

## البند الرابع

التصويت على إبراء ذمة أعضاء مجلس الإدارة عن العام المالي المنتهي في  
2025/12/31م.

### Item 4.

**Voting on the absolving the Board of Directors from their liabilities  
pertaining to the management of the company for the fiscal year  
ended 31-12-2025.**

## البند الخامس

التصويت على صرف مبلغ (1,967,301) ريال مكافأة لأعضاء مجلس الإدارة عن السنة المالية المنتهية في 2025/12/31م.

### Item 5.

Voting on paying an amount of (1,967,301) SR as remuneration to the Board members for the Fiscal year ended on 31-12-2025.

## البند السادس

التصويت على تفويض مجلس الإدارة بصلاحيه الجمعية العامة العادية بالترخيص الوارد في الفقرة (1) من المادة السابعة والعشرين من نظام الشركات، وذلك لمدة سنة من تاريخ موافقة الجمعية العامة أو حتى نهاية دورة مجلس الإدارة المفوض أيهما أسبق، وفقاً للشروط الواردة في اللائحة التنفيذية لنظام الشركات الخاصة بشركات المساهمة المدرجة.

### Item 6.

**Voting on authorizing the Board of Directors with the General Assembly authority with the rights mentioned in paragraph (1) of Article (27) of the Companies Law for one year from the date of approval of the General Assembly or until the end of the session of the authorized Board of Directors, whichever is earlier, in accordance with the conditions mentioned in the Implementing Regulation of the Companies Law for Listed Joint Stock Companies.**

## البند السابع

التصويت على تعيين مراجعي حسابات الشركة من بين المرشحين بناء على توصية لجنة المراجعة، وذلك لفحص ومراجعة وتدقيق القوائم المالية للربع الثاني والثالث والسنوي من العام 2026م والربع الأول من العام 2027م ، وتحديد أتعابهم.

### Item 7.

**Voting on appointing the auditor for the company from the selected candidates based on the Audit Committee's recommendation. The appointed auditor shall examine, review and audit the (second and third) quarters and annual financial statements of the fiscal year 2026, and the first quarters of the fiscal year 2027. In addition to, the determination of the auditor's remuneration.**

## The purpose of Audit Committee's Recommendation Regarding the Appointment of External Auditors

**Date:** 31/03/2026

**Provided by:** Audit Committee

**Introduction to:** Board of Directors

**Required Action:** Approval of the Appointment of External Auditors

With reference to the above subject, and upon the expiration of the contract period with the current external auditors of the company, the Audit Committee has received four price quotations from four external audit firms to conduct the audit of the annual financial statements for the year 2026, as well as the quarterly financial statements for the fiscal year 2026 and the first quarter of the fiscal year 2027. The offers are as follows:

- 1- PWC
- 2- RSM
- 3- PKF
- 4- KPMG

Accordingly, after reviewing the submitted proposals and contracts, the Committee recommends the appointment of the following external auditors:

1. RSM Office.
2. KPMG Office.

Chairman of the Audit Committee	Member of the Audit Committee	Member of the Audit Committee
Khalid Mohammed Salem Bajnaid	Majed Daa Al-Din Karim	Yasser Khaled Malek
		



# Inspiring confidence to empower change

**Salama Cooperative Insurance Company**

Audit proposal for the year ending 31 December 2026

March 2026



# Message from the Lead Audit Partners

## Together for Better

On behalf of KPMG, we would like to thank Salama Cooperative Insurance Company for considering us to be your next auditors. It would be an honour for us to be your external auditor. Salama Cooperative Insurance Company vision to “Embodiment of Humanity, Believe in Enlightenment, Empower our Resources To Personalize your security” resonates with us, they align closely to our values:

**Integrity; Excellence; Courage; Together; For Better.**

At KPMG we understand the power of trust. Our overarching commitment to you, is that we will provide a quality audit for Salama Cooperative Insurance Company. The Insurance sector has grown increasingly complex possibly more so than ever before. Many factors have contributed to this: the impact of the pandemic on all fronts, the application of new accounting standards, increased regulation in the industry and the changing demands of customer needs and expectations.

This is a dynamic and changing environment. Salama Cooperative Insurance Company needs an audit team who will deliver above and beyond expectation both in what we do and the way in which we do it.

## Our commitment to quality

Our overarching commitment to you, is that we will provide a quality audit to Salama Cooperative Insurance Company.

In building trust with the public, we know that quality is central to achieving it. Without quality, we know, we will not be able to achieve our future vision for audit.

**Our audit will be enabled by KPMG Clara, our market leading technology platform of solutions that ensures efficiency, insight, and globally consistent audit quality. KPMG Clara brings technology to the heart of our audit and provides the platform for our global audit methodology. KPMG Clara workflow is the centerpiece of a \$5 billion investment in our digital transformation.**

These attributes respectively, form the foundation of long-term success. We have done everything we can to become and to remain the purpose driven and values led organisation that our wide range of stakeholders' demand. Since we were your auditors in our last tenure, we have examined and redesigned every aspect of the firm from the leadership and governance at the top, down to the detailed quality and independence processes and controls.

In short, we have set ourselves a new bar, to be the gold standard for audit firms both in Saudi Arabia and across the globe. We believe that every aspect of what we have done is necessary as we work to achieve our goal of being the most trusted and trustworthy professional services firm.

We are looking forward to spending time with you to present this proposal document in what we trust will be a successful partnership between our organisations.

Yours sincerely,

**Ebrahim Oboud Baeshen**

Regional Managing Partner,  
Jeddah Saudi Arabia



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“

All of us at KPMG are deeply invested in a successful, quality audit of the highest calibre. You have my personal assurance. I will meet with representatives of the Board each year to ensure our public interest responsibilities remain aligned and that we are delivering on our purpose. Should you appoint KPMG, we will bring about meaningful, responsible change as your external auditor.

Our purpose fuels our commitment to long term quality without compromise. Our skilled team are committed and together from top to bottom and in place where you need them. We see transition as a commitment opportunity and will grasp it wholeheartedly.”

**Ebrahim Oboud Baeshen**

Regional Managing Partner

Lead Audit Partner



SECTION

01

Executive  
summary

موجز تنفيذي



# How KPMG can help

**The key to our approach is flexibility, pragmatism and open communication.**

Change is not easy. Responsible change starts with a well managed transition, so that key benefits arise from seamless administration, value creation and upfront investment.

The critical success factor for us is going into insurance your business with eyes wide open and fully understanding the challenges and the risks especially relating to IFRS 17.

**We make change easy**

**We bring new energy and fresh insight**

**We accelerate our learning in unique areas.**



## Trust and reliability

Your audit will be led by Mr. Ovais Shahab who has over 22 years of experience in audit. Mr. Ovais Shahab has selected his team to ensure we have a team that reflects:

- Experience in working with other clients in your sector.
- Sector, market, and technical knowledge and expertise.
- Representation of our commitments to Nationalisation.



## Quality and assurance

Our overall firm objective is to achieve the highest standard of audit quality, and our ambition is to be the most trusted and trustworthy audit firm in Saudi Arabia, the region, and the world for which different initiatives and approaches have been adopted.

Our quality framework embedded in your audit is built multiple initiatives to ensure independence and quality are at the core of how we deliver your audit. Quality is at the heart of what we do and will define who we are as a firm in the future.



## Innovative technology

KPMG Clara is the most recent, cloud-based audit platform in the market and fully utilises KPMG's audit technology and methodology platforms. It is digitally enabled, and provides an incredible opportunity for driving compliance, quality, and innovation on your audit.

KPMG Clara uses digital routines and data analytics to provide insight into your data. It is powerful, yet simple, and its agile and intelligent functions enhance audit quality and connect Salama Cooperative Insurance Company to the audit in real time.



## Experience and efficiency

There are administrative processes to complete when changing auditors. We know what to do, have done it frequently and will do it effectively with a minimum of friction points.

Changing auditors is a one-time opportunity to look with new eyes at existing process.

Deadlines are important to you. You want a transition that is seamless, well-organized and adds tangible value whilst minimising risk inherent to transitions – and we are ready to deliver this to you

SECTION

02

فريق التدقيق الخاص بك

Your audit team

# Bringing you the best in external audit and assurance

At KPMG we act in the interest of global capital markets, individual investors and the public. With the ultimate goal of inspiring trust in financial information and data provided to markets, we also aim to deliver efficiency and value to our clients. Understanding how a client's business works is essential, including critical success factors, business processes and internal controls.

## Our core team's focus for your audit



**Ebrahim Oboud Baeshen**

**Lead Audit Partner**

"I will coordinate the entire audit and, as the responsible auditor, make decisions quickly and conclusively."



**Ovais Shahab**

**Head of Financial Services**

"I will add value, and ensure things happen, and we deliver. We trust that through our interaction with you, we will demonstrate our passion and enthusiasm for working with you."



**Muhammad Arsalan**

**Director – Audit, Insurance Lead (Jeddah)**

"As an insurance champion in Jeddah and engagement Director, I will ensure that the audit delivery is exceptional. I will manage the execution of audit including the seamless transition, planning and conclusion and will be the key point of contact."



**Salman Chaudry**

**Insurance Lead KSA EQCR**

"I will thoroughly assess the audit to ensure adherence to established quality control standards, regulatory requirements, and firm policies, aiming to enhance the overall quality and reliability of the audit process."



**Christoforos Evlavis**

**Actuarial Specialist**

"I will provide actuarial support and guidance to the core audit team in the valuation exercise of insurance & reinsurance contract asset/liabilities and other key significant and judgment areas relating to IFRS 17."

## You get the experience you need

With KPMG, you can expect an experience that's better for your team, organisations, and the capital markets. An experience that's built for a world that demands agility and integrity. See patterns in what has passed. See where risks may emerge. See opportunities to optimize processes. And see ahead to new possibilities.

A better audit experience starts with a different approach—one that creates efficiencies across the audit process, allowing us to focus on higher-value work and you to focus on your business.

## We are committed to the future of audit

We are committed to providing exceptional audits by introducing transformational technologies that can reshape the audit process and exceed expectations.

We are driving the future of audit for our clients, providing exceptional audits that leverage cutting-edge technology solutions to deliver both superior audit quality and a wider range of insights. By leveraging the power of evolving technologies to deliver quality audits and fresh insights, KPMG is a leader in driving the future of audit.

## We know you

An audit is demanding specially after the implementation of IFRS 17. It requires a qualified and competent team that is equal to the structure and complexity of your business and is familiar with all the issues: accounting issues, actuarial complexities, disclosure requirements and also with IT, tax, treasury, risk & compliance, sustainability, and the development of your market. Considering our experience and reputation in Insurance sector, we understand your business and operations.

