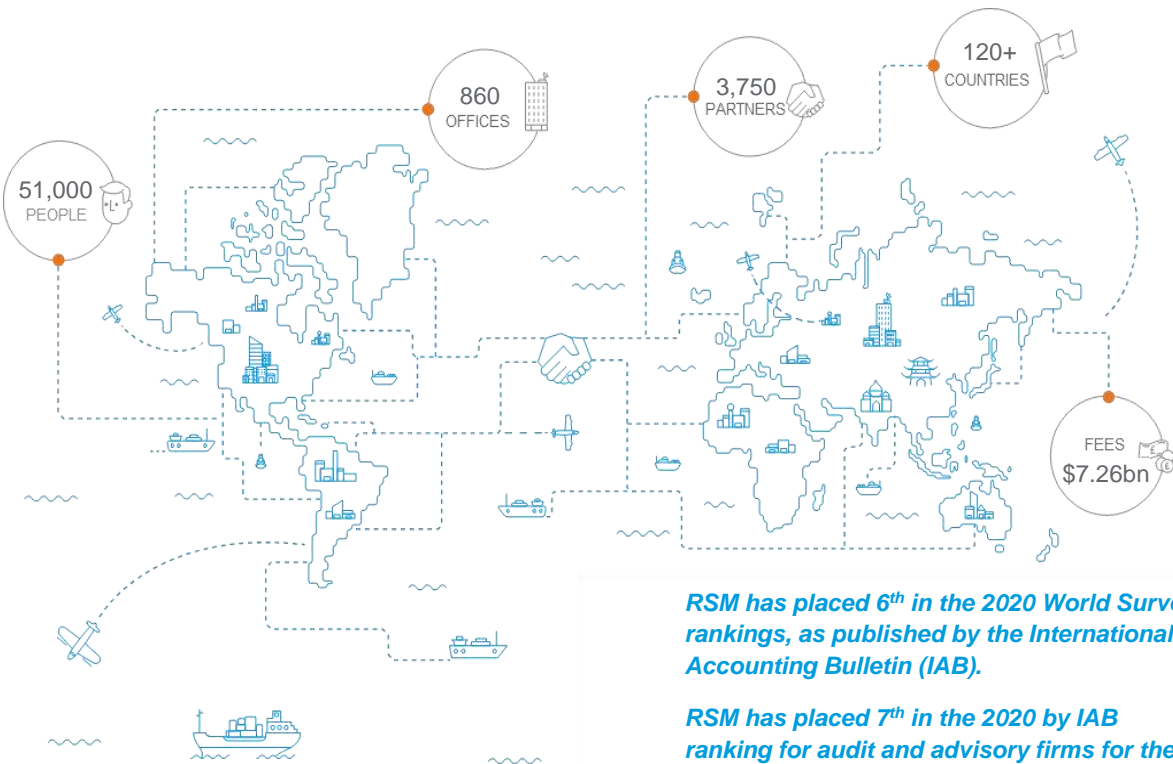
Middle East and North Africa

The ongoing political and social changes in the Middle East and North Africa continue to present both challenges and opportunities. RSM draws on its deep experience of the financial landscape across the region to anticipate change, business trends and help clients to enable change.

We believe in providing all of our clients with a consistent service going above and beyond their expectations, wherever they are in the world. That means providing both full-service local support and coordinating with RSM network firms around the world to unlock the international knowledge and insights of our most experienced senior professionals.

As an integrated team, we share skills, insight and resources, as well as a client-centric approach that's based on a deep understanding of your business. This is how we empower our clients to move forward with confidence and enable them to achieve their full potential.

THE FIVE C'S OF RSM



RSM has placed 6th in the 2020 World Survey rankings, as published by the International Accounting Bulletin (IAB).

RSM has placed 7th in the 2020 by IAB ranking for audit and advisory firms for the Kingdom of Saudi Arabia.

RSM INTERNATIONAL

120+
Countries

.....

830
Offices

.....

57,000
People

.....

\$7.26bn
Revenue



Bringing “The Power of Being Understood”

The business world is evolving rapidly. Through advances in technology, communications and infrastructure, business barriers are disappearing and each day we become ever more global.

In this fast-paced environment, you need an adviser that thinks ahead and rapidly responds to your changing needs. At RSM, we build strong relationships based on deep understanding of what matters most to our clients.

It is our strong, collaborative approach that differentiates us. We will strive to truly understand you, your strategies and your aspirations and endeavour to be considered the adviser of choice to your business. By sharing the ideas and insights of our most senior professionals, we bring our expert local and global knowledge and resources to your environment, so you feel understood and empowered to move forwards with confidence.

This is the power of being understood.

This is the RSM experience and our commitment to you.

Vision

To be the adviser of choice to middle market leaders globally.

Purpose

To deliver The Power of Being Understood to our clients, Colleagues and commodities.

Distinguishing Beliefs

A set of principles through which we can realize our vision and empower all our clients to make confident decisions, being accessible, responsive and adaptive.

Collaboration

Building strong, collaborative and lasting relationships with all our stakeholders, being accessible, responsive and adaptive.

Understanding

Gaining a deep understanding of clients' needs, strategy and aspirations and striving to be an essential part of their business environment.

Ideas and Insight

Ensuring every client benefits from tailored thinking and the insight of our more senior experts, both locally and globally.

Values

As a network, we underpin our brand with the following VALUES that are integral to the way we act with each other and with clients;

Respect

We display respect in each interaction with:

- ✓ Clients
- ✓ Employees
- ✓ Partners

Integrity

We stay true to our beliefs:

- ✓ In decisions
- ✓ In negotiations
- ✓ In communications

Teamwork

We cultivate genuine collaboration:

- ✓ In our work groups
- ✓ Across member firms
- ✓ Across functions

Excellence

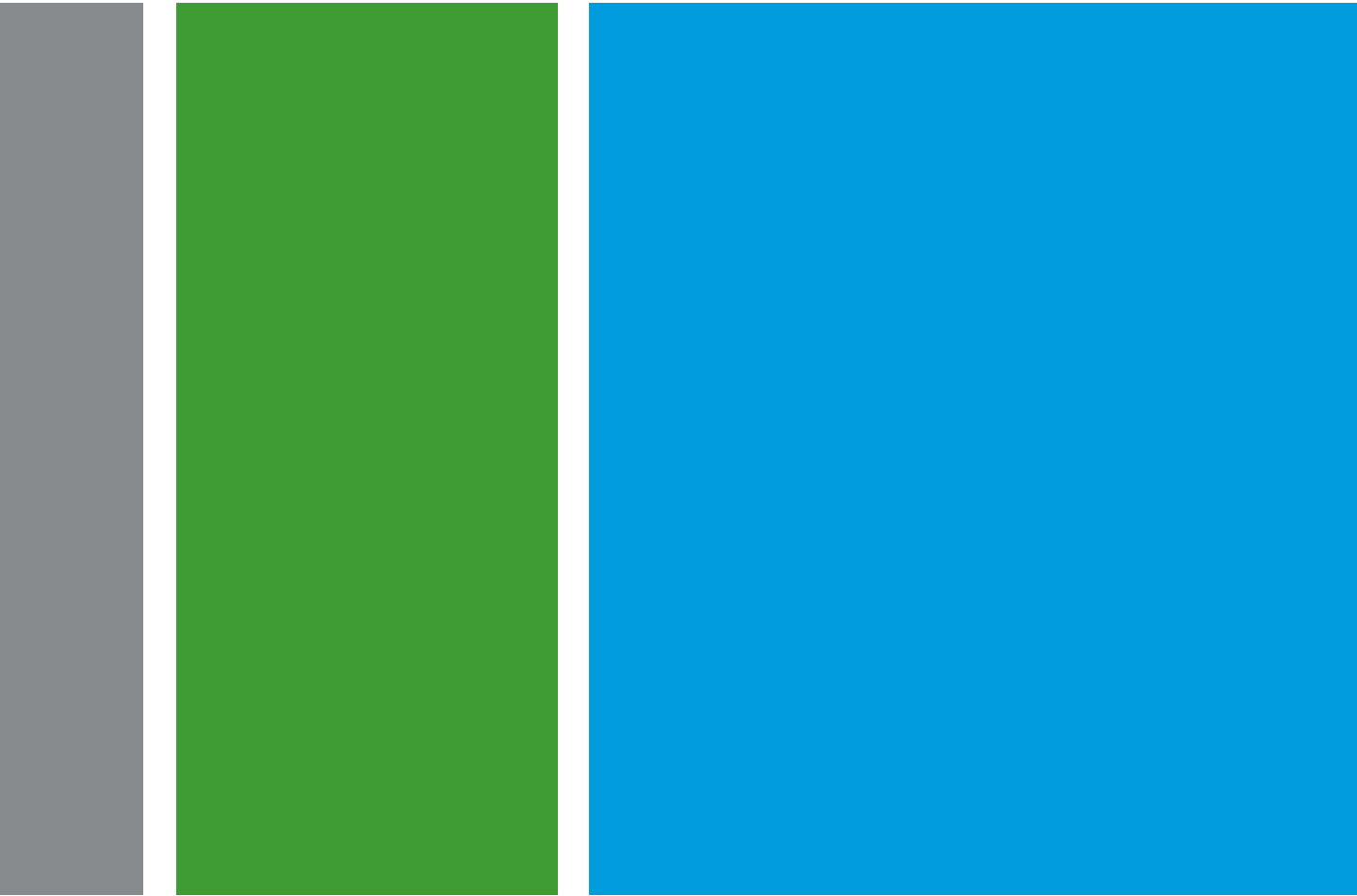
We achieve distinction through:

- ✓ Our standards
- ✓ Our operations
- ✓ The work we deliver

Stewardship

We make RSM a better place by:

- ✓ Developing our people
- ✓ Building our brand
- ✓ Supporting our communities



RSM In Saudi Arabia

RSM Allied Accountants

RSM ALLIED ACCOUNTANTS

RSM Allied Accountants is one of the quality firms in the field of audit, tax & zakat and consulting services. Allied Accountants is member of RSM since 2009.

Commercial Registration No. 4030228773

License No. 323/11/168

OUR EXPERIENCE

RSM has experience across multiple sectors and throughout the global market. We focus that diverse experience into a complete knowledge package of international best practices and expertise to provide you with an internationally competitive service. Additionally, RSM has had the pleasure of working with other organizations in the MENA region, and has a developed knowledge by offering audit services to customer-focused organizations within this geographic area.

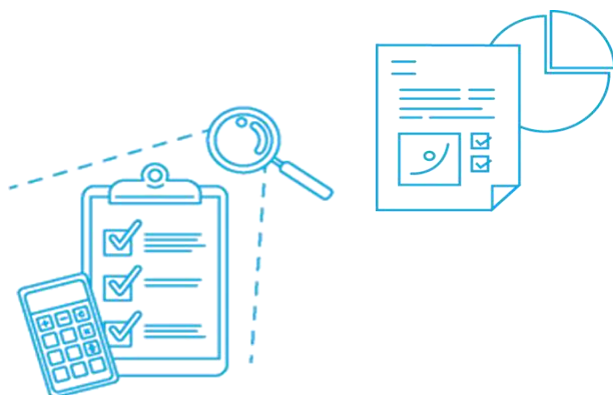
Our professional staff across the world offering a full range of audit and assurance services. RSM will talk to management about their observations and findings during the audit to help the business improve its compliance and performance. Our professionals specialize in particular sectors and industries, to give a deeper understanding of the challenges that may be faced. Prior to commencing an audit, our audit teams will visit you to understand how your business operates, the risks it faces and how to work with you to complete an effective and high-quality audit.

Our audit methodology has been developed by our leading firms with public interest as priority. Of course we need to complete an audit in accordance with relevant international and national standards but our audit process is flexible, which enables our audit teams to modify their audit approach to better match the client needs and circumstances.

We work closely with our clients to meet their service expectations and we pride ourselves on being a responsive, pragmatic and approachable team.

We believe we are ideally placed to provide professional services for the following reasons:

- ❑ A team of experienced professionals will be assigned to serve you. Our team has extensive experience in providing audit, zakat & tax and consulting Services
- ❑ Team members are committed to provide high quality service throughout the project and possess thorough industry knowledge and exposure
- ❑ Our proposed fee is reasonable compared to the quality of services which we are committed to provide to Client..



RSM Allied Accountants

Members of the Allied Accountant's Management

❑ **Mohammed Bin Farhan Bin Nader**

❑ **Abdul Hamid Nazer**

All partners are Certified Public Accountants (CPAs) registered with Saudi Organization for Chartered and Professional Accountants (SOCPA)

The Management is responsible for all aspects of the management and governance of the Firm. Any of the Management's powers may be delegated to any individual member or members of the management and, in practice, the responsibility for the day-to-day operational management of the service line is entrusted to the Head of Audit who carries out such management with the Audit Management Team (AMT)

The Management meets at least three times a year and additionally as required. All management meetings in the year were attended by all management members at the relevant time. The agenda consistently covers a discussion on aspects of governance and a report by the Head of Audit on operational issues and financial performance.