# Why this is your best team



**Ebrahim Oboud Baeshen**

Lead Audit Partner

At KPMG we act in the interest of global capital markets, individual investors and the public. With the ultimate goal of inspiring trust in financial information and data provided to markets, we also aim to deliver efficiency and value to our clients. Understanding how a client's business works is essential, including critical success factors, business processes and internal controls.

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We believe that independent auditors perform the valuable role of being a trusted intermediary between the providers of business information and the users of that information.

A better audit experience starts with a different approach—one that creates efficiencies across the audit process, allowing us to focus on higher-value work and you to focus on your business.

## We are committed to the future of audit

In the wake of the economic crises and scandals of the past few years, we believe independent auditors are on the cusp of a transformative change. Stakeholders are demanding more transparency, and we are responding - changing how we operate, being proactive in listening to our stakeholders, and embracing Data & Analytics and new processes that are enabling us to make audit more relevant and continue to raise the bar on quality.

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We know and understand that your market is changing. You require skills and expertise on your audit to help in navigating the challenges being faced.

# Presenting the right, hand-picked professionals

## Audit Engagement Partners



**Ebrahim Oboud Baeshen**  
Lead Audit Partner



**Ovais Shahab**  
Engagement Partner



**Muhammad Arsalan**  
Engagement Audit Director

## Core engagement team



**Abdul Basit**  
Engagement Manager



**Talha Idrees**  
Engagement Supervisor



**Ahmed Alzahrani**  
Engagement Associate



**Mayar Al Baiti**  
Audit Associate

## Quality control



**Salman Chaudhry**  
Engagement Quality Control Reviewer

## Specialists (refer next slide for IFRS 17 Specialist Team)



**Aram Asatryan**  
Partner  
DPP



**Graham Middleton**  
EOSB Specialist



**Mamoon Zaheer**  
IT Specialist



**Faisal Faiz**  
Data Analytics



**Raditha Alahakoon**  
ECL Valuation



**Catherine Njihia**  
Valuation Specialist



**Anan Sijni**  
Zakat and Tax

# IFRS 17 Actuarial Specialist Team



**Christoforos Evlavis**

Partner, Risk Consulting

Christoforos is a Partner in the Risk Consulting department with more than 14 years of experience. He has significant experience in the Banking and Insurance industry. He worked in audit and advisory projects for UK and US banks as well UK insurance companies.

He is currently leading the Risk Consulting modelling and actuarial team in KPMG which has been involved in numerous IFRS 9 and IFRS 17 implementation projects in the banking and insurance sector.



**Georgina Foukaridou**

Manager  
Actuarial and Insurance Risk Services

Georgina is an Associate member of the Institute and Faculty of Actuaries UK and an Associate member of the Association of Actuaries. She holds a BSc in Actuarial Science (Hons) from Bayes Business School (formerly Cass), City University London. Following a 10-year stint in the Insurance industry, Georgina joined the Actuarial and Insurance Risk Services team of KPMG in 2024.

Georgina is currently working on multiple IFRS 17 and Solvency II audit engagements. The given engagements aim at auditing the company actuarial calculations for IFRS 17 components such as LIC, Risk Adjustment, Discounting and Solvency II components such as Solvency Capital Requirement and Technical Provisions.



**Michael Aristides**

Principal , Head of Actuarial and Insurance Risk Services

Michael is an active Fellow of the Institute and Faculty of Actuaries in the UK and Fellow of the Actuarial Association. He holds a BSc (First Class) in Actuarial Science from Cass Business School (now Bayes Business School), London, UK and an MSc in Financial Mathematics from Warwick Business School, UK.

Michael is the lead actuarial expert for all the KPMG insurance actuarial audit engagements for both Life and Non Life Insurance Company. He is also the lead actuarial specialist in actuarial audits dealing with Life, Non Life, Reinsurance and Takaful business.



**Stavroula Menelaou**

Senior Advisor, Actuarial and Insurance Risk Services

Stavroula has a BSc in Mathematics and an MSc in Applied Statistics and she is an active member of the Institute and Faculty of Actuaries UK. She worked in the insurance industry for 3 years and joined KPMG in 2022.

Through her experience Stavroula developed knowledge about the insurance industry and she has been involved in many actuarial audit engagements for both Life and Non-Life Insurance Companies. In addition, she participated in IFRS17 audit engagements as an actuarial specialist. Specifically, she worked on assessing the actuarial methodologies and assumptions used for the LIC, LRC, Risk Adjustment and Discounting under IFRS17 standard.

SECTION

03

التكنولوجيا في تدقيقك

Technology in  
your audit

# Digital audit with KPMG Clara

KPMG Clara is our central platform that will be used to integrate, perform and manage Salama Cooperative Insurance Company audit. Thanks to the global integration of the audit on one platform, you get:

- A globally consistent workflow powered with Insurance sector knowledge and experience.
- Full transparency in real time with no surprises, pro-active and early communication.
- Efficient, fast, and innovative routines run on your data in concluding on audit areas.
- High quality audit focused on real risks impacting Salama Cooperative Insurance Company.

## A Audit Management

**Effectiveness:** We use Clara to connect to you and your activity split. This allows us to:

- Coordinate the work of our teams globally
- Monitor our audit in real time and share the results of centralized audit work with all the members of our team
- Leverage your investment in SSC, ERPs and processes optimally for the audit.

## C Client Collaboration

**Insights:** KPMG Clara provides you with full transparency on the status of the worldwide audit and a secure and scheduled exchange of documents.

- Salama Cooperative Insurance Company will be informed early and with relevant, decisive information.
- We know communication is important to you and KPMG Clara gives you a real-time view of the status and outputs of our work.
- This provides full transparency and consistency over the global audit.

## B Dynamic Risk Assessment

**Quality:** By analyzing internal and external data, we determine the focus areas of our audit and automatically document the areas in which there are no risks of fraud or error. Our audit is data-driven from day one.

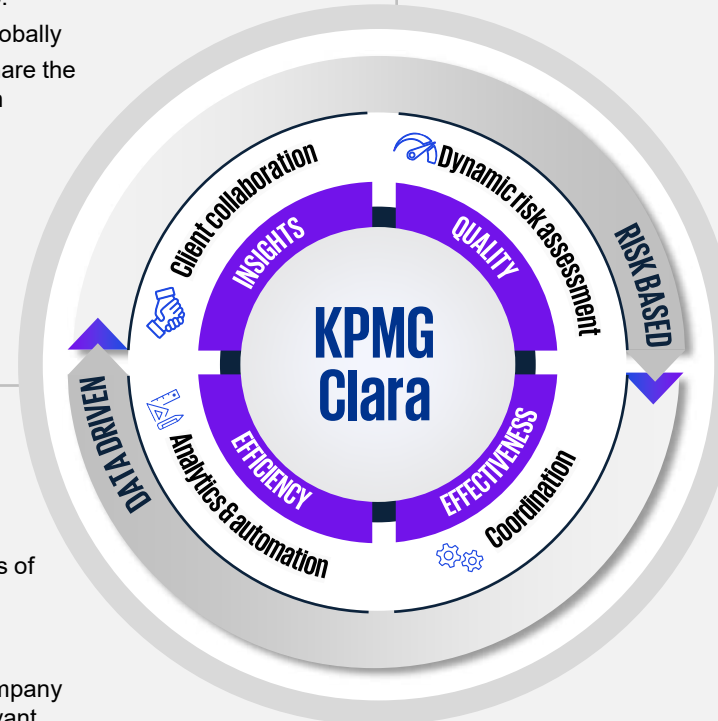
- Our audit focuses on risks that really matter
- Embedded within the tool your tailored dynamic risk assessment
- You get the assurance that we align the audit with the risks that actually exist and leave you free in other areas.

## D Digital Audit

**Effectiveness:** Our data analyses deliver a solid foundation for a streamlined audit and go beyond traditional approaches. Our digital expertise enables us to

- Perform industry leading analytics and generate decisive information for areas with increased complexity or judgement (e.g. estimates).
- Audit core processes and transaction streams (e.g. revenue) in a highly efficient manner

This results in deeper, more relevant insights for you. We can replace traditional, time consuming, low value sampling and confirmation procedures and discuss with you the “real” exceptions.



# A Audit Management



Managing the audit is my daily mandate.

I will use KPMG Clara to coordinate the work of our teams globally/locally. KPMG Clara allows us to direct our global/local audit in real time and share the results of centralized audit work with other team members, so work is done only once. I will allocate tasks and responsibilities to our teams at the appropriate level.

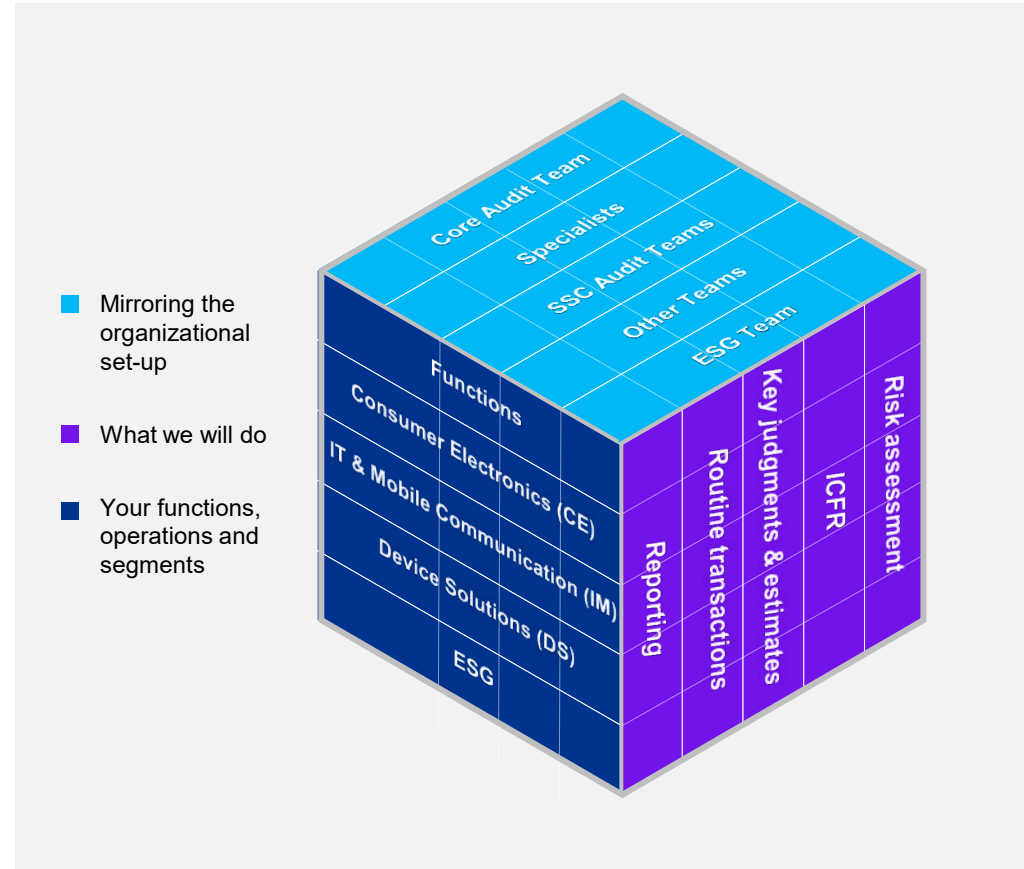
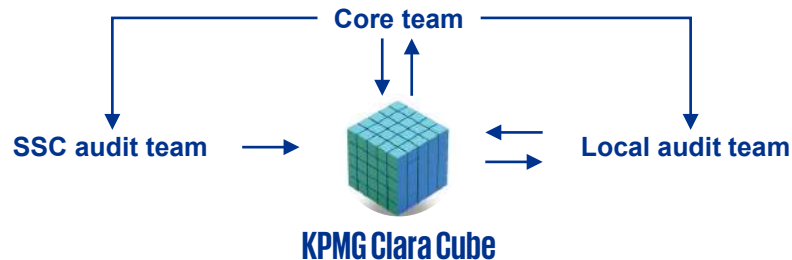


**Ebrahim Oboud Baeshen**  
Lead Audit Partner

Sitting on the KPMG Clara platform, we use the client Cube to coordinate the work of our teams globally/locally. Through it, we view your audit from multiple angles: your business and processes, our teams, and areas of audit focus. The client Cube allows us to direct our global/local audit in real time and share the results of centralized audit work with all other teams so work is done only once and relied on many times.

### This is how we run our no-surprise audit in adherence with your financial calendar:

- We align our audit planning with Client’s financial calendar and agree with you at an early stage all deadlines.
- Audit Instructions and deadlines for the reporting are filed centrally on KPMG Clara. Adherence to the relevant reporting dates is monitored by automated controls and reminders where necessary.
- Our audit approach reflects your activity split. Procedures which are centralized within the shared service centre in Saudi Arabia and will be centrally audited and the results will be shared in KPMG Clara with the respective auditors. This makes our approach highly efficient and time-saving for the client.
- Real-time tracking of reporting – Client and our core audit team are informed about the status of the reporting at any time.



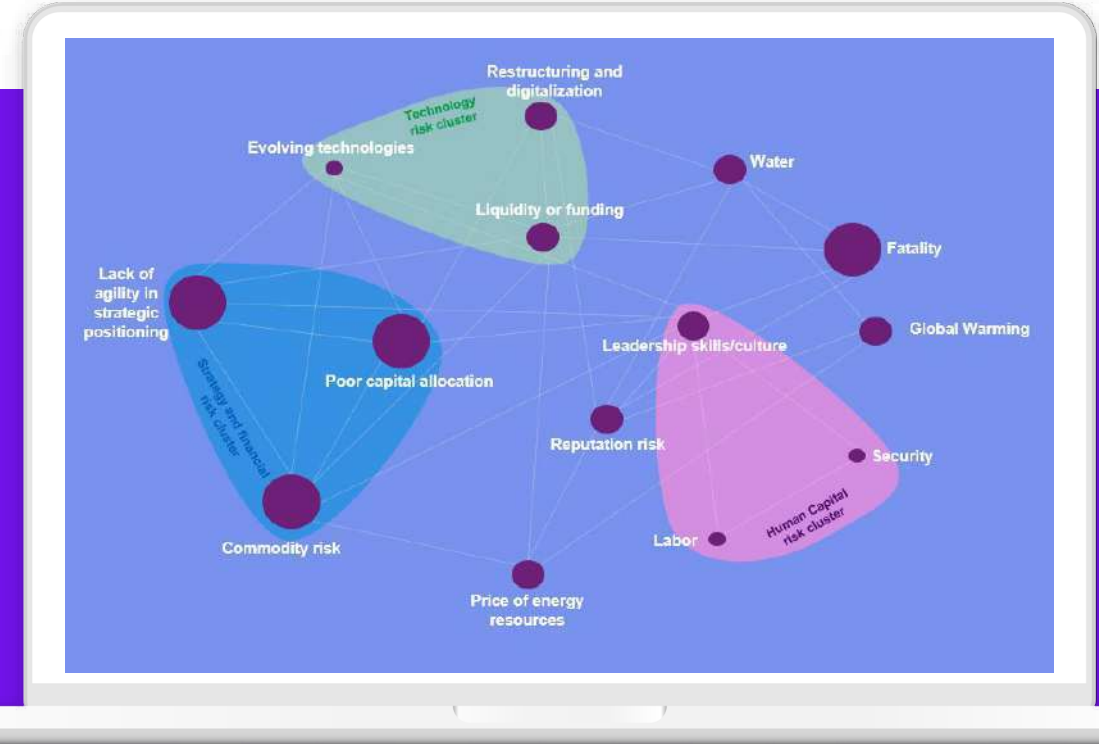
# B Dynamic Risk Assessment

Our KPMG Clara risk assessment equip our audit experts with a universe of relevant data points based on your business. This is executed by looking from the outside in: mapping industry expertise, trending topics, regulations, and standards. Then after from the inside out: using technology and analytics to drill down into the areas such as your general ledger. This means we focus only on what really matters.

**Our dynamic Risk Assessment Methodology is embedded within the KPMG Clara workflow to ensure consistency in applying the risks identified to your tailored audit approach and strategy.**

Applying the sciences of expert elicitation, network theory and behavioural finance, DRA generates a network that, akin to a regression analysis that best represents the data, and the debiased views of the best thinkers on the topic under investigation. This generates part of the 'magic': groups of experts can, between them, foresee risks and opportunities that individuals, including subject matter experts, cannot.

The network can be analysed, mathematically, to determine its longer-term risk profile, the opportunities embedded therein, and the near-term scenarios most expected to be encountered – including their aggregate severities, likelihoods and velocities (aggregate time to impact). Lastly, the individual constituents of the network are stratified into those assigned to top management in view of their systemic significance, those that can be allocated to senior management and the comparative unconnected, low velocity, severity and likelihood that can be delegated to middle management.



## Identifies the scenarios

Identifies for the audit team the scenarios most expected to be encountered by the client in the near term, to be used in stress testing.



## Longer-term risk

Identifies the longer-term risk profile of the client as well as the most powerful mitigants to avoid / change that outcome, empowering the auditor with scientific evidence to make refinements to the discount rates used in impairment and viability assessments



## Interconnectivity

Recognizes and reveals the interconnectivity of risks and the future dynamics these are likely to generate



## Identifies risks

Identifies the combinations of lower ranked risks that, in aggregate, may exceed the likelihood and severity of the most significant individual risk

# C Client Collaboration

You will receive access to the Salama Cooperative Insurance Company Collaboration Site. KPMG Clara for Clients is your window into the audit. Your KPMG Audit home page gives you real-time access to information, insights and alerts from your engagement team. Helping you stay up to date with the latest progress, risks, and issues before they become events. Secure and easy to use, it contains KPMG's documentation, gives you the right degree of transparency for your role, and allows you to track the progress of your audit in real-time.

01

## Transition plan

Through this tile, we will monitor project management and allow for example to structure, monitor and follow your transition plan ("Shadow audit"...).

02

## KPMG insights

We share our reporting to the audit committee here. Audit committee members also have access to the audit quality KPIs: our audit quality scorecard.

03

## Audit Timetable

This tile provides the reporting deadlines as well as dates of key meetings with auditors.

04

## PBC Workflow

Prepared by client workflow allows the secure upload, and real time tracking of client PBC documents requested

05

## Audit Committee Reporting

Our thought leadership will be accessible through this tile. This includes technical and industry publications, with a specific focus for Salama Cooperative Insurance Company on regulatory, digital, and CSR considerations.

06

## Joint working with internal audit

We effectively organize our collaboration. It is easy to see for you and your team what is requested, by whom, when it is due and you can log your Prepared By Client (PBC) documentation electronically through the secure platform. Specific questions are directly channelled to the right person.

07

## Task Management

This dashboard can be used to monitor the progress of work: status, deadlines, people in charge of the various tasks. It records and reports audit matters, internal controls and other information throughout the audit cycle.

08

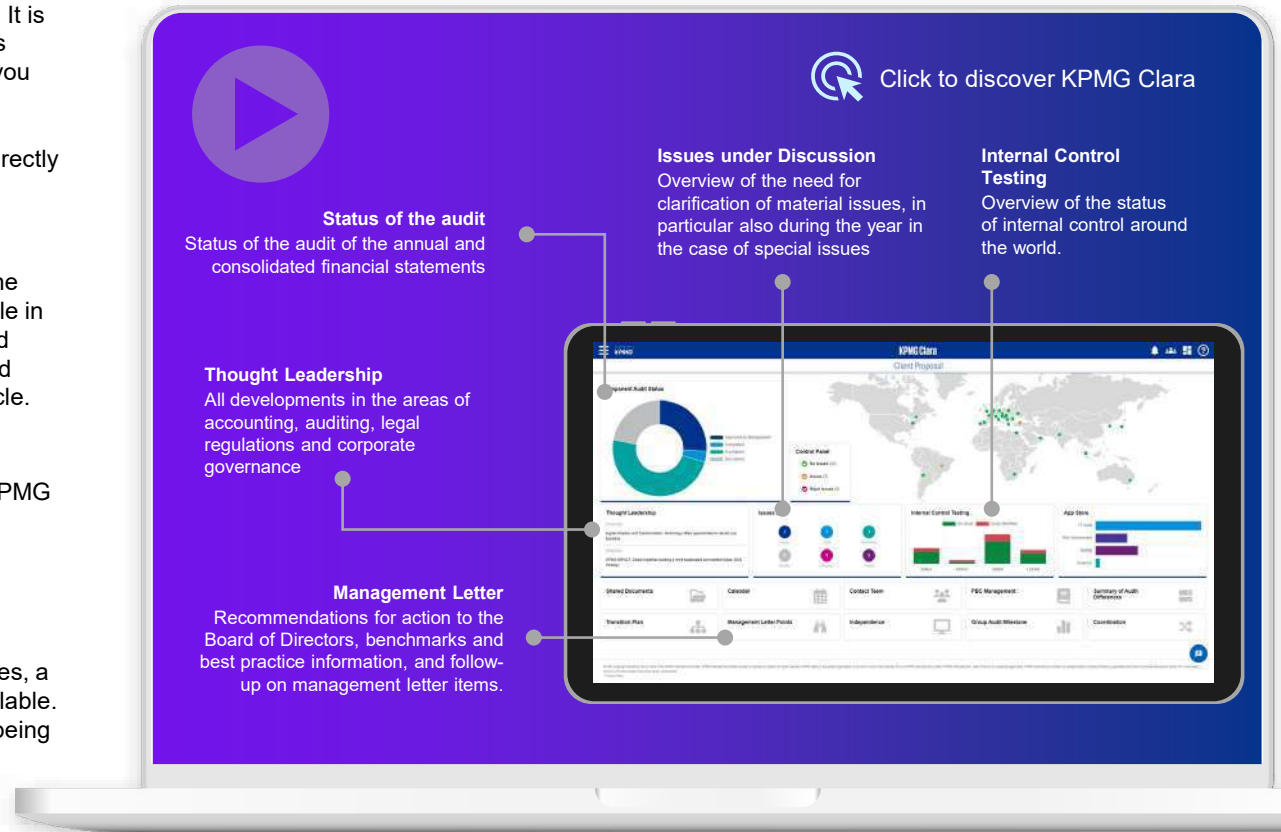
## Your KPMG Team

You will have access to full directory of KPMG professionals (partners and managers) involved in your audit across the globe.