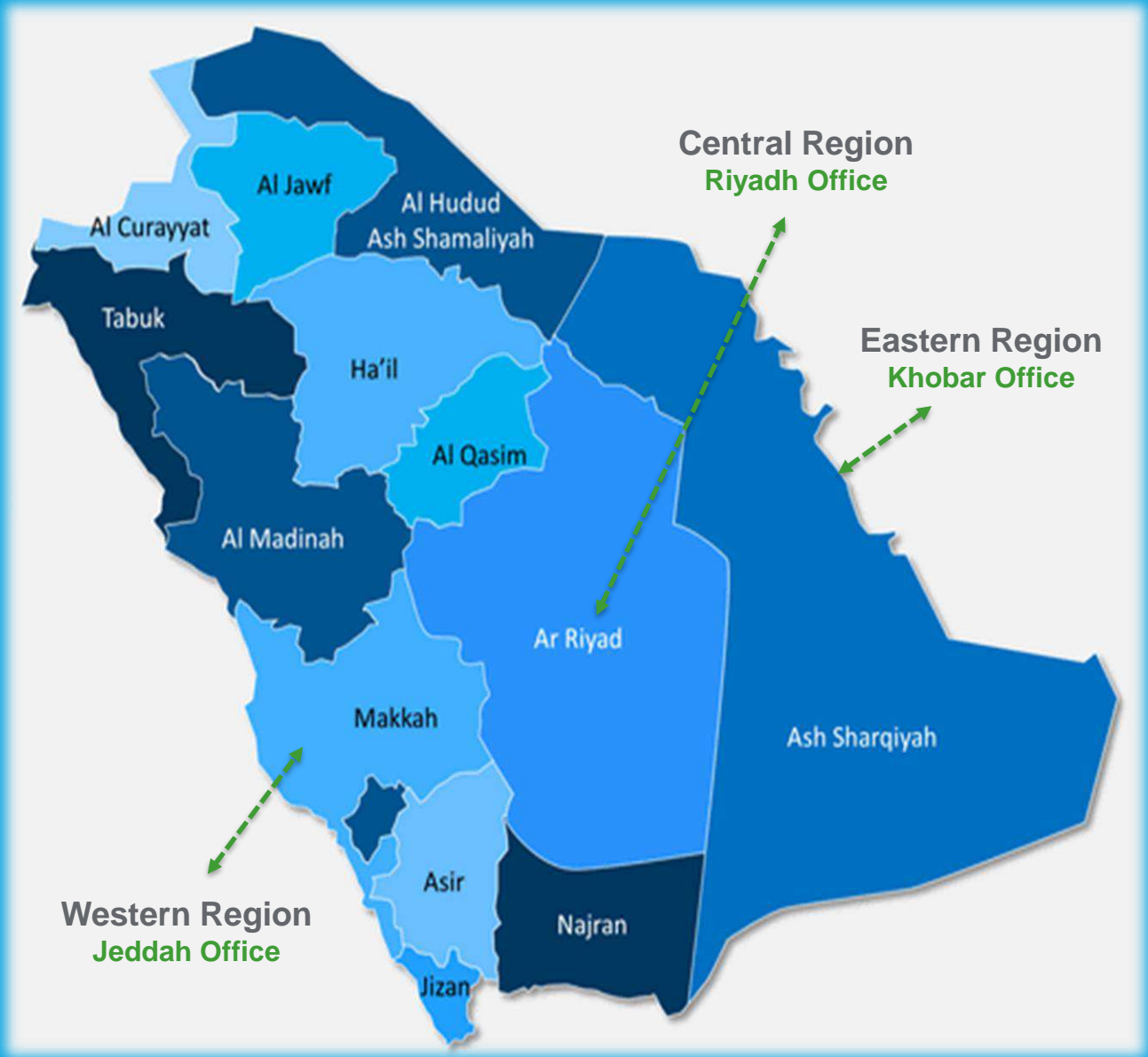
Audit quality always features prominently at the meetings. The Head of the Quality Assurance Department (QAD) provides a written report and the management monitors closely actions taken to address QAD findings. Specifically, the management discusses and ratifies any proposed RI appointments and changes in authorizations and monitors whether training requirements are being addressed.

Reports from external regulators are discussed and the firm's action plans to address regulatory findings are critically assessed and monitored on an ongoing basis. Finally, any ethical issues are raised and discussed so that action plans can be put in place where appropriate.

UNDERSTAND
THE **HURDLES**
THAT STAND IN YOUR WAY



FIRM'S KEY STATISTICS



Over
400
Partners
and Staff

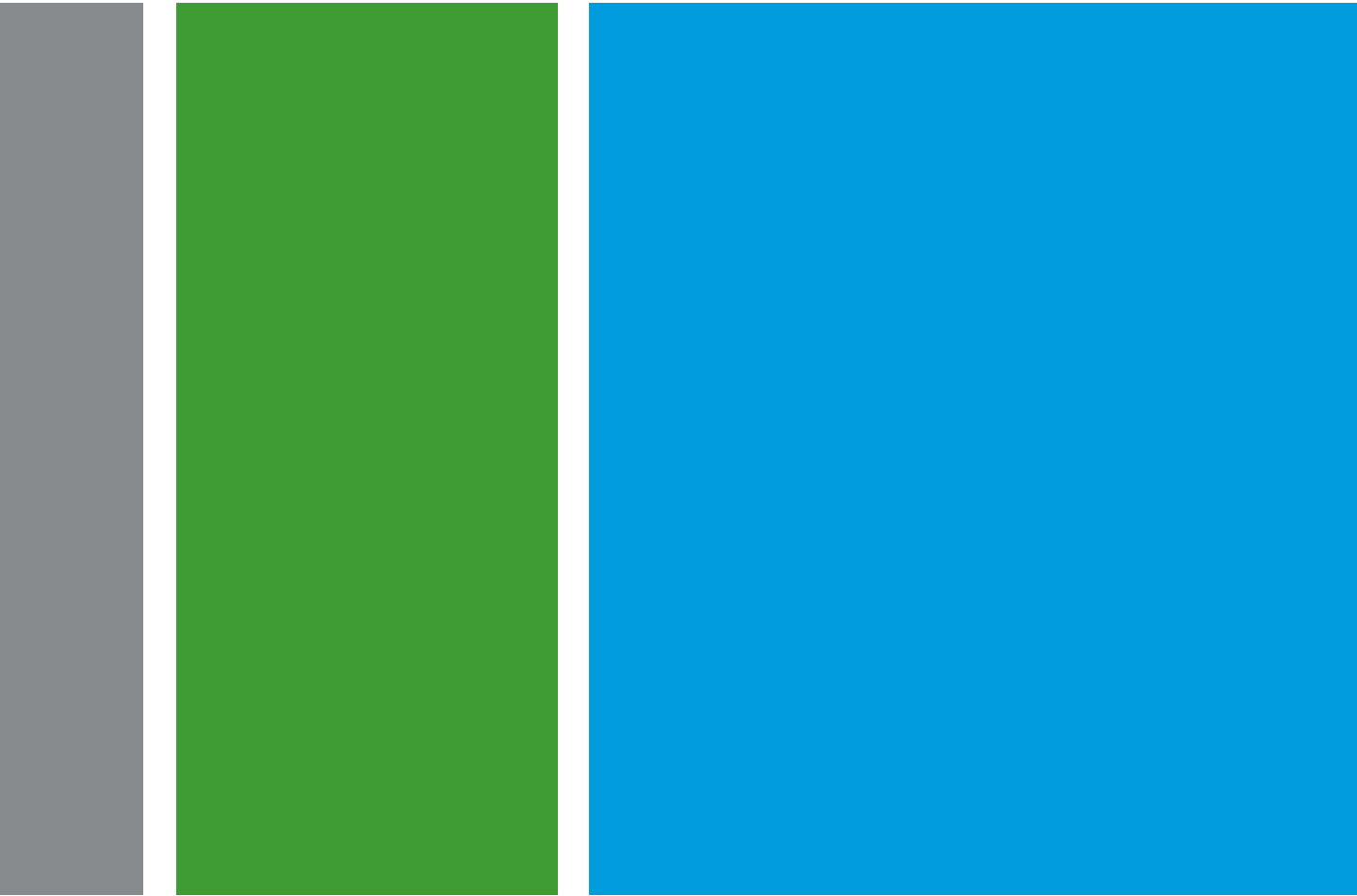


Operating
from
4
Locations



Total
revenue
SAR 75 m



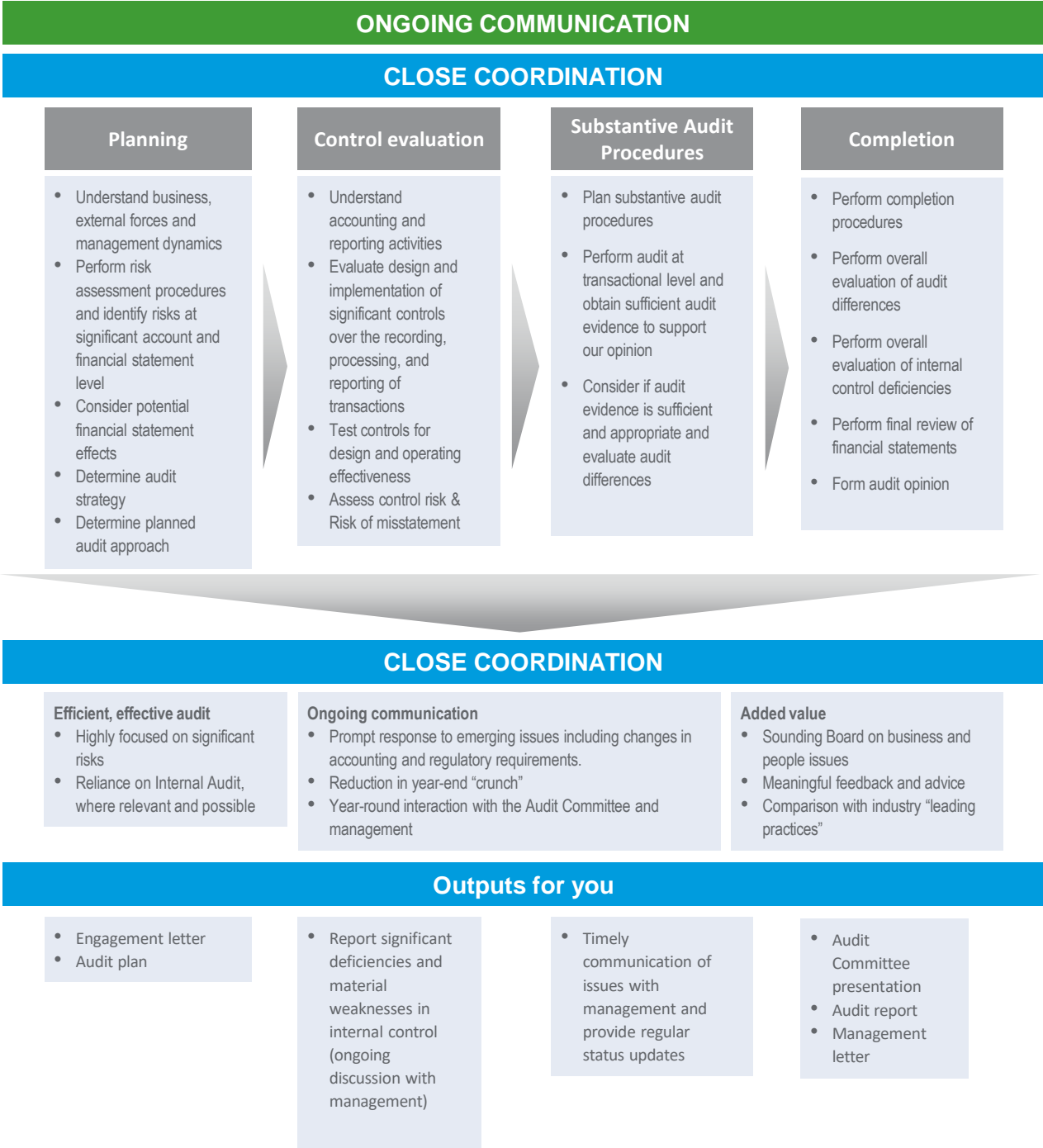


Audit Methodology and Commitment to Quality

OUR AUDIT METHODOLOGY

Consistency – All audit professionals involved in Company audit will use the same methodology. Applying a consistent approach globally promotes efficiency, regardless of the location where the audit is performed.

Industry knowledge – Access to industry knowledge facilitates our audit professionals' ability to focus on what's important to your business. Our global knowledge base allows us to provide you feedback on how your processes and controls compare with industry leaders.



COMMITMENT TO QUALITY

RSM Allied Accountants primary objective is the maintenance and enhancement of quality which leads to a sustainable and profitable business.

COMMITMENT

Our commitment is underpinned by our emphasis on professional and decisive leadership, IT capability and investment, effective training and personal development, the operations of the Quality Assurance Department (QAD) and being responsive to the findings of the firm's regulators. We are continually striving to improve our internal monitoring procedures and our response to external monitoring.

The firm aims to attain the highest standard of professional conduct through the cumulative effect of the following:

- ❑ Internal quality control procedures (at the point of delivery
- ❑ Internal quality assurance by reviews of engagements and of principals' and staff's competence;
- ❑ Continuous training, informing and assessment of all principals and staff;
- ❑ Feedback from staff and RIs; and
- ❑ The external quality monitoring by the firm's regulators.

QUALITY AND CULTURE

It is vital that the firm is constantly assessing its messaging and the behavior of staff to ensure that quality culture permeates throughout the firm. the Management looks for signs that any aspects of culture need redressing and the Ethics team promotes and monitors adherence to independence and integrity.

All partners and staff are provided with access to the employee guide which sets out the firm's code of conduct the employee guide contains information covering all aspects of day to day working life and is available on the intranet as a reference tool, ensuring that both partners and staff always act in a professional manner.



QUALITY AND OUR METHODOLOGY

RSM policies and procedures are designed to ensure that our engagements comply with relevant regulatory requirements, professional standards and RSM Methodology.

SOFTWARE

The methodology is supported by the firm's own computerized software which enables the planned project work to be tailored. Whilst its functionality, along with the inbuilt controls and structured work flows, promotes discipline and compliance with International Standards, it allows RSM teams to focus on the exercise of judgement and evidence their scepticism and challenge of management leading to well-documented, effective and robust quality.

PLANNING

Our methodology requires a detailed understanding of the business, the industry in which it operates and the systems and controls which it has in place. Our regular contact with management throughout the project ensures that we are aware of key developments and provides an opportunity for management to be informed of and act upon relevant technical and regulatory changes. These exchanges inform the development of the strategy for the project and the production of a plan that is based on a detailed risk assessment enabling focused testing to be performed and an effective and efficient plan to be carried out. The plan is revisited and revised, where necessary, during the course of the project as the team reacts to their findings.

Principles have access to the staff resource planning tool, Retain. This enables them to view the availability of all staff, and their particular specialisms, and ensure that the selected engagement team have the appropriate skills and expertise for a particular engagement.

FIELDWORK

We use a range of techniques in carrying out our engagement. Our computerized tools which provides guidance on how to use data software to perform specific tasks. Training and the sharing of good practice in this area is a continual process which is supported by champions at manager and user level.

The exercise of professional skepticism is an essential feature in a quality and our culture encourages teams to consult and to challenge their own, their colleagues' and the client's assumptions and conclusions during the performance of the engagement, and to document the resolution of matters arising. A broad spectrum of experts in auditing, accounting, IT, taxation, valuations and financial instruments are on hand to consult, assist or use where necessary.

REVIEW

Each team member is responsible for considering the quality of his or her work before signing it off. In addition, with the exception of the principal, the work of every team member is reviewed and signed off by another, more senior, person.

Additional reviews by colleagues who are independent of the team are required in certain circumstances, for example where there is a public interest, where the client is deemed to represent potentially high reputational risk to the firm, where a long-standing relationship exists, or where the principal is being mentored.

Independent reviews are also conducted when an enhanced report is to be issued. Such reviews are always conducted by appropriately qualified and experienced personnel and our computerized software ensures that all these quality controls are applied and evidenced.

QUALITY AND SPECIALIST AUDITS

RSM maintains responsible individual (RI) and manager authorization system such that only those individuals with the requisite skills, experience and training can undertake specialist projects, including entities with public interest are responsible for conducting reviews of the authorisation list on a bi-monthly basis to ensure that the system is up to date.

Prior to being involved in specialist assignments, our staff must have completed appropriate specialist training. To ensure that this policy is adhered to, RIs are required to confirm, at the initial planning stage of each engagement, that they are satisfied that the allocated staff have the appropriate skills and expertise.

QUALITY AND MENTORING

There are mentoring arrangements for all new RIs, for RIs engaging in new specialist areas, for RIs that are about to relinquish their authorization and for RIs where the Head of department considers that mentoring is necessary for quality or other reasons. Mentors are selected from an approved pool of appropriately experienced principals who submit regular reports to the partners.

QUALITY AND TRAINING

Training is key to ensuring that we are delivering quality work and maintaining a quality culture:

- ❑ all qualified personnel attend a core program of training;
- ❑ partners and staff are provided with training according to their specific roles and specialisms;
- ❑ partners and staff attend soft skills courses to ensure that technical knowledge is applied effectively;
- ❑ an RI induction course is mandatory for all new RIs;

QUALITY ASSURANCE DEPARTMENT

Quality is the responsibility of all partners and staff. Internal quality assurance review systems must be adequate, appropriate, and make a contribution to quality. The function is delivered by the Quality Assurance Department (QAD). QAD is a separate, independent department and is responsible for checking compliance with the firm's procedures and giving feedback to promote continuing improvement in the quality of work.

The QAD team states on the firm's intranet that it aims to be:

- ❑ comprehensive in its coverage and scope of reviews;
- ❑ consistent in application of review procedures;
- ❑ critical in identification of areas for improvement;
- ❑ constructive in communication of review findings; and
- ❑ cooperative in arranging and performing reviews.

The monitoring procedures applied by QAD are in accordance with the International Standard on Quality Control. The QAD team carries out reviews of files, either in physical visits to offices or remotely, and also reviews 'whole firm' matters such as the manuals, training program, CPD records, appraisals and ethical compliance, and internal controls, such as internal authorization, audit-IT access and financial management.

QAD has a program of taking high performing staff on secondment, to give them experience of QA work and a deeper understanding of quality, which they then disseminate in their office after the secondment.

A small number of QA file reviews are carried out by independent RIs from the practice or Learning & Development, to assist in their understanding of the QA process and to give insight into typical findings. These reviews are performed under close supervision by a permanent member of the QAD team.

PROCESS

The use of IT by QAD is extensive and the consistency of review procedures is ensured by the deployment of dedicated QAD team members, the use of review work programmes peer review by QAD colleagues and the pre-issue review by the Head of QAD of all reports.

Reviews findings are issued in writing to the principal and manager and then discussed in a meeting with them. This dialogue includes recognition of instances of good quality work as well as the identification of areas for improvement.

After the meeting, the principal and manager are asked to provide written responses and this should include examination of the underlying root causes for any non-compliances.

Where QAD considers that an inappropriate report may have been given, it refers the case to the Technical Committee, who decide whether the report is inappropriate and, if so, what action should be taken.

At the conclusion of the review(s) for each RI and manager, QAD uses a risk-based approach to determine the interval before their next QA review. If it is decided that an interval of six months is needed, to galvanise improvement, the individual is duly notified.

MONITORING AND REPORTING

Our internal policy is that we do not grade our QA file reviews. Our view is that this can be counterproductive and that instead it is qualitative feedback that is more constructive and helps teams to achieve improvement. Grading systems can be biased or anomalous and can lead to excessive focus on the grade, rather than the more important messages about striving for improvement.

The Head of QAD provides an annual summary written report to the partners, setting out any current concerns and obtaining prompt responses and actions as necessary.

QAD provides feedback to Partners about each principal and manager reviewed and this information is then used within the appraisal process as necessary.

The quarterly RI regional meetings are attended by one of the QAD team members and each meeting includes a section devoted to quality.



ETHICS AND INDEPENDENCE

THE FIRM DEVOTES A HIGH DEGREE OF RESOURCE TO ETHICS

Ethics materials and personal advice are readily available to staff at all levels, covering the external ethical obligations to which the firm is subject as well as its own ethical policies and access to advice from the Ethics Partner or a member of the Ethics Team on request and at any time of day.

Staff receive regular short messages on ethics via front page intranet news alerts eg around gifts and hospitality. This is supplemented by an ad hoc newsletter, which goes to all staff directly from the Ethics Partner.

ETHICS PARTNER, ETHICS TEAM AND PANEL

The Ethics Partner keeps members of the Panel informed on operational and policy related issues and briefs its members on his expectations across all of the service lines. The Terms of Reference of the Panel acknowledge the Ethics Partner's entitlement to determine any matter related to the taking on, continuation of, and disengagement from an audit engagement for ethical reasons, an entitlement emphasised by the Ethics Partner's own Terms of Reference. The Ethics Partner prepares and distributes the agenda for Panel meetings.

The firm's ethical policies lies with the Ethics Partner, assisted by the Ethics Team. It is the Ethics Partner's function to act as the ultimate arbiter of the application of the ethical codes to any given set of circumstances and all partners and audit staff are apprised of the need to consult the Ethics Team on any issue, particularly of interpretation, that they are unclear about.

In addition to the above, there are internal reviews of independence practices Each year, a summary report in relation to the independence declarations that all principals and staff need to make is provided to the Ethics Partner.

POLICIES AND PROCEDURES

The firm has well-established systems and procedures in place to help safeguard the objectivity of staff and avoid conflicts of interest, whilst complying with ethical and other

applicable standards.

Partners and staff are required to declare financial interests held by themselves, members of their immediate or close family or in their capacity as trustee in any client or affiliate.

Similarly, policies are in place providing guidance on business relationships and the purchasing of goods and services in the normal course of business. The annual declarations

completed by staff, partners and consultants are monitored for any change in business relationships.

Compliance with the firm's audit rotation policy is monitored and is applied to all audit partners and senior members of staff involved in an audit.

There are clear guidelines for dealing with gifts, hospitality and sponsorship so that any self-interest threat is avoided and objectivity is not impaired. The firm has a clear and extensive

gifts and hospitality policy in place to determine whether or not a gift or hospitality should be accepted and it is kept refreshed.



RISK MANAGEMENT

All staff and partners are expected to embody the values of the firm with regards to risk and follow correct procedures. The promotion of risk mitigation is a key theme at audit workshops and RI meetings.

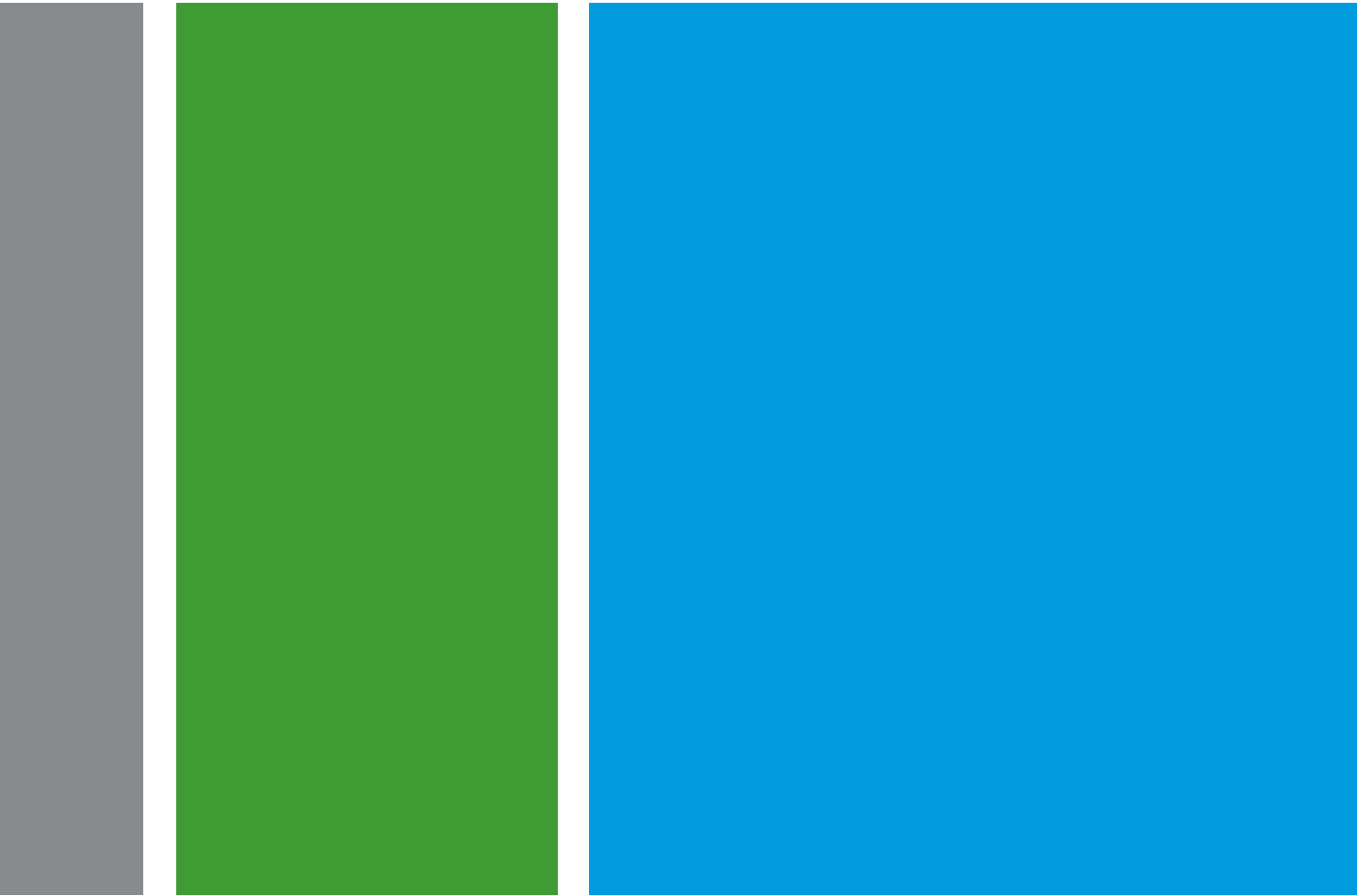
RISK MANAGEMENT PROCEDURES

Across the firm, the management has primary responsibility for dealing with strategic and operational risk management including internal controls. The firm has also established an internal Risk Advisory Group which is led by the head of operations and comprises members from its Compliance, Legal and QA teams. Their work is to look at risk matters and internal controls within the firm and advise and support management to improve risk management strategy, operations and internal controls.

The firm requires the completion of the Client and Engagement Acceptance Programme (CEAP) for all new clients and additional and continuing engagements in relation to existing clients. The programme is designed to assist in identifying and managing risk, including the risk of breaching ethical standards, and incorporates an automated upward review and

authorisation process. It forms an important element of the firm's procedures to enable the firm to obtain reasonable assurance that it, and its personnel, comply with those standards before undertaking or retaining an engagement. Compliance and QAD undertake frequent checks to ensure procedures are being followed appropriately. System is continually enhanced and extensive intranet guidance and training is provided to users.

A wide Risk Register has been compiled and is used by QAD in the performance of an internal audit function. The compilation of the Risk Register and the review of effectiveness of controls have made use of the FRC Guidance on Risk Management and Internal Control.



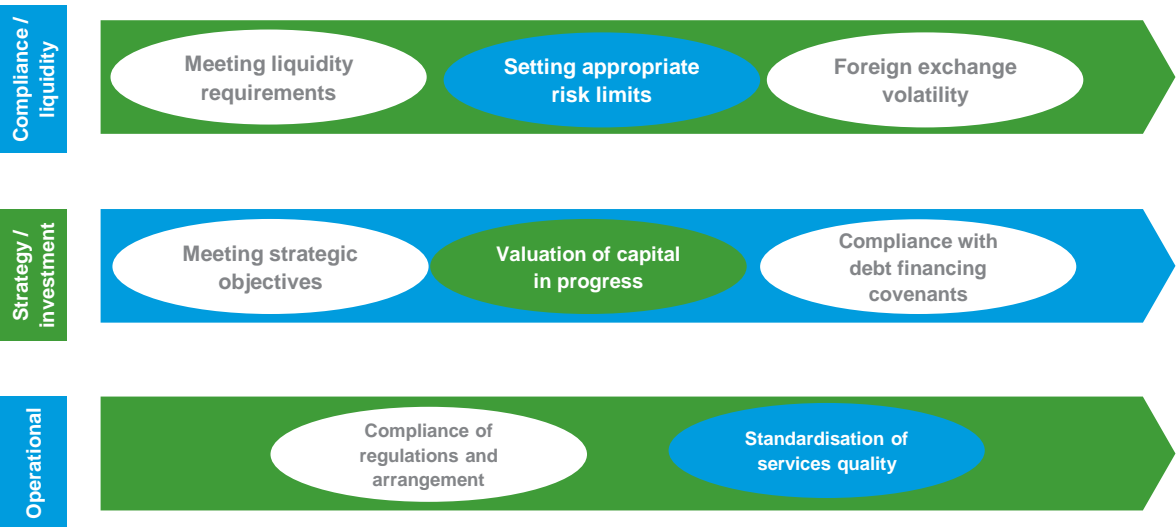
Audit Approach

YOUR AUDIT APPROACH

Our audit will be aligned to your business drivers and challenges. We will ensure quality and timely delivery with an emphasis on proactive and pre-emptive advice and above all a quality audit opinion.