09

## Non Audit Service Tracking

In order to track the ramping down and management of ongoing non-audit services, a non audit services dashboard will be available. This will give an overview of all services being performed or in request to be performed, keeping KPMG and Salama Cooperative Insurance Company informed and in compliance.



# D Digital Audit

We do not use technology for the sake of it. We use it where it enhances audit quality or efficiency, such as avoiding duplication of effort by testing once centrally and sharing results among our audit teams. Here is a small sample of the solutions we will deploy across the various phases of your audit, including those we have built specifically for our Insurance clients.

**KPMG Clara Analytics currently has more than 400 apps that we can use on audits. Some of these that we will initially deploy on the Salama for Cooperative Insurance Company audit include:**

- **Journal Entry Analysis:** Our general ledger analysis helps create powerful visualisations of your data across 100% of your journal entry population. It allows us to deep drill down into each transaction, enhance our risk assessment and improve our approach to identifying anomalies for specific item testing. We apply this across risk assessment, planning analytics, business process understanding, substantive testing, high risk criteria testing, Audit Committee and management communications.
- **Visual Ledger:** KPMG Clara D&A uses advanced visualisations to summarise and present results in a user-friendly way that enhances the auditor's ability to identify and analyse significant or unusual transactions, events and conditions. We leverage the advanced visual ledger to summarise the number and value of all journal entries processed through accounts to:

- Validate and enhance our understanding of transaction flows and how transactions are recorded.
- Identify journal entries that are unexpected based on the applicable financial reporting framework to inform our risk assessment.
- Focus testing on journal entries that are unexpected/outliers, which are more susceptible to misstatement.
- Identify opportunities for process improvements and potential control deficiencies.
- **Sub-Ledger D&A:** Leverages 100% of data and models this Data on powerful analytics software to enable analysing complex data elements. We gain deeper insights into the data and enables a data driven risk assessment and testing. This further enhances audit quality through better use of available time and driving consistency across the engagement portfolio.

## Data management

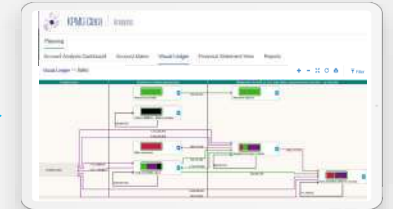
The security of your data is of the utmost importance. For data transfer at the start of the audit and for the performance of analyses, we apply the most rigorous requirements in terms of security and data protection.

The transfer is conducted through our proven KPMG extraction tool which ensures your ERP system is not impaired by the ongoing work of our teams. The method we use to extract data depends on the degree of maturity of your IT systems – you can reach out to our team for more information.



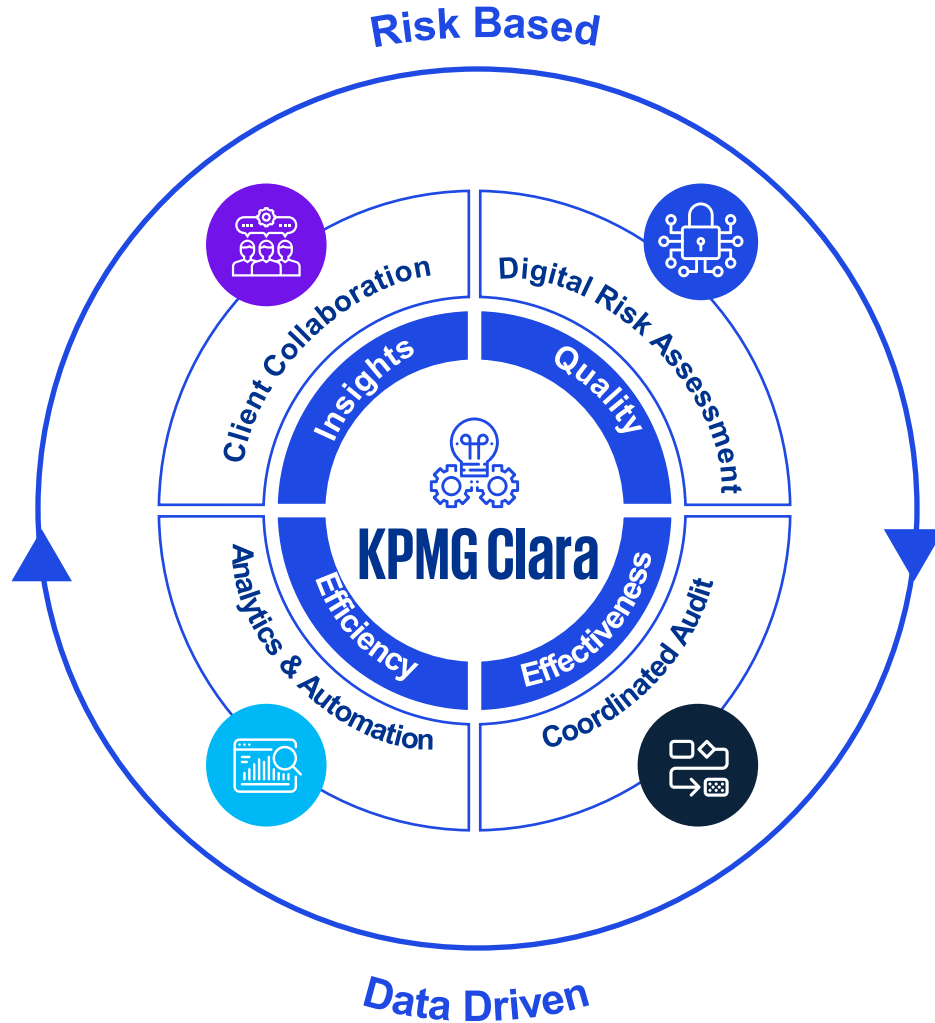
**Journal Entry Analysis:**  
100% Journal Entries Based  
Advanced D&A

**Visual Ledger:**  
KPMG Clara D&A uses  
advanced visualisations  
to summarise and  
present results



**Powerful Sub-Ledger D&A:**  
Models this Data on powerful  
analytics software to enable  
analysing complex data  
elements.

# The KPMG Clara digital audit



## Committed to Digitalization

**5** Billion USD being invested 2020 — 2024 into Innovation

**+458** Global Innovations in our AppStore

**+629** Global Innovations in Development

### Insights

- Full transparency of your audit in real time
- No surprises, pro-active and early communication
- Tailored audit committee and management digital reporting (e.g. KPIs) with high impact insights
- Clear, easy access and control portal for you and your team

### Efficiency

- Less effort and information requests, e.g. less audit sampling and more analytical testing
- Speed, e.g. automation of standard audit areas
- Innovation through the continuous development of our tools powered by our network and alliance partners

### Quality

- Focus on real risks, through Digital Risk Assessment or Dynamic Risk Assessment
- Enhanced assurance, e.g. 100% population testing coverage
- Resilience support, e.g. Cyber Security as part of IT audit
- Strong anti-fraud focus in the audit

### Effectiveness

- Perfect fit, we leverage the capability your ERP & business processes
- Maximising use your investment in ERP, organization, processes through mirroring your “activity split”
- Globally consistent workflow powered with sector knowledge

# Analytics & Automation

We do not use technology for the sake of it. We use it where it enhances audit quality or efficiency, such as avoiding duplication of effort by testing once centrally and sharing results among our audit teams.

Here is a small sample of the solutions we will deploy across the various phases of your audit, including those we have built specifically for our Insurance clients.

Our data analytics provide the basis for state-of-the-art, automated auditing that goes beyond traditional approaches involving trend & key figure analyses, or prior-year comparisons.

## Benefit to Salama Cooperative Insurance Company

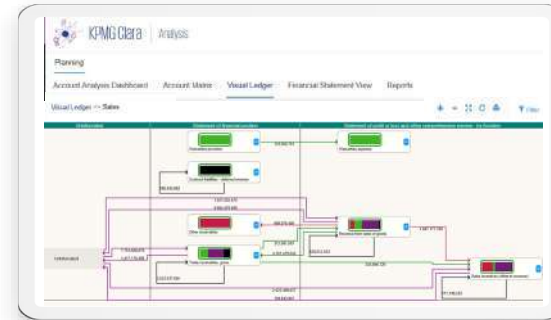
A tailored digital audit approach for all companies and in all audit areas. Depending on the maturity of your IT systems, we perform our data analysis within the Salama IT environment - if already possible - using central data lakes supplemented by KPMG bots.



## 100% Journal Entries Based Advanced D&A

### Applications across:

- Risk assessment
- Planning Analytics
- Business Process Understanding
- Substantive TOD testing; specific item testing based on D&A results
- Journal Entry High Risk Criteria Testing
- Final Analytics
- Audit Committee / Management Communications



## Advanced Transaction Flowcharts – Visual Ledger

Making data & analytics a core part of our Digital audit is critical to our mission of driving audit quality.

KPMG Clara D&A uses advanced visualisations to summarise and present results in a user-friendly way that enhances the auditor's ability to identify and analyse significant or unusual transactions, events and conditions.