Risk assessment and impact on our audit approach:

Our audit is risk based and therefore knowledge of your business risks is the most essential part of our approach. Based on our understanding through meetings with senior management, review of annual reports and using our understanding of companies operating in similar industries, we have developed the following risk map that will be in core focus for the audit (*but not limited to*). The risk map identifies key risks and how these are translated into audit risk. We would present and discuss this in more details during audit planning workshop.



TAILORED AUDIT APPROACH

Our audit is risk based – knowledge of the industry is key when accessing the risks faced by Company. We use our unrivaled knowledge of the issues faced by similar companies to inform our risk assessment.

We plot out the various Business and Audit risks the Company may face, along with their magnitude of impact and likelihood of occurrence, in the table below:



TAILORED AUDIT APPROACH (Cont.)

Delivering a proactive, timely, robust and 'no surprises' audit

Our robust risk-based audit approach uses a globally consistent methodology and leverages technology platforms to identify key focus areas and engage with clients proactively to address them. Some of the key elements of our audit approach, which enable us to deliver a 'no surprises' audit consistently are set out below:



We are geared to meet audit completion deadlines - even the most stringent timelines



We engage with you closely to anticipate issues ahead of time



We are proactive and provide prompt feedback on reporting and compliance related



developments We have extensive experience in working in multiple locations



Our audit planning and approach is risk-based and focuses on what is relevant



Significant audit senior management presence throughout the engagement



Skills and proven experience in audit transition

RSM delivered strong growth in 2019 but, for that to be sustainable, we must maintain a focus on quality and remain dedicated to ensuring that we also continue to meet and exceed the expectations of our rapidly growing, international client base."

"Our strategy for this year includes expansion into new markets, expanding our capabilities and footprint through aggressive M&A strategies, creating new products and services and identifying emerging new sectors - while delivering the service and expertise our clients expect."

Jean Stephen CEO of RSM international

TAILORED AUDIT APPROACH (Cont.)

Delivering a proactive, timely, robust and ‘no surprises’ audit

Your expectations	Our response
<ul style="list-style-type: none">• Coordination• Sector insights• No surprises• Independent challenge; yet solution driven• Timely delivery• Continuity	<p>Strong project management across multiple locations through:</p> <ul style="list-style-type: none">• A core team with significant experience that is hands on and leads from the front• Upfront discussions with management• Build strong relationships across all locations where Company operates• Periodic meetings with management and site visits• Use of issue tracker for early resolution• Identifying and sharing good practices in business process and controls• Ensuring quality audit at all levels• Identifying and proactively communicating opportunities for performance improvement through management letters• Subject matter experts support from IT, taxation, accounting advisory and other experts wherever required

Service charter

- Understanding your business
 - Risk-based audit approach
 - Dedicated points of contact

• **Understanding your business** is central to our audit. Through upfront and ongoing interactions with your teams, we will seek to enhance our understanding of the key drivers of your business, and emerging issues and challenges that have an impact on Company’s financial statements.

Our audit approach is **risk-based**. Based on the risk assessment which will be agreed with you, we will focus on your key financial statement risks and the controls that mitigate those risks.

Sheirf will be your **points of contact** and will be responsible for the overall scoping for the Company.

Our **proactive and client centric approach** will ensure that the impact on your financial statements arising from regulatory changes, new accounting standards / guidance are discussed and evaluated upfront and compliance requirements are adhered to. We will leverage on our extensive experience in the industry and our access to our global network.
- Proactive and client centric approach
 - Robust project management

• Our approach is centered on **robust project management**. A centrally controlled and coordinated planning process will ensure co-ordination and synergies, and a ‘no surprises’ audit.

• Our approach, ensures deep ongoing involvement of the Engagement Leader. He and the team will engage closely with all relevant stakeholders contemporaneously as issues arise. We believe in resolution of issues through interpersonal and ongoing transparent communications.

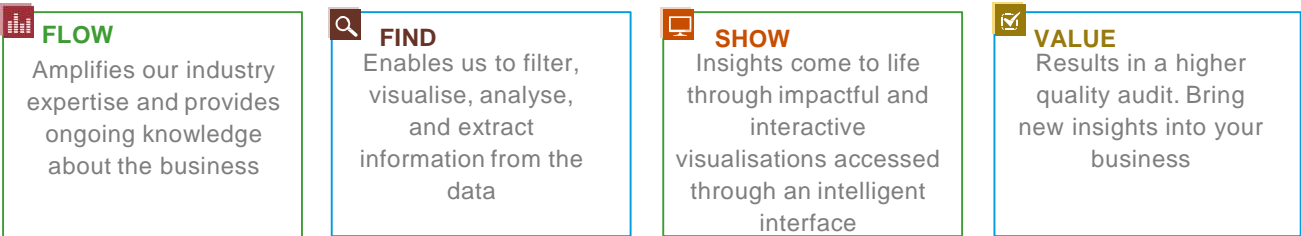
We have applied this approach on multiple global audit engagements across geographies. The core team will ensure a consistent application resulting in seamless delivery to you.
- Early resolution of issues
 - Timely communication and delivery

TAILORED AUDIT APPROACH (Cont.)

Leveraging technology in audit

Our dynamic audit takes a rigorous journey through the data

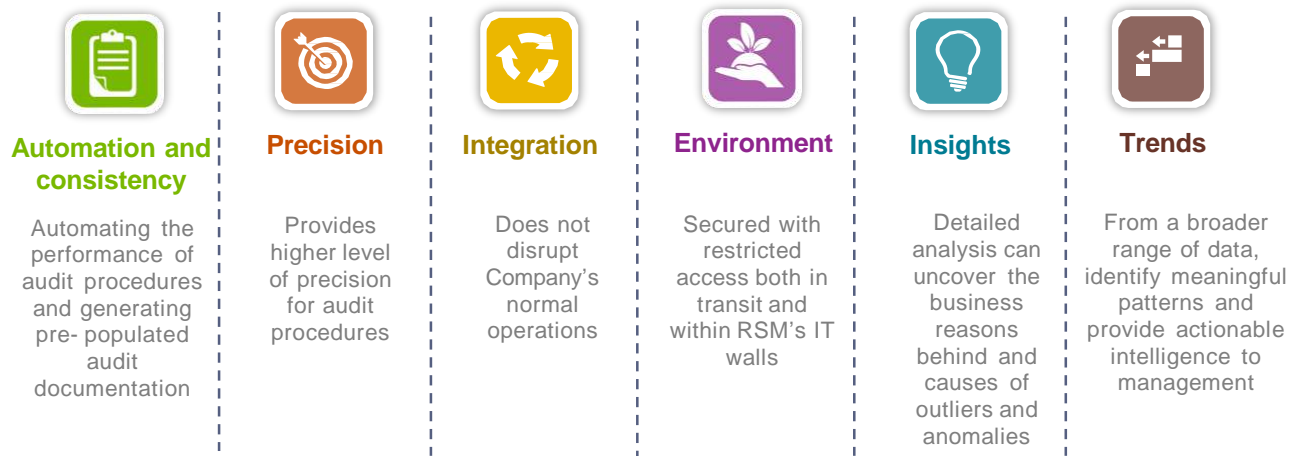
Our dynamic audit, powered by D&A innovations, digs deeper into the data, revealing more about the business and its risks. This, combined with a relentless commitment to quality, makes for a highly effective and very insightful audit. And we think that's of value.



Using the right tools

The fundamental principle in our audit approach is to first define what we want to achieve and then select the right tool for the job. We will assess your processes, data structures and systems that will support our planned approach.

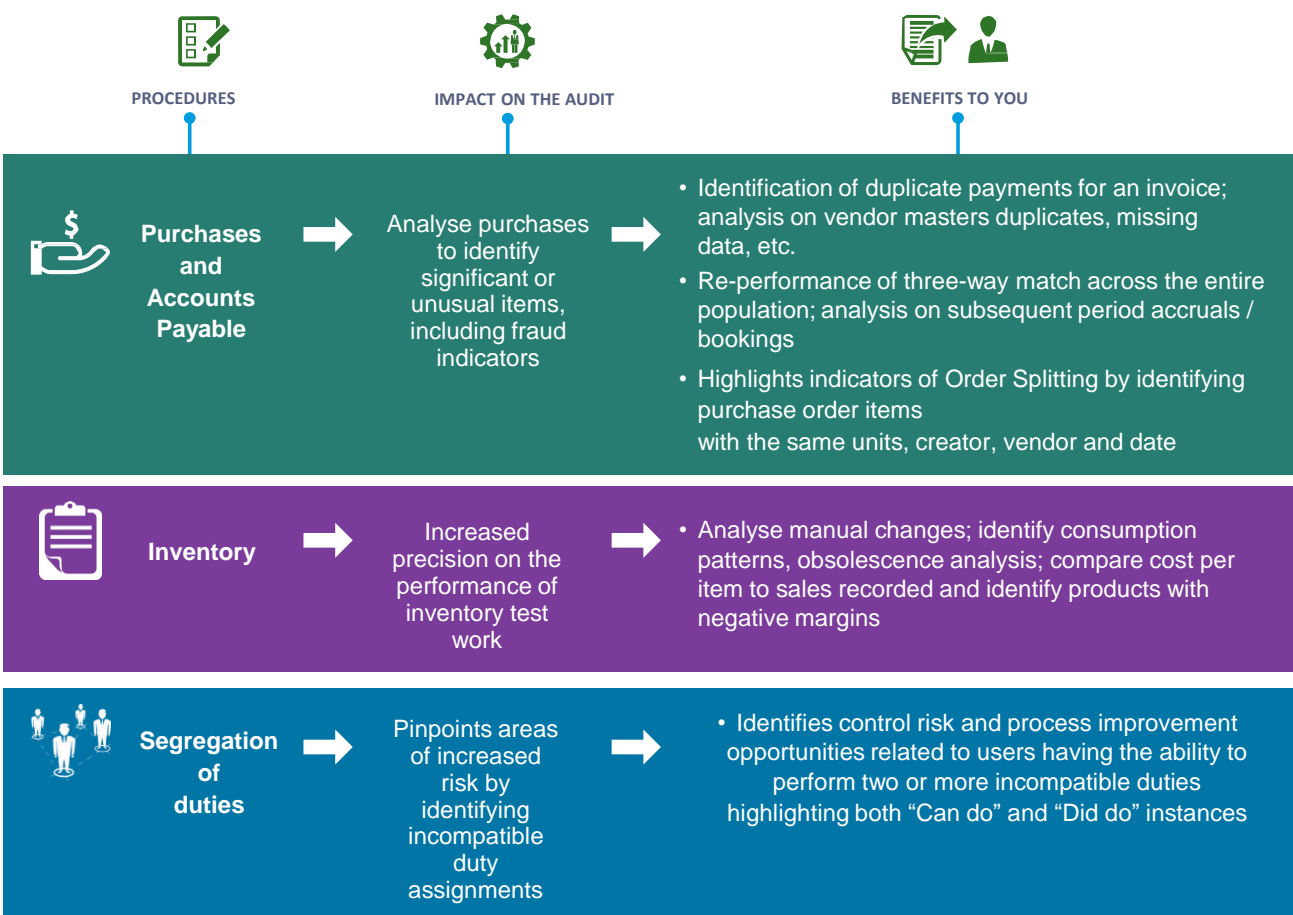
RSM is one of RSM's electronic audit tools that uses D&A to assist engagement teams in performing audit procedures over general ledger and transaction-level data extracted from Company's ERP and an accounting system. Benefits of this tools include:



TAILORED AUDIT APPROACH (Cont.)

Leveraging technology in audit

KAAP is designed to run more than 60 unique routines and this number is increasing continuously through ongoing investments. An illustrative list of procedures using KAAP is given below



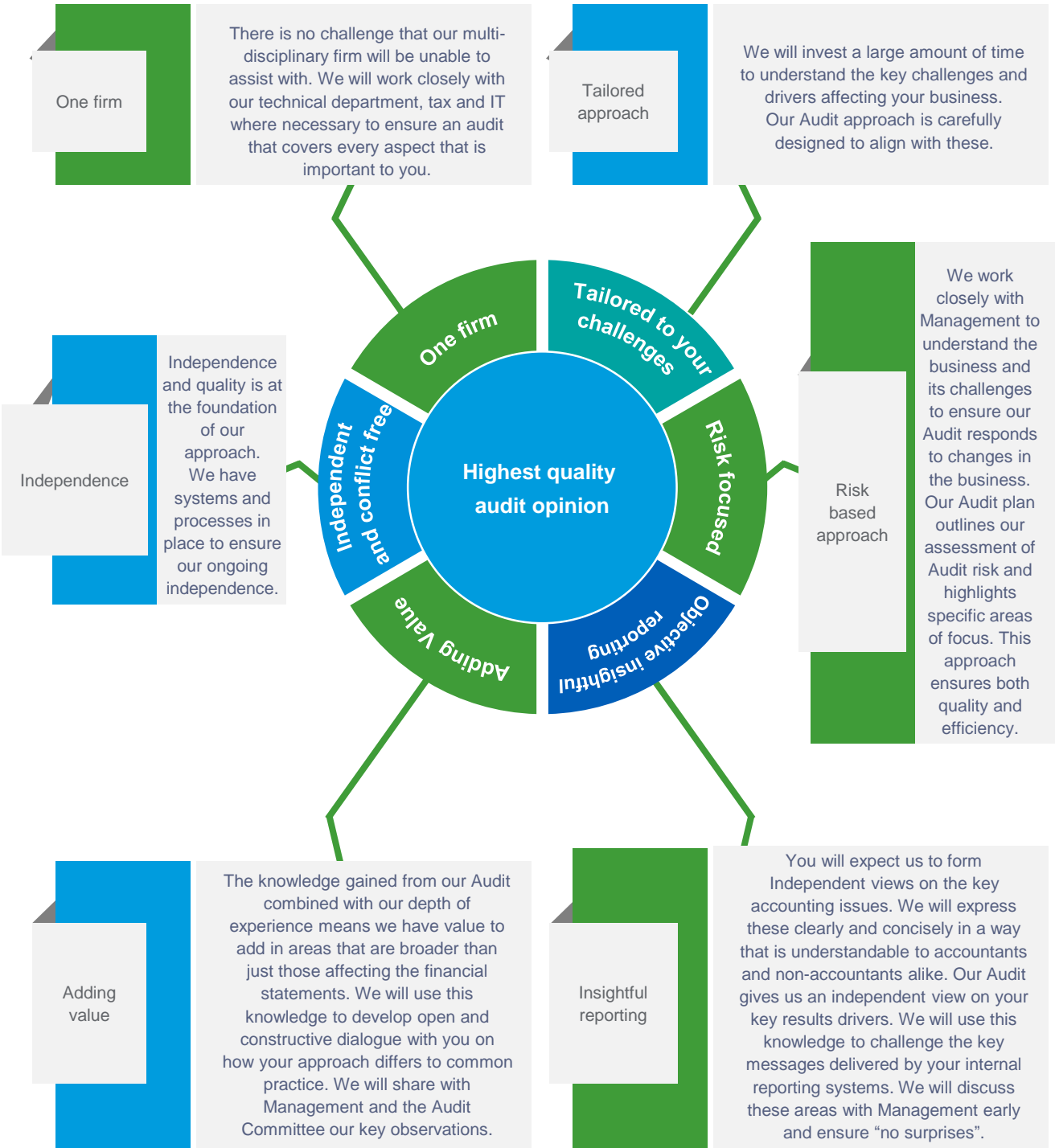
OUR TRANSITION PHILOSOPHY

We realize that a change in the statutory audit relationship can be a significant undertaking for a Company of your size and complexity. The transition needs to be approached with great care and professionalism. Our team has significant experience in determining a smooth auditor transition, based on successful transition at many complex organisations.



AUDIT SUCCESS FACTORS

Our risk based audit approach is based on several elements which we believe contribute to a successful audit



VALUE ADDED

Advice beyond audit

We seek to provide our audit clients with advice beyond a statutory audit. Elements of this philosophy that would benefit the Company are listed below:

Thought Leadership and Newsletters:



- Access to newsletters and knowledge updates:
 - Accounting and Auditing Update
 - Voices on Reporting
 - First Notes

Working with regulators



- Close engagement with regulators
- Active participation in initiatives of the SOCPA, including membership of Committees and Working Groups
- Leadership on IFRS convergence initiatives

Training / Benchmarking



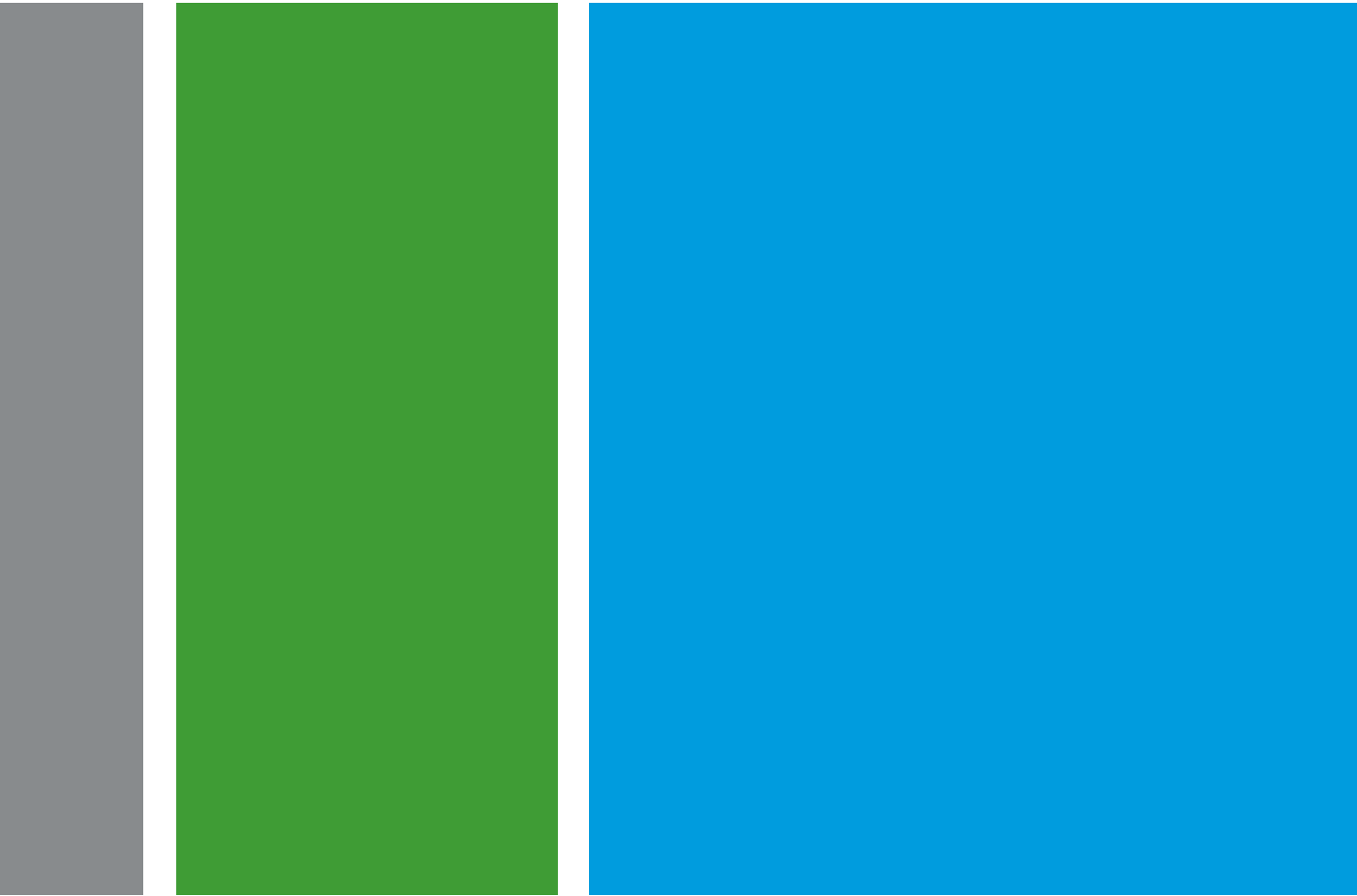
- Training and awareness sessions on regulatory, compliance and financial reporting developments
- Benchmarking of accounting policies with Saudi and global peers in the sector through Accounting Advisory subject matter experts

Other initiatives



- Access to the International Standards Group – specialists based in London
- Working with independent directors

Globally, RSM audit teams are coordinated or assisted by our Global Engagement Leaders, whose role it is to ensure the seamless delivery of high quality audit services to our global clients.



Our Credentials



Our experience

Audit & Assurance





Our experience

IFRS, ADVISORY, VAT, IKTVA & OTHERS



شركة نسما التجارية المحدودة
Nesma Trading Co. Ltd.



SAADEDIN
PASTRY



King Abdul Aziz Center for
National Dialogue مركز الملك عبد العزيز
للحوار الوطني



مؤسسة الملك عبدالعزيز ورجاله للموهبة والإبداع
King Abdulaziz & his Companions Foundation for Giftedness & Creativity



CLIENT FEEDBACK

It is vital that audits are robust and independent but they also need to deliver a useful product to business managers and audit committees. We regularly carry out face to face interviews with our clients. These are conducted by personnel who have not been involved with any aspect of the service.

Each client interview is reviewed by the management and any issues on audit quality or service are addressed with the RI and the team. When particular themes emerge these are discussed and addressed the Management.

Key themes



Thorough upfront audit planning



Efficient and smooth fieldwork



Excellent sector knowledge



Understanding of the business



Professional staff



Technically competent and up to date with regulatory changes



Right level of challenge



Delivery of robust, thorough and reliable audits



Sensible, relevant questions



Attendance at Trustee and/or audit committee meetings



Maintaining independence through rotation and not getting too 'cosy'

Areas for improvement



In some instances, the audit findings report could be shorter and more insightful



The end of the audit before sign-off can be rushed although deadlines were met



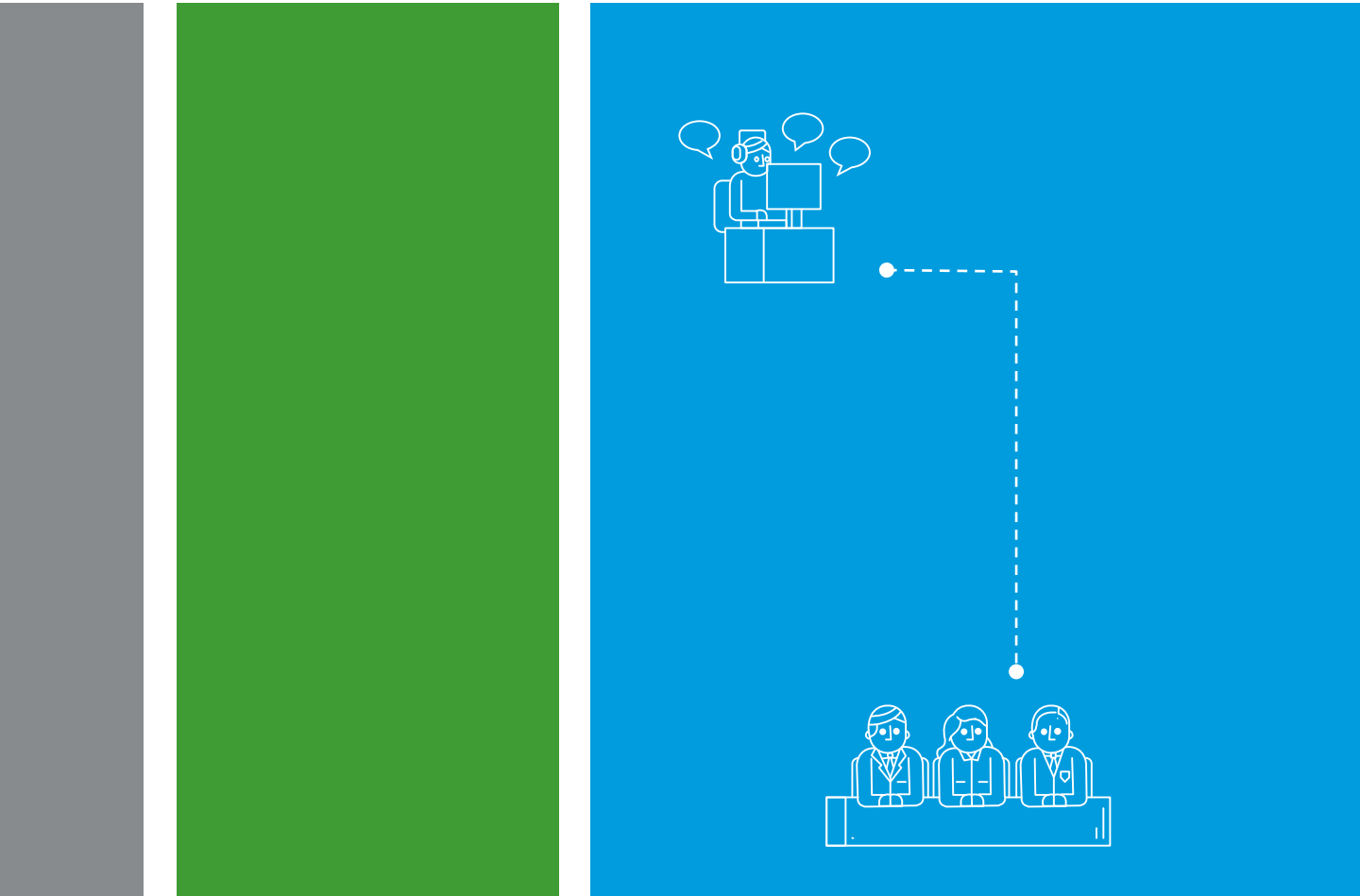
Some clients felt there could be more communication from the on-site team



Occasionally better briefing of new team members to avoid unnecessary questions



More transparency on fees, especially on changes to scope



ANNEXURES

- **Team CVs**

RSM Team



The relationships we build with our clients are critical to the delivery of the firm's services and we see regular interaction as key to this. Mohammed will lead the audit service provided to your organization and will work closely with senior managers.



Mohammed Al Nader

Managing Partner - Riyadh Office

Saudi Arabia

malnader@rmsaudi.com

Al Nader is Managing Partner of RSM Riyadh. He has over 17 year experience in providing a range of consultancy services in GCC He has extensive experience in IFRS, US, Canada and Saudi GAAP. He has worked with the Big Four - PWC, KPMG and Deloitte and has provided audit and advisory services to major banks, investment companies, telecom industries and other industries.

The client-list that was managed by Mr. Al Nader including some major companies in the Kingdom of Saudi Arabia, such as Saudi Telecommunication Company (STC), Saudi Arabian Basic Industrial Company (SABIC), Al Bilad Bank, Riyadh Bank, and major capital companies in Canada, such as Merle launch, State street, Permal Group, Alange Energy Corp (Oil and Gas, Public Company- Toronto Exchange Market) and Shell Chemicals.

He has led risk based compliance reviews / inspections of several regulated entities in Saudi Arabia mainly in the financial services sector. These projects were conducted on behalf of the respective regulators.



Sherif Sharaf

Engagement Leader
Kingdom of Saudi Arabia

ssharaf@rsmsaudi.com

CPA (USA), Chartered Global Management Accountant, Member of AICPA, Member of the Egyptian Society of Accountants and Auditors

Mr. Sherif Sharaf has more than 22 years of auditing experience. He started his career with KPMG followed by 12 years in PwC, 4 years at EY and 3 years as a Partner at Mazars Qatar and KSA before joining RSM as head of quality. During the last 22 years he provided audit, due-diligence and bookkeeping services to local and multinational clients including several stock exchanges listed and traded clients, in various lines of business namely in the financial services especially banking. He has vast experience with a variety of industries including financial institutions, investments, real estate, utilities, construction & engineering and Consumer and industrial products and services.

He has strong accounting, auditing, laws and regulations foundation with wealth of experience in various countries in the Middle East with different accounting frameworks and regulations (i.e. Egypt, Saudi Arabia, UAE, Bahrain and Qatar). He used a variety of accounting standards (i.e. EAS, IFRS, SOCPA and US GAAP) and has excellent knowledge of the risk assessment, internal controls evaluation, SOX and compliance.