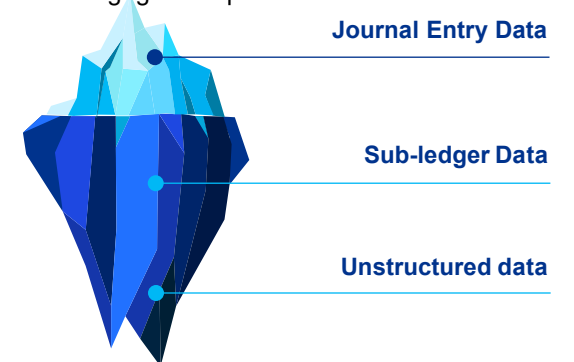
KPMG Clara puts Data Analytics right at the heart of our audit approach and drives audit quality by:

- analysing 100% populations, providing more extensive audit evidence and allowing us to focus on the exceptions and the risks;
- providing intelligent automation for non-judgmental work, allowing us to focus on the higher risk areas of the audit;
- providing enhanced business insights so that we can ask more meaningful questions during our audit work.



## Powerful Sub-Ledger D&A

- Leverages 100% Sub-Ledger data viz. Insurance Revenue, Insurance Service Expenses etc.
- Models this Data on powerful analytics softwares to enable slicing & dicing complex data elements
- Deeper insights into the basis and enables data driven risk assessment and testing
- Enhanced audit quality through better use of available time and driving consistency across the engagement portfolio.



# Enhanced assurance through technology driven audit

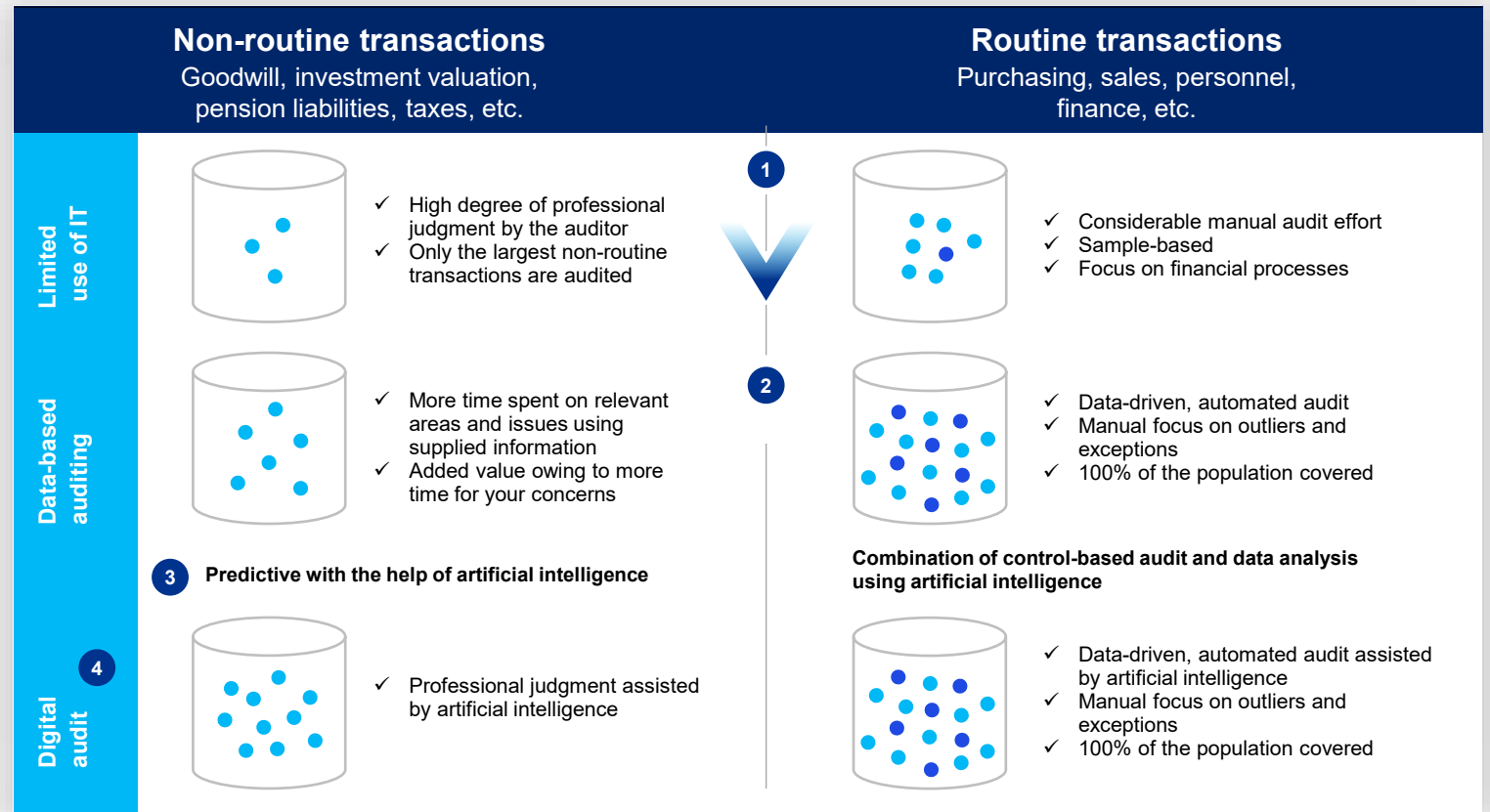
To us, a digital audit means: having more time for you and for what's important. The more standardized your IT systems are, the more digital our audit will be. This translates into less work for you. You get a higher audit quality and reliability, since we audit almost all of your transactions. We focus on the essential while paying attention to any outliers and exceptions.

The chart on the right shows the "KPMG Clara Maturity" model. It illustrates how we can jointly transform a traditional audit into an advanced, technology-based audit. We will tailor the audit to your needs.

## How we bring technology into your audit

Technology can be used for cyber security, Global compliance framework, Research and development efficiency, implementation of new accounting standards, Data governance, Cloud transitioning and etc.

With increased automation, the audit quality improves



● = number of audited transactions

● = outliers identified

**1** We leverage our technology and modern audit approach to identify risks (both financial and non-financial).

**2** Through automating the audit of routine transactions, we can analyze 100% of the data passing through your IT system. We focus on outliers and exceptions. Doing so will ensure adequate focus and time on the non-routine transactions as well.

**3** Non-routine transactions: In areas with high degree of professional judgment, we employ algorithms and machine learning to assist in our audit.

**4** Digital audit: Owing to our automated audit procedures, we can increase our audit frequency and thus promptly uncover critical issues.

# KPMG Clara – simple, robust, secure

KPMG Clara streamlines communication, supports collaboration and promotes purposeful sharing of your data - from each country to the central audit team and all the way to the Group Executive Board and the Board of Directors.

Our goal is to make the audit simple, manageable and secure for both you and us. That's why we developed KPMG Clara. KPMG Clara is an intelligent audit platform hosted in Saudi Arabia, combining three elements: KPMG Clara Workflow, KPMG Clara for Clients and KPMG Clara Analytics.

What this means for you is that you receive the same high audit quality from us worldwide and the same level of collaboration everywhere. As a result, you will always know the status of your audit and avoid any unpleasant surprises toward the end of the year.



## KPMG Clara for Clients

- Secure and transparent exchange between you and KPMG
- Real-time visibility of the current audit status
- Access to industry and market trends



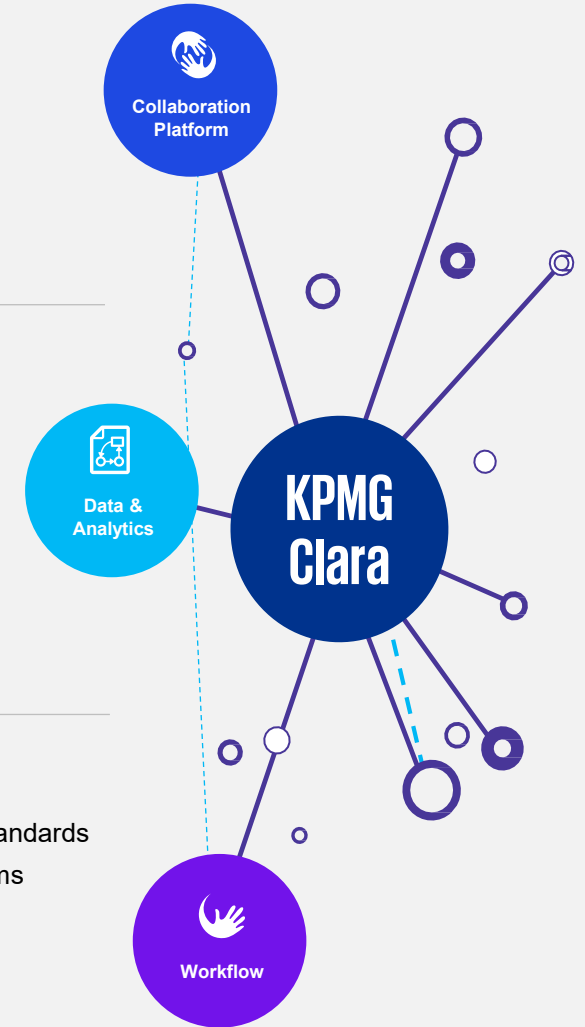
## KPMG Clara Analytics

- Additional findings for your benefit
- Visualization of your data flow
- Increased audit reliability
- New perspectives
- Reduced preparation effort



## KPMG Clara Workflow

- A globally consistent workflow governed by auditing standards
- Audit approach tailored to your business model, systems and operations
- Global methodology coupled with local knowledge
- Direct tie-in with the other Clara elements



# How we generate insights from your data

KPMG Clara helps us analyze your data all the way down to the transaction level. From this, we generate valuable findings for our audit as well as interesting insights for you. Data analytics is of growing importance not only for multinational corporations, but is also highly appreciated by family-owned businesses.

## Our audit approach

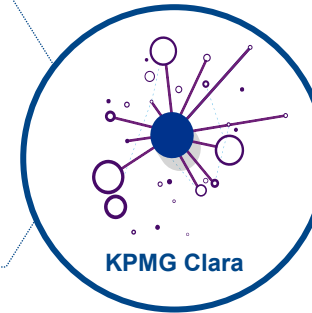
KPMG Clara's capability ranges from simple general ledger analyses to the sifting through of complex transaction chains (e.g. in the purchase and sales process). In this way, we automatically audit a large part of the transactions. We can then focus our manual audit procedures on transactions with increased risk. We provide our analyses centrally for your/all companies in the main system, working together with your IT department.