Major clients in his portfolio had been financial Institutions e.g. Riyadh Bank - Qatar Islamic Bank – Qatar Islamic International Bank – Qatar First Bank – Al Rajhi Bank – Samba Financial Group – HSBC Egypt – QNB Egypt – Arab Banking Corporation – Arab African International Bank – Ahli United Bank Egypt - Chubb Life Insurance Egypt S.A.E. – AXA Egypt - AIG Egypt Insurance Company S.A.E.

Other major clients in his portfolio include Takween- Natural Gas Distribution, Yamama Cement - Northern Cement - Amintit - Nama - Ezdan Holding Group – UrbaCon Trading & Contracting – Shiekh Khaled Bin Hamad Group – Power International Holding – Gulf Warehousing Company – Samsung Qatar – Challenger – Khayyat Contracting & Trading .



Mohamed Hany

Senior Manager
Kingdom of Saudi Arabia

mhany@rsmsaudi.com

Mohamed is a Senior Audit Manager with experience of more than 15 years. He is a licensed CA in Egypt.

Mohamed has more than 15 years of auditing experience. He started his career with KPMG – Egypt and Kuwait for more than 15 years before joining RSM as Senior Manager. During the last 15 years he provided audit, due-diligence and bookkeeping services to local and multinational clients including several stock exchanges listed and traded clients, in various lines of business namely in the financial services especially banking. He has vast experience with a variety of industries including financial institutions, investments, real estate, utilities, construction & engineering and Consumer and industrial products and services and Oil & Gas.

He has strong accounting, auditing, laws and regulations foundation with wealth of experience in various countries in the Middle East with different accounting frameworks and regulations (i.e. Kuwait, Egypt, Saudi Arabia). He used a variety of accounting standards (i.e. EAS, IFRS, SOCPA) and has excellent knowledge of the risk assessment, internal controls evaluation.

Major clients in his portfolio had been financial Institutions e.g. Citi Bank-Egypt and Kuwait Branch; National Bank of Greece-Egypt Branch; Standard Chartered Bank–Jordan Branch; Arab African International Bank, Egypt; African Export & Import Bank (AFREEXIM Bank); Misr Iran Development Bank (MIDB); Boubyan Bank-Kuwait; Industrial Bank of Kuwait; The Investment Dar Company; Kuwait Investments Company; Global Investments Funds.

Other major clients in his portfolio include Kuwait Oil Company; Independent Petroleum Group; Kuwait National Petroleum Company; Tariq Al Ghanim Group; Beyout Group; MTC Group; Hyundai; Mr. Baker Company; Al Babbain Group; Al Bisher Company; Aamal Group; Kout Food Group; Mezzan Holding Company.



Mohamed Sadek

**Assistant Manager
Kingdom of Saudi Arabia**

msadek@rmsaudi.com

Bachelor's Degree in Accounting, Diploma in International Financial Reporting standards (IFRS) , and Certificate in International Public Sector Accounting Standards (IPSAS)

Mohamed has more than 7 years of auditing experience. He started his career with KPMG for 3 years followed by PwC for 1 year and 3 years at PKF KSA before joining RSM. During the last 7 years he provided audit, and consulting services to local and multinational clients, in various lines of business. He has vast experience with a variety of industries including manufacturing, investments, medical, utilities, construction & engineering and Consumer and industrial products and services.

He has strong accounting, auditing, laws and regulations foundation with experience in various countries in the Middle East with different accounting frameworks and regulations (i.e. Egypt, Saudi Arabia). He used a variety of accounting standards (i.e. EAS, IFRS, and SOCPA).

Major clients in his portfolio include Kubota Saudi Arabia - Al Ahsa hospital – Al Salam Hospital - Extra – Amwal Alkhaleej L.L.C – El- khereiji Group – Sraco Human resources Company - Jawdat al bon trading Company – Pan Gulf Electricity Company – Petromin branch in Egypt .

RSM – the global destination
for your audit, tax and
consulting needs.



DIFFERENT TYPES OF ACTIVITIES THAT INSPIRE AND ENGAGE OUR PEOPLE

Daily Activities & Customs

Small gestures that make a difference

- Celebrating national customs & world days (1st of March, International Women's Day etc)
- Internal mini games (Office Olympics, Guess Who picture game etc.)
- Company board sharing birthdays, name days, work anniversaries, quotes

Annual Company Events

Larger activities that our colleagues anticipate

- RSM World Day (always includes team building activities)
- Themed company meetings
- Company celebratory events (Christmas Party, Wine Tasting, Cooking Classes e.t.c)

Idea contribution and event planning across functions

Engaging colleagues and creating committees with team members from several departments to take on the general arrangements for each event.



<https://www.rsm.global/news>

<https://www.linkedin.com/company/rsm-saudi-arabia/>

<https://twitter.com/ArabiaRsm>

<https://www.instagram.com/rsmsaudiarabia/>

<https://www.youtube.com/channel/UCLMV1S6DYjUloU35u-26DUg/>

<https://www.facebook.com/RSMKSA/>

RSM IN SAUDI ARABIA HAS ACHIEVED MANY RECOGNITIONS IN THE RECENT PAST

- The Saudi Accountants Forum awarded RSM with the Best Enterprise Award 2019.
- RSM Participate in IKTVA Workshop 2015

Mohammad Al Nader Honoring award from Saudi Accountants Forum (SAF)



Participating in Saudi Accountants Forum (SAF)



Participating in IKTVA Workshop

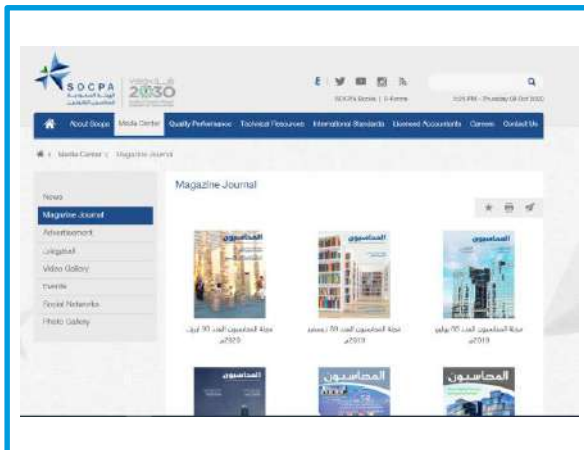


We are proud of our awards and will continue to do all that we can to ensure that our people have the best working environment and our clients have access to the best resources in the Kingdom of Saudi Arabia. Our Partners and RSM International are supportive of these initiatives as we build a culture of respect, satisfaction, transparency and fun.



Mohammed Al Nader
Managing Partner

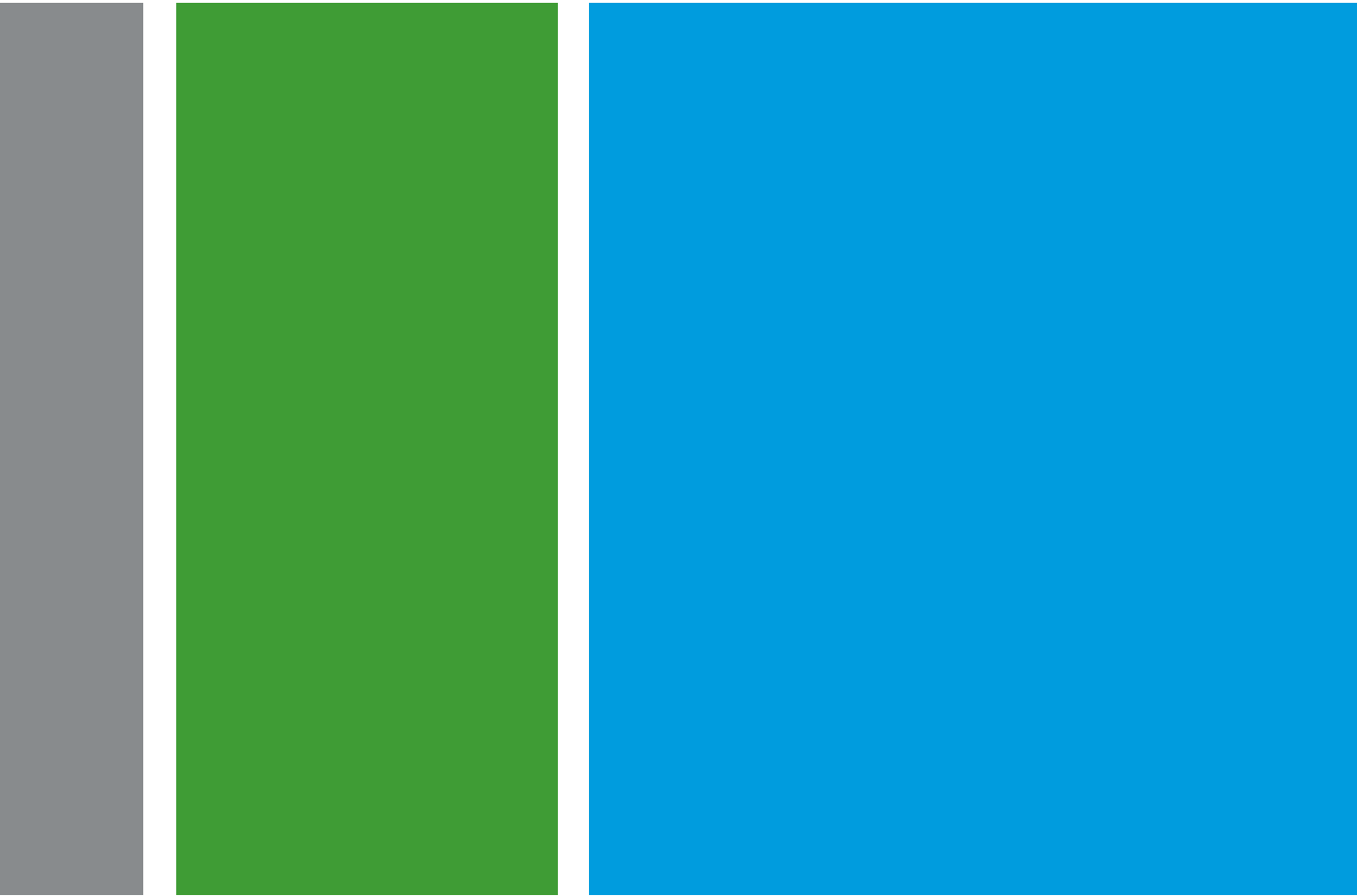
DIFFERENT TYPE OF SERVICE



<https://iktva.sa/>

<https://www.se.com.sa/en-us/business/Pages/LEILocalContentDevelopmentStrategic.aspx>

<https://socpa.org.sa/Socpa/Media-Center/Magazine-Journal.aspx>



Commercial

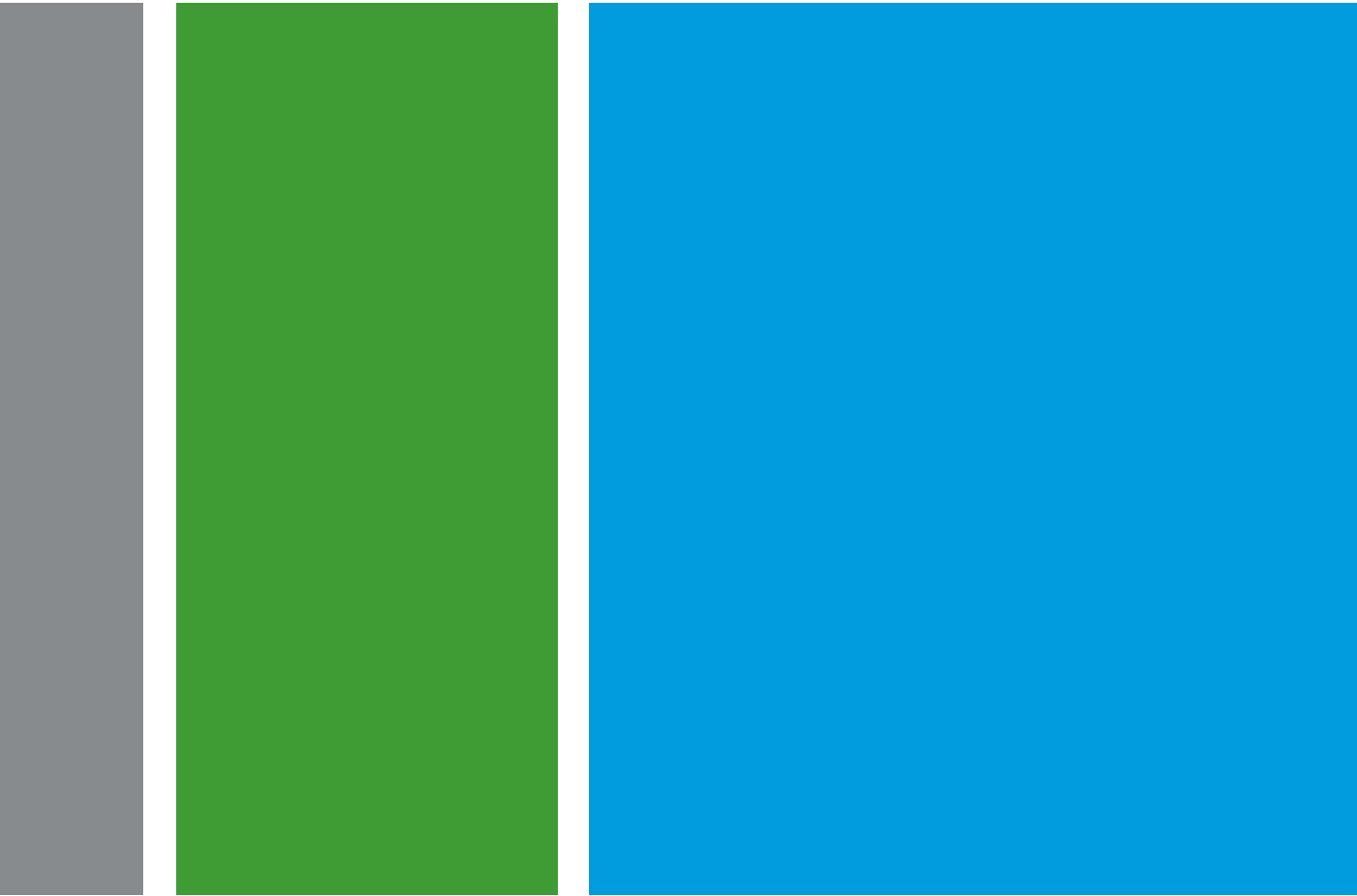
COMMERCIALS

Our overriding philosophy is to provide with a high quality, value for money service. Our fees are based on the degree of skills and experience required for the engagement through combination of Senior Director level resources accompanied by Subject Matter Experts and consultants to ensure that tasks are done right at the first time.

Generally, our fees are based upon hours of professional services at standard rates, according to the level of individuals assigned to the engagement, plus out-of-pocket expenses. However, based on the preliminary information made available to us, we estimate the fees as follows:

Taqat Mineral Trading Company	Fees
Audit of the financial statement for Taqat Mineral Trading Company for the year ended in December 31, 2024.	١٠٠,000 SAR
"Limited review report on the financial information ending on June 30, 2024."	٤٠,000 SAR
"Preparation and submission of the Zakat report for the year ending on December 31, 2024."	1٥,000 SAR

- Notes:
- The size and complexity of the business will not change significantly (Changes might cause a revision to quoted fees upon signing the engagement letter).
 - You will provide key documents on the dates agreed and there will not be any significant delays beyond our control.
 - We will be able to place reasonable reliance on the Company's internal controls, documents and records. Our proposed fee does not include applicable VAT.
 - Out of pocket expenses for travelling and stay in outstation areas etc. will be billed at actual.
 - Our proposal is subject to our customary client evaluation procedures which are in progress and signing of a formal engagement letter.



Our Presence in Saudi Arabia

KINGDOM OF SAUDI ARABIA

RIYADH

1st Floor, Building No. 3193,
Uroba road, Olaya District
P. O. Box 2227
Riyadh 7749-12253
Mob: +966 55 228 4828
Tel: +966 11 416 9361
Fax: +966 11 416 4349
Email: info@rsmsaudi.com

JEDDAH

Office No. 41, 4th Floor, Building
No. 2786, Al Badriah Towers,. Al
Khalidiyah District,
P.O. Box 756
Jeddah 23422 – 7490
Tel.: +966 12 6061405
Email: info@rsmsaudi.com

AL-KHOBAR

4th Floor Eastern Cement Tower,
Al Rawabi District, Khobar Dammam
Highway, Al-Khobar
Mob: +966 55 228 4828
Tel: +966 13 814 7098
Email: info@rsmsaudi.com

RIYADH

2st Floor, Building No. 12262,
Riyadh Gallery mall, King Fahad
street
P. O. Box 2227
Riyadh 7749-12253
Mob: +966 55 228 4828
Tel: +966 11 416 9361
Fax: +966 11 416 4349
Email: info@rsmsaudi.com





**THANK YOU FOR
CONSIDERING
RSM FOR THIS
OPPORTUNITY**

Disclaimer

Allied Accountants Professional Services is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network.

Each member of the RSM network is an independent accounting and consulting firm, each of which practices in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction.

The RSM network is administered by RSM International Limited, a company registered in England and Wales (company number 4040598) whose registered office is at 11 Old Jewry, London EC2R 8DU.

The brand and trademark RSM and other intellectual property rights used by members of the network are owned by RSM International Association, an association governed by article 60 et seq of the Civil Code of Switzerland whose seat is in Zug.

© 2023 RSM International Association. All rights reserved.



الصالح والزومان والفهد

Alsaleh, Alzoman & Alfahad CPA

محاسبون ومراجعون قانونيون

Proposal

Presented to TAQAT Mineral trading Company

19/02/2024

Content

01
Company Information

02
Our Services

03
Managing Partners

04
Teamwork

05
Our Clients

06
Approach & Methodology

07
Scope of Work & Fees

08
Contact

Introduction

Dear TAQAT Mineral trading Company

In reference to your request for a proposal For, audit of the financial statements of TAQAT Mineral trading Company (the “Company) for the year ending 31 December 2024 and zakat compliance service for the year then ended we sincerely appreciate the confidence you have placed in us, and we would be very pleased to hear that this proposal meets your approval as we look forward to collaborate in this project.

We are pleased to provide you with the following information :

1- Information about the Company.

2- Overview of our services

3-Our Clients.

4- Scope of Work and Fees

5-Contact details

Alsaleh, Alzoman & Alfahad - CPA

Zaher Al-Hajjaj

License N. (562)

Company Information



In Brief– A Member of global LEA

Alsaleh, Alzoman & Alfahad CPA was founded in 2016 as a result of a young Saudi partnership aspiring to excel and achieve the highest standards of quality in accounting, financial, and administrative services. This was achieved through attracting the best competencies, experiences, and global practices, which led to the company gaining the trust of many clients and becoming unique in providing the best and most distinctive services in its field.

We at Alsaleh, Alzoman & Alfahad CPA believe in quality and professionalism in providing our services, alongside building a strategic relationship with our clients and partners. This was crowned by the approval of the Board of Directors of the Capital Market Authority in the Kingdom of Saudi Arabia to register our company with the Authority to conduct audit operations for entities subject to the Authority's supervision. This came after an extensive study and in-depth scrutiny of our business model and verification of our quality methodology.



3 offices in Saudi Arabia



23+ Certified experts locally and globally



90 Specialized consultants



20+ Accounting, financial & administrative services

هيئة السوق المالية
Capital Market Authority



In Brief– A Member of global LEA

About LEA International

Alsaleh, Alzoman & Alfahad CPA is a member of LEA Global, founded in 1999, which is the second largest international association in the world. It has established a high-quality alliance of 226 professional firms around the world, specializing in accounting, auditing, financial services, and professional consulting.



226 Firms globally



620 Offices in 110 countries



2300 Experts and 23000 consultants



leading **edge** alliance
innovation • quality • excellence

Quality

Quality control applied in the Firm



We comply with the quality standards issued by the International Auditing Standards Board (IAASB) that are endorsed in the Kingdom of Saudi Arabia. Effective from December 2022, we have designed and implemented the International Standard on Quality Management (ISQM1) which aims to achieve a more controlled and effective quality management system in our firm, with the aim of achieving trust and sustainability.



We believe that it is important to understand, analyze, design and implement a quality management system that complies with quality management standards. Our Firm has an independent system to monitor compliance with all quality standards and any developments in this regard.



In light of the requirements in the Kingdom of Saudi Arabia for anti money laundering (AML), we developed our AML policies and procedures to ensure that we comply with the requirements of the regulatory authorities and implemented policies and procedures designed to meet these obligations, including Know Your Client procedures, risk assessments and suspicious activity reporting. Our people are trained on their responsibilities under the AML regulations.

Vision & Message



Our Vision

Alsaleh , Alzoman and Alfahad CPA to be one of the leading Saudi auditing and accounting firms, the highest quality and professionalism in serving its clients, and a center for training ambitious youth in the field of legal accounting services in the Kingdom of Saudi Arabia.



Our Message

Providing our services in the field of internal and external auditing, zakat and tax, forensic accounting, and financial and administrative consulting through a distinguished team that works with high professionalism and performance that meets the aspirations of our clients, keeping in mind the improvement and development of their workflow to serve their commercial interests.

Our Values



Punctuality



Professional



Credibility



Honest



Confidentiality



Continuous formation
and development of
a professional teams

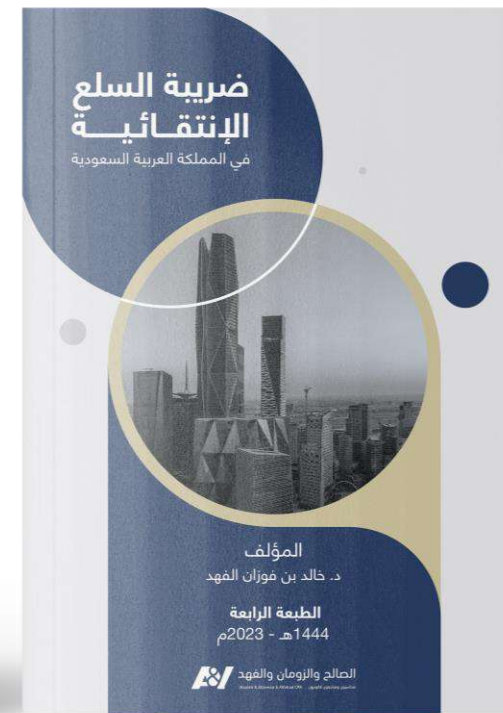
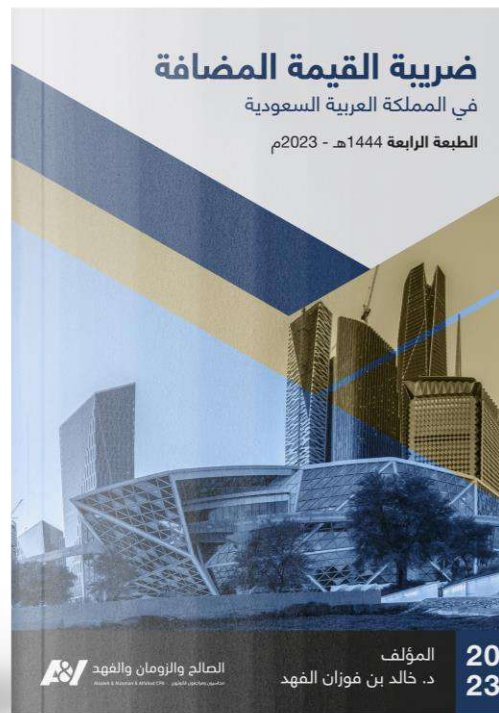
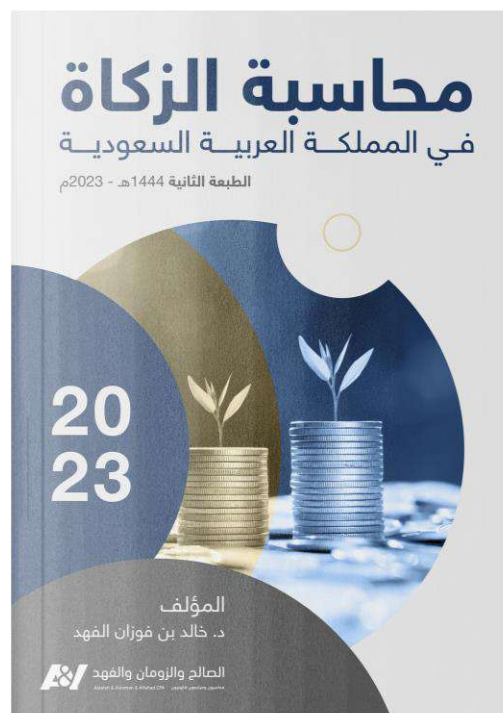


Building close
partnerships with
our clients



Commitment to comply
with the requirements of
regulatory authorities

Our Publications



Our Services



Our Services

01



Audit & Assurance

02



Zakat & Tax

03



Forensic Accounting



Audit & Assurance services

Audit and Assurance

Businesses need to actively seek external insights from parties with extensive and diverse professional expertise to optimize the efficiency and quality of their operations. Companies and establishments rely on a range of services offered by professional accounting firms to instill confidence in the accuracy and adequacy of their financial information, which includes expressing opinions by external audit services. Furthermore, businesses need to secure assurances from experienced parties accredited by the relevant authorities for providing assurances.

Therefore, businesses engage professional accounting firms with extensive and diverse experience not only to meet the regulatory requirements such as external audit, etc, they aim to enhance efficiency by optimizing the utilization of resources within these entities, fostering confidence and reliability in the accounting information they provide. Ultimately, these businesses seek to leverage the expertise of professional firms to make decisions based on sound principles and reliable information.

At Alsaleh, Alzoman & Alfahad CPA, our commitment is to deliver services in accordance with international standards. Drawing on our diverse expertise in audit and assurance, we actively seek to attract the best consultants and professionals across various sectors, ensuring a wealth of experience. Our dedication extends to continuous training and development of our teams, ensuring they stay abreast of the latest developments and changes in both local and global markets. This steadfast commitment has garnered the trust of a diverse clientele, encompassing both local and foreign companies.

Audit and Assurance services



Financial Statement
Audit



Agreed-Upon
Procedure (AUP)
Engagement



Local Content
Services



Internal Audit
Services



Due Diligence
Services

03

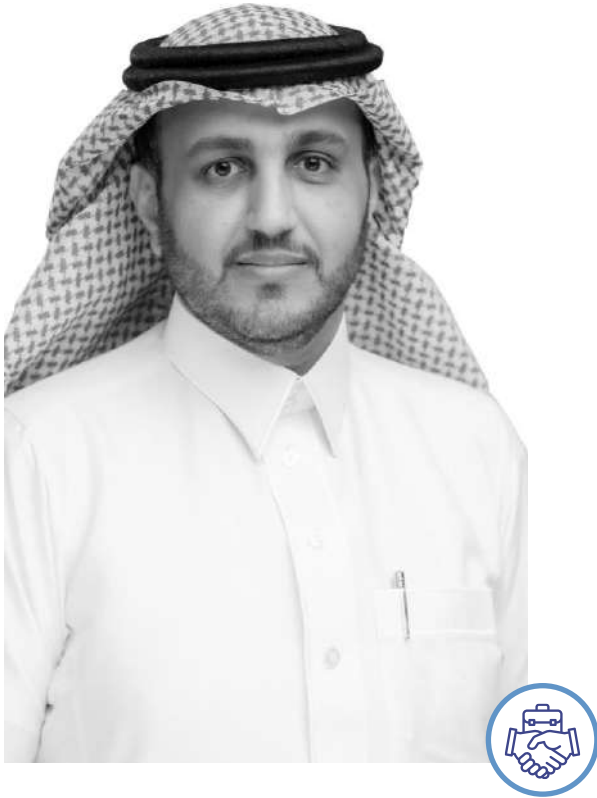
Managing Partners



Yasser Zoman Alzoman

Partner

- Holds the Saudi Origination of Certified Public Accountants (SOCPA), License No. (532)
- Holds a bankruptcy trustee license from the Bankruptcy committee, License No. (141079)
- Holds a Bachelor degree in Accounting from Qassim University and an MBA from Aston University, UK
- Partner and responsible for liquidation operations (rejected and judicial)
- Practical experience more than 10 years, during which he worked as a financial auditor in the Saudi Industrial Development Fund for a period of 7 years, during which he acquired extensive financial and auditing experience and industrial knowledge at the level of the Kingdom, including the petrochemical industry, food industries, building and construction materials industry, financing small and medium enterprises, and other light industries.
- Worked as Chief Financial Officer for several companies in the private sector for 3 years in the real estate sector, construction and iron industry, through which he gained experience in financial management.
- Member of the Board of Directors at Watani Iron Steel Co.
- Member of the Board of Directors at Sure Global Tech Co.