## Increased audit quality

We audit financially relevant transactions for accuracy. With KPMG Clara, we audit 100% of your routine transactions so we can focus on the relevant risks.

## Reduced preparation effort

Any data we need, we can simply download ourselves from your central data center. As a result, your preparation workload is significantly reduced.



## Unlocking new insights

By analyzing outliers and deviations based on their materiality and relevance, we get to the root of the problem. This knowledge will then help you tackle and remedy potential systematic problems and process weaknesses.

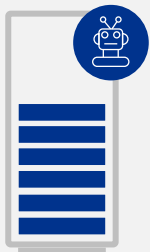
## New perspectives

In the course of our audit, we analyze your data and identify facts that are both relevant to the audit and of interest to you. We then present these to you. This gives you a new perspective on your processes.

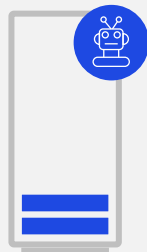
Total revenue



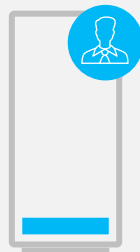
Paid



Match the order and goods issue



Remaining population



## Data analysis in the verification of sales

With KPMG Clara we can analyze all sales entries and classify them into three categories:

- 1) Paid invoices
- 2) Invoices that match the order and goods issue
- 3) Remaining population

We automatically audit categories 1 and 2 using KPMG Clara. This enables us to devote our attention to the remaining population in order to get to the bottom of high-risk outliers. With KPMG Clara, we can audit 100% of your sales transactions. This will provide you with a higher level of audit assurance while at the same time improving audit quality.

# IT in the audit

An essential part of the assessment of the internal control system is also the audit of the IT systems - however, not as an end in itself, but to increase the audit quality as well as the efficiency of the audit. And thus also to relieve the burden on your organization.

## Integrated focus team IT

Our integrated IT focus team, headed by Insert IT Audit partner name, represents the harmony of IT auditing with financial statement auditing as part of our holistic audit approach. As part of the approach for Salama Cooperative Insurance Company, it is ensured that wherever possible, audits are performed centrally only once and the results are made available to all audit teams through appropriate shared convenience memos. In addition to the actual audit of the basic IT systems, further detailed IT audits form an integral part of all other audit areas. Our integrated approach therefore provides for the IT auditors to be part of the core team and to be involved in all audit areas.

## Cyber Security

As a critical digital company, Salama Cooperative Insurance Company is fundamentally exposed to cyber security risks. We will take these into account as part of the audit in accordance with professional requirements.

With regard to IT, we follow three basic rules :

## Integrated - Relevant - Value-focused.

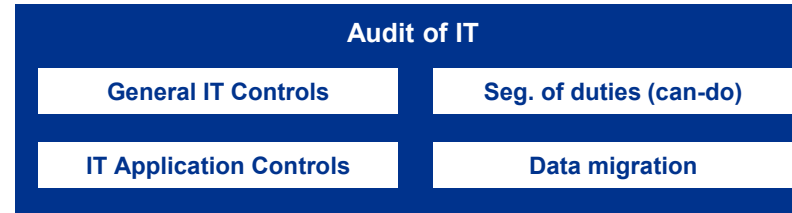
**Integrated:** By taking an integrated audit approach to your IT systems, data flows, and automatic and semi-automatic controls in your operational business processes, we create a large part of the required audit assurance for key components of your financial statements at a very early stage in the audit.

The result of the integrated IT audit is that we bring forward audit procedures and reduce the time required for the audit. In addition, we ensure that there will be no surprises at the end of the year. If you use bots that are relevant for our audit, we will assess them using our tried-and-tested procedure.

**Relevant:** The main audit area for the audit of Salama Cooperative Insurance Company's IT systems is the "General IT Controls". Here, too, KPMG's audit approach is risk-oriented and complexity-reducing. We define our audit steps in a process-oriented and control-based manner. In this context, we will conduct the audits for the hosting of the Information System Name relevant for Salama Cooperative Insurance Company directly at the company's operational services, the operator of the data center.

For entities using the Software as a Service (SAAS) applications, we will utilize the ISAE 3402 reports provided.

As part of the IT audit, we will use our KPMG bots, which perform fully automated audits of general IT controls.



**We create added value:** Our IT audit approach delivers added value for Salama Cooperative Insurance Company. Thus, we will also provide you with intensive audit support in the context of your planned medium- to long-term conversion to Information System, which will have a significant impact on the harmonization, standardization, and consolidation of your accounting-relevant business processes, and we will make available our extensive experience from similar projects at other globally operating groups for your benefit. We will support you on your successful way into the future. With our experienced KPMG Information System, we are available to you as a sparring partner throughout the project and ensure that audit-related IT risks can be identified and addressed at an early stage.

## Audit Bots

Like Salama Cooperative Insurance Company we at KPMG encourage automation where it makes sense, and believe that standardization and automation are key pillars to a robust and efficient audit. That is why we have developed an automation platform as part of the KPMG Clara suite with over 300 automation assets and counting.

We will extract data centrally and use bots to test Salama Cooperative Insurance Company's IT controls in order to save time for the business and your IT team.



Our audit approach of the accounting-relevant IT systems at Salama Cooperative Insurance Company adapts flexibly to the maturity level and progress in the harmonization of your IT systems to Information System. In doing so, we coordinate closely with Salama Cooperative Insurance Company's internal IT auditors. For the implementation of Information System starting in 2024 as well as the introduction of the new consolidation and reporting system, we recommend project-accompanying audits.



Mamoon Zaheer  
Director - IT Audit

# We're only getting started on our innovation journey ...



## Transformed foundation

Cloud enabled, we have embarked on a journey through our Microsoft Azure ecosystem to support our digitized and connected future.



## Latest technology

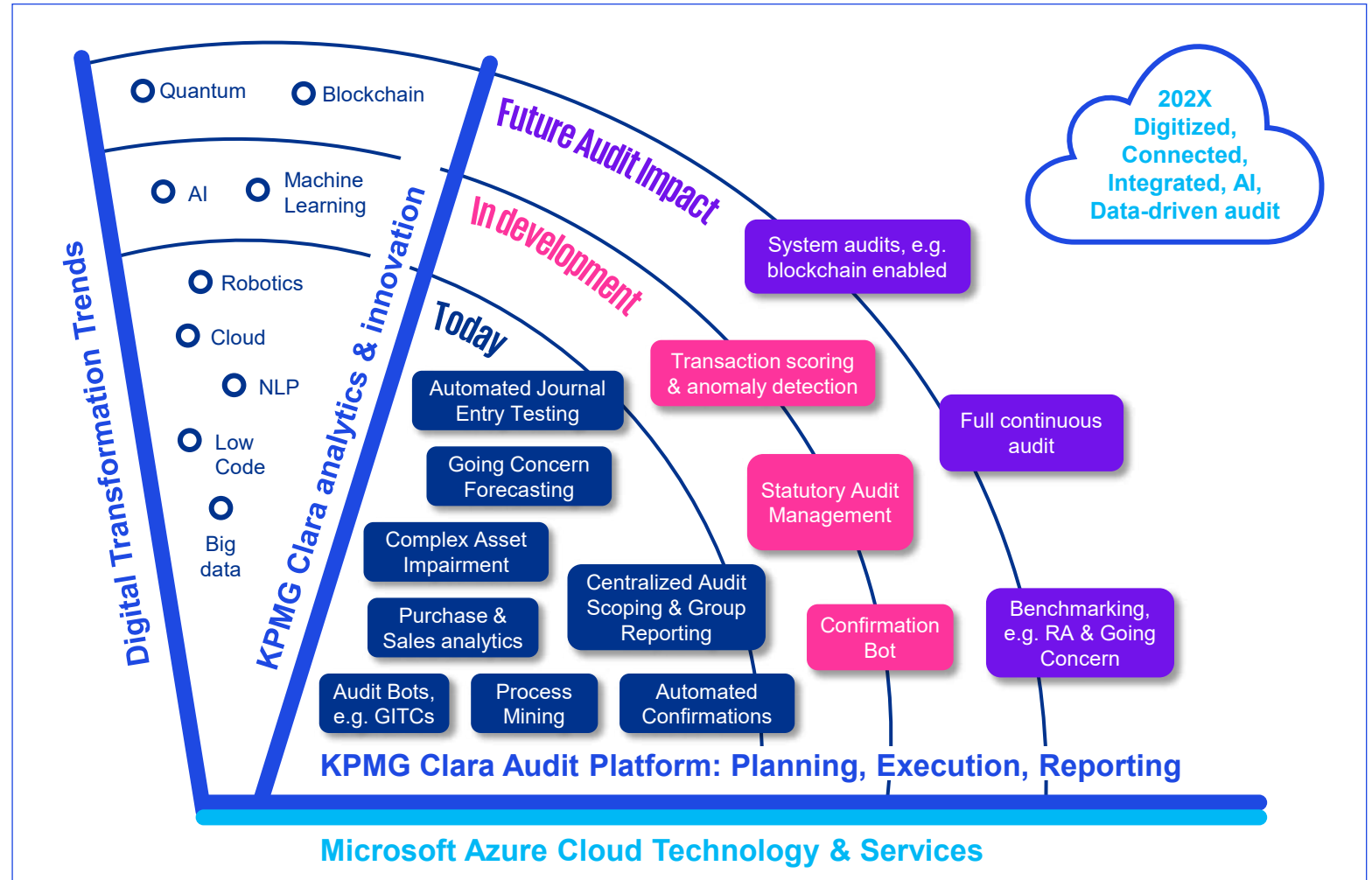
We are at the forefront of technology in the audit. We are optimizing our audit procedures and operations by applying and developing the latest solutions.



## Integrated and globally in control

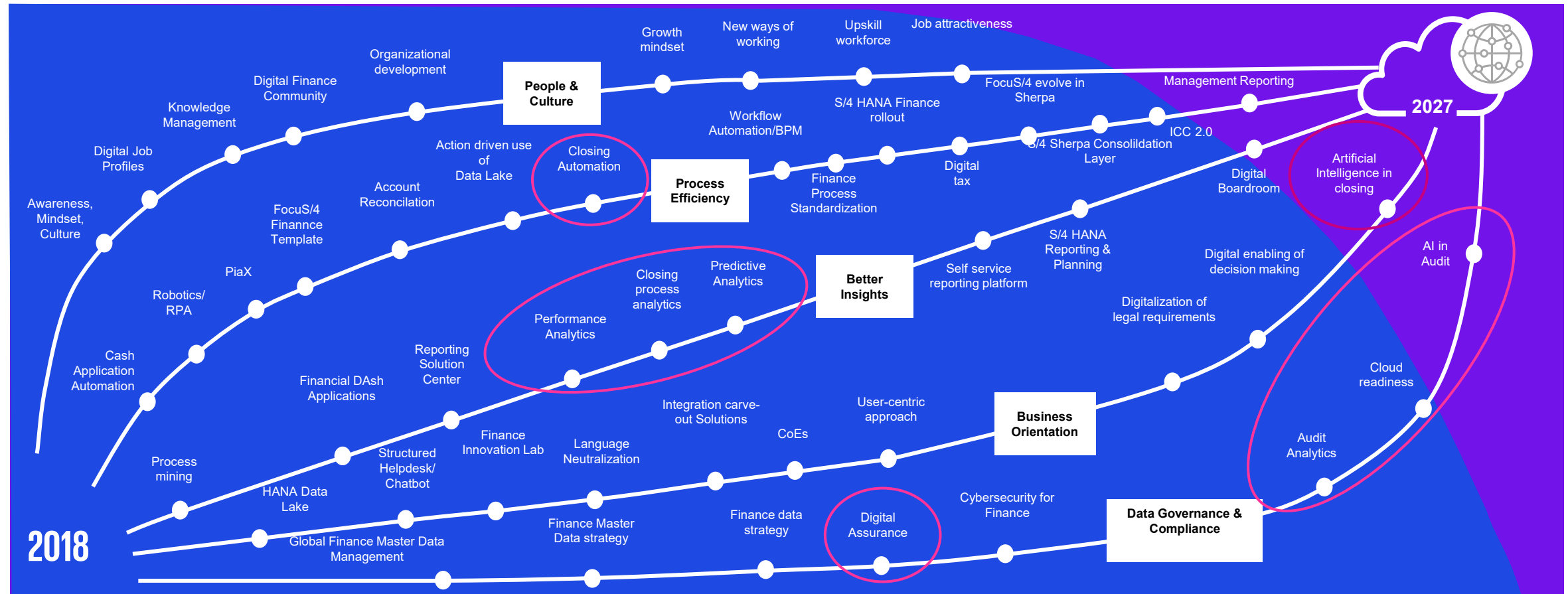
A de-centralized audit is the past. We are evolving our with solutions to assist us in controlling all audit test procedures or operational steps regardless of where they are performed, such as the 200 statutory audits.

Our journey started with cloud based KPMG Clara – smart audit platform. We are continuing our investment with a focus on Innovation which will accelerate evolving the business model towards Horizon 2. Our journey to innovating and improving audit quality has a long way to go and will ensure we take Salama Cooperative Insurance Company on this journey with us in delivering a high quality and truly digital, future ready audit.



# We're only getting started...

Our journey started with cloud-based KPMG Clara – smart audit platform. We are continuing our investment with a focus on Innovation which will accelerate evolving the business model towards Horizon 2. Our journey to innovating and improving audit quality has a long way to go and will ensure we take Salama Cooperative Insurance Company on this journey with us in delivering a high quality and truly digital, future ready audit.



SECTION

04

جودة التدقيق واستقلاليته

Audit Quality  
and  
independence

# Building trust through audit quality

## Leading through tone at the top

As a global organisation, we recognize that strong and clear leadership from the center is critical to set the tone from the top and provide the blueprint to all firms. Our global leadership, working with our regional and local firm leadership, plays a critical role in establishing our commitment to quality and the highest standards of professional excellence. A culture based on quality, integrity and ethics is essential in an organisation that carries out audits and other services on which stakeholders and investors rely. KPMG's global leadership drives an awareness that everyone across the network who is involved in performing an audit, or any client engagement across tax and advisory, has a responsibility and a part to play.

## Our Global Audit Quality Transformation program that governs your audit



## What does this mean for your audit?

We have implemented a three lines of defence mindset to the design of our audit quality in audit approach. The first line of defence is the quality of our audit team. Ovais Shahab has selected a capable and experienced team with the right audit quality metrics and with industry specific experience.

**Salman Chaudry** has been selected as the Independent Quality Partner. He is an experienced partner from our Saudi Arabia practice with global experience, will be involved at all stages of the audit cycle – acting as an independent sounding board for the audit team in the resolution of issues, challenging the team on decisions taken and performing detailed reviews of the higher risk aspects of the audit.

Furthermore, our quality assurance approach includes involvement from our Technical Department, and second line of defence in-flight reviews to ensure the conclusions reached on technical matters are sound and consistent.

The third line of defence is maintain strong and technical resources with training capabilities to ensure that your audit team is keeping up-to-date with internal and external changes in standards and processes, including Quality Assurance Reviews. Our IFRS technical resources also ensure that you have access to our best technical advice which is globally consistent.

Our approach is supported by all of our technology and all the tools we are further developing to enhance audit quality. Consequently, we will ensure we continue to meet the expectations of the audit profession and remain at the forefront of the audit quality agenda, ready to meet the needs of Salama Cooperative Insurance Company.

## In summary, your audit's quality will include:

### Engagement quality reviews

All our deliverables and internal documentation will go through multiple levels of Partner reviews;

### Use of specialists

Mandatory use of specialists, which include IT, Tax, Valuation and other relevant specialists. We have engaged, local, regional and international specialists to ensure specialists knowledge is fully at work as we deliver our audit;

### Technical IFRS resources

Our local technical IFRS team is required to sign off all key accounting judgements reviewed by the Engagement team in line with our globally consistent audit methodology.

### Technical audit resources

Our audit team (local and international as appropriate) will ensure the engagement team does not miss any relevant audit procedures. We will leverage technology to enhance the quality and increase the value of insights for you during our audit.



Our commitment to integrity and quality is enshrined in the KPMG values that lie at the heart of the way we do things.”

**Ebrahim Oboud  
Baeshen**

Lead Audit Partner



# Insisting on the highest standards of independence and ethical transparency

Auditor independence and strong ethical conduct are cornerstones of international professional standards and regulatory requirements. KPMG International’s detailed independence policies and procedures, which incorporate the IESBA Code of Ethics requirements, are set out in the Global Quality & Risk Management Manual, which applies to all KPMG firms.

## Confidentiality of client information

Confidentiality is fundamental to our firm’s ambition to become the most trusted and trustworthy professional services firm. We have a strong, demonstrated track record of successfully working with our competitors and affiliates of our clients while maintaining confidentiality. To do this we have strict policies and procedures in place, which go beyond the requirements of our regulatory bodies.

To illustrate:

- Our code of conduct (supported by ethics and independence training) contains our policies in this area, incorporates the rules of the regulatory bodies which govern us, and provides specific guidance on integrity, confidentiality, independence, and objectivity
- Our people must maintain confidentiality of all client and former client information, as well as information on non- clients that we know is confidential
- We tightly control access to work papers, and only make them available to people outside KPMG in limited circumstances (and with permission from the client and engagement partner)
- Our professionals must affirm their understanding of the rules governing confidential client information in writing once a year.
- All staff have to complete mandatory trainings in respect of data privacy and confidentiality on an annual basis.

## Ethics and Independence

Each KPMG firm has a designated Ethics & Independence Partner (EIP) who has primary responsibility for the direction and execution of E&I policies and procedures locally. The EIP is responsible for communicating and implementing KPMG global policies and procedures and ensuring that local policies and procedures are established and effectively implemented when they are more stringent than the global requirements.

KPMG partners and employees are required to consult with their member firm’s EIP on certain specific independence matters as defined in the GQ&RM Manual. The EIP may also be required to consult with the Global Independence Group depending upon the facts and circumstances. Guidance and tools are available to facilitate documenting these consultations.

Compliance with independence policies and processes is monitored through annual independence confirmations and compliance audits within member firms, as well as through the network’s wider monitoring programs.

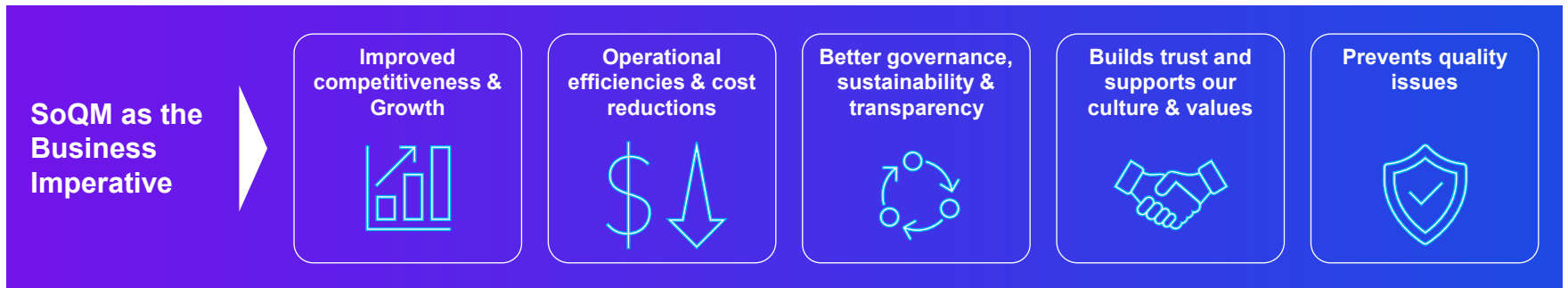
All KPMG partners and employees are required to report an independence breach to their member firm EIP as soon as they become aware of it. Any breaches of auditor independence regulations are required to be reported to those charged with governance at our audit client on the basis agreed with them but at a minimum on an annual basis. Significant breaches of independence rules must be reported to those charged with governance as soon as possible.

# Our approach to driving consistency in our System of Quality Management (SoQM)

A robust and consistent system of quality control is essential to delivering quality services. Accordingly, KPMG International has quality control policies that apply to all KPMG firms.

- KPMG Saudi Arabia is implementing a globally consistent System of Quality Management that aligns with the International Standard of Quality Management (ISQM1) which was approved by the IAASB in September 2020 and is effective from December 15, 2022.
- ISQM1 requires firms to design, implement and operate a system of quality management to consistently deliver quality audits, assurance, and related services engagements, and to evaluate the effectiveness of the system on an annual basis.
- KPMG Saudi Arabia continues to provide considerable attention on its SoQM workstream and it includes implementing controls that evolve our existing policies and procedures into a proactive approach for managing audit quality, to better respond to quality risk in various components within the firm

## SoQM Components which includes consistent set of quality objectives, risks and controls



SECTION

05

استثمارك

Your  
professional  
investment

# Value without compromise

Dear Sir

## Together for Better

I am pleased to share with you our fee proposal that reflects our commitment and desire to be your next auditor. Our fee is transparent, sustainable and credible, reflecting our confidence that we will work together to successfully deliver a quality and value-focused audit.