Dr. Khaled Fauzan Alfahad

Partner

- Holds the Saudi Origination of Certified Public Accountants (SOCPA), License No. (792)
- Holds a bankruptcy trustee license from the Bankruptcy committee, License No. (144015)
- PhD in Accounting and MSc in Accounting & Finance from University of Southampton, UK
- Holds CertIPSAS, CAT, VAT Specialist.
- Experience in management, consulting and finding solutions for many companies, agencies, and government and private agencies for more than 10 years. These experiences varied between financial Management and cost accounting, in addition to leading transformation change and commitment projects, especially in the areas of zakat and taxes. He has authored several books and scientific materials in the value-added tax, excise goods tax, and zakat accounting in the Kingdom of Saudi Arabia.
- Worked as a financial manager and consultant in many companies and public and private entities and was appointed by royal order to the membership of committees for the settlement of tax disputes.
- Participated and chaired many councils, committees and teams in the Saudi Authority for Audit and Accounting, such as membership of the Performance Quality Committee and chairmanship of the Examination Committee and the Reporting Committee.
- Worked as General Manager in the Saudi Andersen Company for Zakat and Tax Works.



Zaher Abdullah Al-Hajjaj

Partner

- Holds the Saudi Origination of Certified Public Accountants (SOCPA), License No. (562)
- He is CMA license holder and dealing with Listed clients.
- Zaher Al Hajjaj has more than 10 years of combined experience in consulting & advisory and audit services.
- He has led teams through planning, execution and conclusion stages of varied special nature engagements, statutory audits, internal audit assignments, validation of financial reporting packages and other advisory services for leading clients.
- He has major expertise in Financial sector such as Bank, Insurance Companies Funds and financial institutions.
- He worked as a Signing Partner in PKF AlBassam & Co for 5 years.
- He also manages to review various engagements in a wide range of industries including Financial institutions, Healthcare, Education, Hospitality, Entertainment, Contracting, Investment, Manufacturing and Trading.
- Member of the board of directors at View United Real Estate Development Co.



Teamwork

Teamwork



Senior Director
Wajahat Khan



Audit Manager
Mohamed Ibrahim



Senior Director
Housam Halawa



Senior Director
Tarique Momin

Our Clients

Our Clients



Our Clients



06

Approach & Methodology

Approach and methodology

Audit

Our audit approach evolves as we learn more about your business and its operations and adapts to technological advances and changes in regulatory requirements. As a result, we constantly review and challenge the methods we are using, in order that we continue to provide a first-class service that adds value to your business.

We follow a risk-based approach and our substantive testing is supplemented, where possible, with IT audit and data analytics. These techniques allow us to review large populations of data and focus our audit testing on the exceptions identified. Our use of IT audit specialists within the business can increase the coverage of our audit testing and achieve efficiencies in the audit process. We also review the general IT environment of our clients and provide feedback to management on areas of potential improvement. During the audit process, where opportunities are identified to improve internal controls, or potential areas where efficiencies could be gained, we will report these to management in our closing meeting and issue a management report detailing these thereafter.

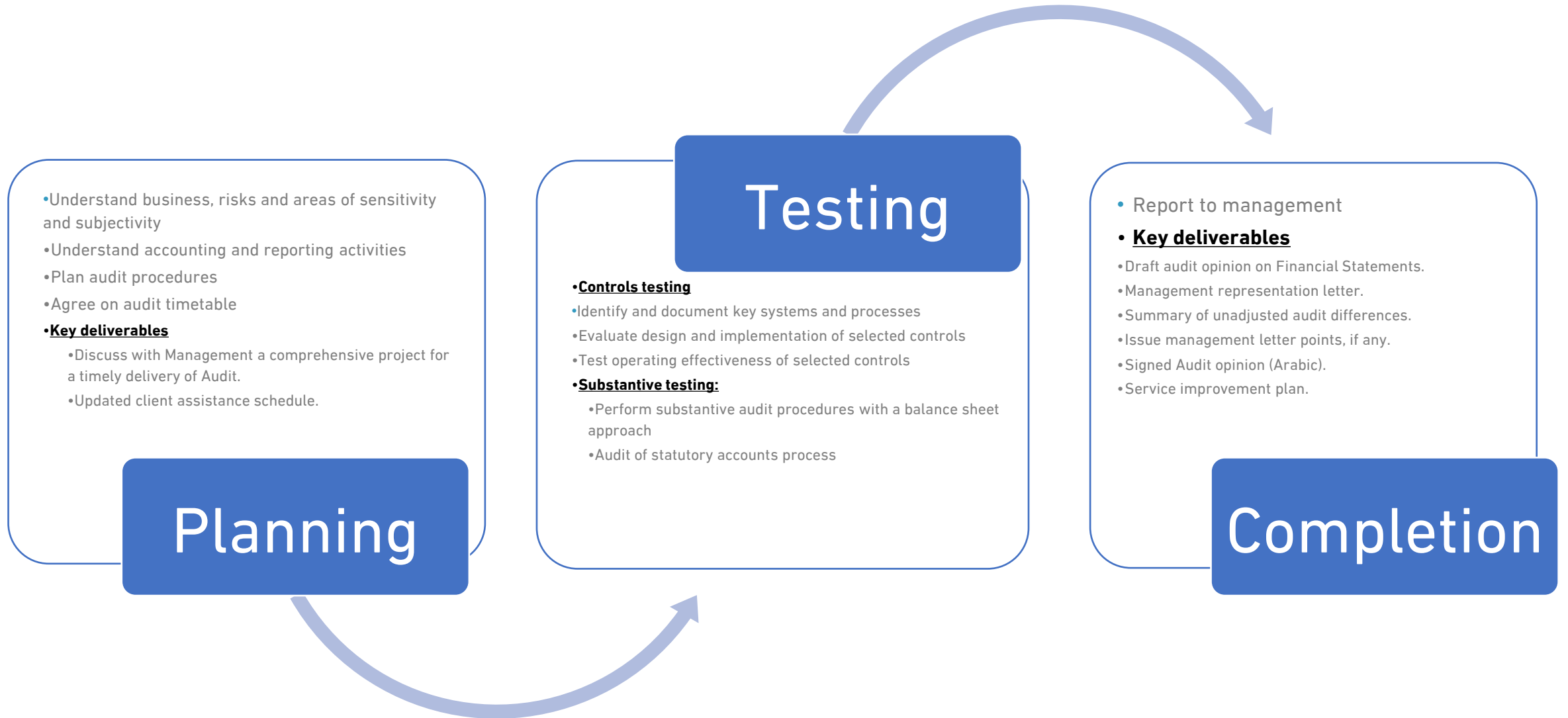
Emphasis on Understanding Your Environmental Controls

Attaining and continually helping management to enhance confidence in the controls will be a primary objective of our engagement. Our audit effectiveness is much greater when we are able to rely on controls and financial management procedures at a level that permits greater attention to those items where risks and/or exceptions are identified. We will clearly report our findings to management and the board, and make recommendations as appropriate, at the earliest possible date.

For audit objectives where we plan to rely on controls to modify the nature, timing, and extent of our substantive procedures, our control evaluation includes:

- Evaluating the design and implementation of entity-wide controls;
- Understanding the relevant accounting and reporting activities for each audit objective, such as transactions processing, we look for significant risk points / places where errors could occur;
- Evaluating and testing any antifraud controls you have implemented;
- Evaluating selected controls over the significant risk points where material misstatements may occur;
- Performing a “walkthrough test,” tracing a transaction through the accounting activities and selected controls to confirm that we understand how your accounting activities and controls work; and
- Testing the operating effectiveness of selected controls.

Approach and methodology - Cont'd



Audit Responsibilities, Limitations and Reporting Framework

We will conduct our audit in accordance with International Standards on Auditing “ISAs” that are endorsed in the Kingdom of Saudi Arabia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation.

International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia require that we obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatements, whether caused by an error or irregularity. While an effective internal control structure reduces the likelihood that errors or irregularities (including misappropriation of assets) may occur and remain undetected, it does not eliminate that possibility. For that reason and because we use selective testing in our audit, a material misstatement may remain undetected and we cannot guarantee that material errors or irregularities, if present, will be detected.

Our audit should, therefore, not be relied upon to discover defalcations or other irregularities that may have occurred, but their discovery, if they exist, may result from the audit tests that we undertake, and we will report such cases.

Pursuant to professional standards, in the unusual event that we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or decline to issue a report.

As part of our audit, we will obtain an understanding of the Branch’s internal control structure solely to plan the audit and determine the nature, timing and extent of our audit procedures. This understanding will not be sufficient to enable us to render a separate opinion on the effectiveness of the internal control structure over financial reporting.

The working papers, prepared in conjunction with our work, are the property of our firm, constitute confidential and proprietary information and will be retained by us in accordance with our firm’s policies and procedures.

Scope and deliverable Summary

We understand that TAQAT Mineral trading Company is seeking to appoint an auditor for the audit for the year ending 31 December 2024, who will deliver an efficient, pro-active, and value-for-money service, whilst building a long-lasting relationship with its auditor. You want a reliable service, delivered by a highly responsive and capable core team, with continuity wherever possible. We are confident that we can meet such requirements, and this proposal document explains why.

Alsaleh, Alzoman & Alfahad CPA is focused on achieving a high-quality service where our clients have direct access to decision-makers. Our people are driven to build and maintain positive, personal relationships and to really understand the sectors in which our clients operate.

Our approach to audit is risk-based, innovative, and efficient. We focus on improving the audit process, year on year, and providing quality feedback to management on internal systems and controls.

We also add value to our clients through our approach to tax compliance and planning. We work with clients to provide awareness of pending changes in legislation and assess the impact on their business.

We are confident that the team we have included has the industry expertise, and the technical knowledge, to deliver the high-quality service that our current client base has become accustomed to.

Scope of Work & Fees

07

Scope of engagement

1. Our Scope includes audit of the financial statements of TAQAT Mineral trading Company for the year ending 31 December 2024, prepared in accordance with International Financial Reporting Standards (IFRS) that is endorsed in the Kingdom of Saudi Arabia.
2. Annual Zakat Filings where we will review Client zakat declaration and related supporting schedules and we will submit the declaration on ZATCA online portal.
3. Uploading the Arabic financial statements on Qawaem Portal.

Key deliverables

1. Discuss with Management a comprehensive project for a delivery of Audit.
2. Updated client assistance schedule.
3. Draft audit opinion on Financial Statements.
4. Management representation letter.
5. Summary of unadjusted audit differences.
6. Issue management letter points, if any.
7. Signed Audit opinion.
8. Service improvement plan.
9. Tax income declarations.

🔍 Timeline

Stage	Key timings for audit stages			
	Three week (before year end)	Five weeks	Two weeks	2 days
Appointment	Audit Planning to commence immediately upon appointment			
Planning				
Field examination		After obtaining 70% of initial requirements		
Discussion over observations			During completion stage including deliverables	
Draft audit report				
Issue signed audit report				Subject to approval of the FS from the designated authority

Fees

Our professional fees reflect the quality we provide to you through our work and our dedication to doing things the right way with quality and integrity and without shortcuts.

We are year-round professional service providers, and our team is always available to share their perspective on any pressing issue or address a question or concern. Our specialists are available to discuss any matters of concern, especially as you are trying to understand various issues. Our fees include routine conversations and research and consultation services with respect to accounting and audit matters. We consider the cost of consultations that do not require significant research or follow-up to be part of our commitment to client service excellence.

Changes in accounting principles, system implementations, and changes in client deliverables will be out of the normal scope, and fees will be negotiated before starting the work. If the scope of work changes drastically, we will discuss the revised scope with you in advance and mutually agree to any changes in the scope of services and will provide an estimate of the fees associated with the scope change.

Client acceptance procedures

Our high standards and reputation for quality and integrity depend in large part on the entities with which we are associated. Our acceptance of an audit engagement is subject to satisfactory completion of our confidential client acceptance procedures, which include checking our independence issues and other conflicts of interest.

Our approach is structured to provide you the outstanding services you expect. Our fee estimates are based on our strong desire to serve you, our understanding of the risks inherent in your business, and the estimated effort and input associated with our services.

Scope of Work & Fees

Scope of Work	Fees
Audit of the Financial Statements for the year ending 31 December 2024	130.000 SR
review semiannual financial statements for the period ending 30/6/2024	40.000SR
Zakat declarations filing for the year ending 31 December 2024	7.000 SR

- Out of pocket expenses, if any, would be billed on Actual basis after being discussed with management.
- Applicable VAT will be charged on top of the proposed fees.
- Our scope does not include any group reporting to Parent Company's auditors.
- Our proposal does not include the audit of the subsidiary
- Our proposal does not include the AUP depend on assignment

Billing milestone	Percentage of total fee of each category
Upon signing of Engagement Letter (Advance)	50%
Upon issuing the draft FS with our draft reports	50%



* The prices above does not include VAT



Contact

Contact

Dr.Khaled Fawzan Alfahad

 0532333249 |  Drkalfahad@ay-cpa.sa

Yasser Zoman Alzoman

 0554001114 |  Yalzoman@ay-cpa.sa

Zaher Al-Hajjaj

 0500688613 |  Zalhjjaj@ay-cpa.sa

Riyadh – Main Branch

King Fahd Road - Al-Malqa District - opposite AL-Jazira Newspaper
Office No. 3 Riyadh 13521 Mail Box 4445

Jeddah

Al Madinah Al Munawwarah Road Alsalama District
Alhomaiddhi Tower



الصالح والزومان والفهد

Alsaleh, Alzoman & Alfahad CPA

محاسبون ومراجعون قانونيون

Thank you