As set out in the main document, we are the firm that shares your vision for the future and that is best placed to help you achieve it.

We will fulfill our fee commitment by applying our unique combination of market-leading audit technology, the most experienced team in the market, and the knowledge we have built by supporting you on your transformation journey so far. These critical success factors will give you far greater insights from your audit while generating efficiencies that will lead to a very competitive audit fee.

This fee proposal represents the value we bring without compromise.

You will receive a value-driven audit: a clear, long-term vision for tomorrow and an ability to unlock value today. We are best placed among our competitors to support you in how we execute, innovate and collaborate. You will benefit from higher audit quality and richer insights.

I look forward to working with you to deliver it.

## Abdullah Al Fozan

Chairman and CEO



# Our fee, your investment

As a firm we believe in long term sustainable relationships characterised by mutual trust. Setting, and sticking to, a fair fee and being transparent in the way our fees are determined, provides a sound basis for that trust.

Our estimated audit fee while ensuring seamless transition (excluding VAT and disbursements) for the year ending **31 December 2026** is **mentioned below**.

If events arise that potentially alter the scope of the audit, e.g. new accounting standards, acquisitions, disposals, reorganisations or major system changes, **we will discuss** the implications for our work as **early** as is practicable.

We understand that a competitive fee is important to you and we have made efforts to find efficiencies that we will pass on. Salama Cooperative Insurance Company has an extensive statutory structure in the insurance sector which requires layered auditing, reporting and financial statements.

## Benefits and value

Our fee includes all the elements required to deliver a premium and innovative audit, with no compromise on quality, featuring:

- More Insights that leverage on our leading market position in auditing your Company and our unique relationship with major regulatory bodies and supervisors;
- More Commitment from our whole firm to bring you the best team in each business and location, under the lead of dedicated partners for whom you are the absolute priority;
- More Simplicity with the right communication and collaboration to ensure all issues are resolved swiftly and concluding the audit within appropriate time period from the year-end.

Fee structure 2026	Gross Fees	KPMG Investment	Net Fees
<b>Statutory audit fees for 2026</b>		<b>Amounts in SAR</b>	
Audit of financial statement for the year ending 31 December 2026	840,000	(150,000)	690,000
Reviews of condensed interim financial statements for quarters ending 30 June 2026, 30 September 2026 and 31 March 2027 (SR 120,000 per quarter)	460,000	(100,000)	360,000
<b>Proposed audit fee (excluding VAT)</b>	<b>1,300,000</b>	<b>(250,000)</b>	<b>1,050,000</b>

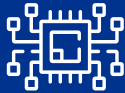
# Delivering an exceptional audit experience

## Enhanced audit quality and client experience



### Audit plan

- Enhanced project management
- Conducted joint continuous improvement workshops
- Prioritized bringing work forward
- Staffed the team with seasoned industry personnel
- Enhanced our risk assessment to better focus on the issues that matter
- Spent time understanding audit risks with all audit committee members, not just the audit committee chair



### Technology

- Implemented new technology tools to enable real-time analysis of engagement status
- Utilized enhanced cloud-based tools that facilitate collaboration with management and enhanced our audit technology through the use of embedded advanced capabilities



### Audit execution

- Identified issues sooner and resolved them quicker
- Responded to feedback obtained through our Voice of the Client program by doing your audit.



### Beyond the audit

- Provided peer/industry insights
- Brought in experts related to ESG and/or Cyber
- Invited professionals to participate in the Board Leadership Center

# Fee framework

## Our fee includes:

- Audit opinion on financial statements
- Quarterly review opinion on financial statements
- Confirmation of internal control system
- Translation of financial statements into Arabic.

## Our assumptions for FY25:

- No significant acquisition activities and changes to the structure
- Fully operating controls and IT systems at your client
- No significant changes in financial reporting regulations or accounting standards

## Scope changes:

Our fee includes costs of technical analysis and audit effort on unexpected issues, unless we consider this to be a significant scope change. Examples of significant scope changes include:

- Major acquisitions or divestments
- Significant changes in portfolio developments
- Significant system implementations
- Material changes in accounting standards

We will anticipate these issues and discuss any foreseen changes in scope in a timely manner with reporting.

A central and transparent approach ensures a common understanding of scope and an agreed resolution path before our work commences. The cost of any scope changes will be agreed upfront.

This Audit proposal is subject to the following:

- Satisfactory completion of KPMG risk assessment procedures based on information provided from your end, which includes, but is not limited to:
  - a) Background checks
  - b) Conflict checks against any existing engagements
  - c) Independence evaluation of existing engagements and relationships concerning applicable independence restrictions
- Signing a contract, inclusive of agreed terms and conditions.
- Please note that this document is a draft proposal and is subject to certain internal approvals and risk management formalities completion.
- The fee estimate is subject to the final internal risk approvals.
- KPMG can only render either audit or advisory services in order to ensure non-conflict scenario of our internal policies.

## Payment terms:

- The fee doesn't include taxes or other levies (breakup shown separately)
- Prices are calculated in local currency and will be invoiced locally
- With the exception of progress billings which are payable upon receipt, invoices are payable in full within 30 days of the invoice date
- Our fees are excluding value added tax which will be included on invoices based on the applicable tax rates and out-of-pocket expenses which are generally in the range of 7.5% to 10% of total fees.

## Overruns:

We approach this topic in the same way we plan on working together with you: in an open and transparent manner. We will ensure that potential cost overruns are discussed proactively by the local auditor with the local controller and cost estimates are provided and must be agreed prior to incurring such work.

We will monitor and provide an overview of such overruns.

This proposal is an offer by KPMG to provide the proposed services and is in all respects subject to negotiation, agreement and signing of a specific engagement contract with KPMG and satisfactory completion of KPMG client and engagement acceptance procedures. This should not be considered a final contract in any way.

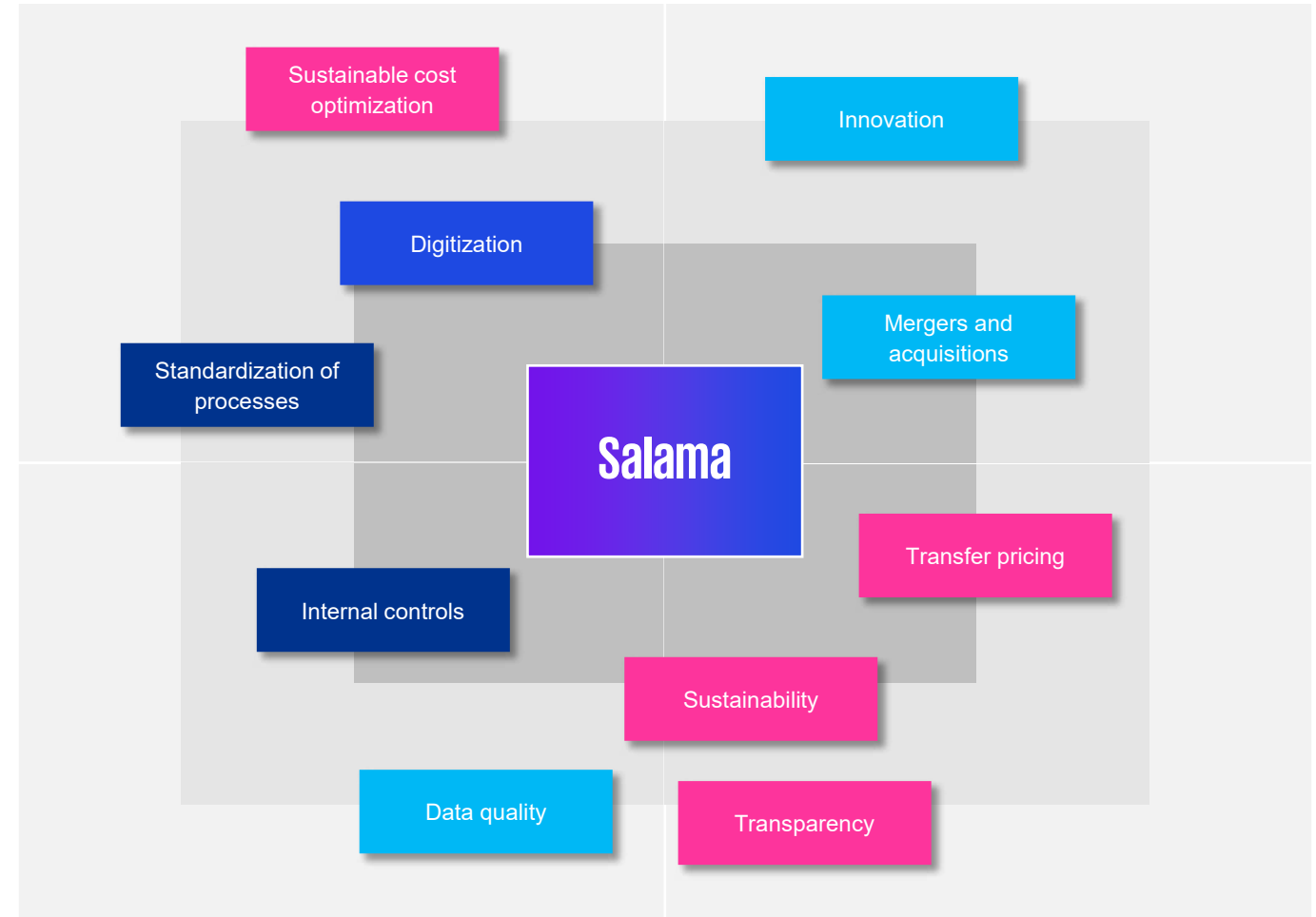
# Our audit approach: Your long-term assurance

The most important principles of our approach are:

- We get to know your company intimately before we definitively determine processes. This prevents us overlooking important details.
- No two companies are the same. We base our approach on tried-and tested tools, but apply them very specifically to your circumstances, thus making sure that every issue is individually and purposefully addressed.
- The focus is on your business model's challenges and associated risks. Our collaboration starts with a risk assessment conducted jointly with you. We have already carried out an initial risk assessment for the purposes of drawing up our proposal.
- The risk assessment forms the base of our audit approach and is based on our understanding of your business activities, as well as our experience of the industry and the market environment in question. This enables an efficient audit focused on your organization's requirements.
- Once we have identified the audit area focus and the risks, we will define the audit procedures that are relevant to your accounting and your financial statements.

Performance

Growth



Governance

Regulation

● Urgent ● High ● Medium ● Low

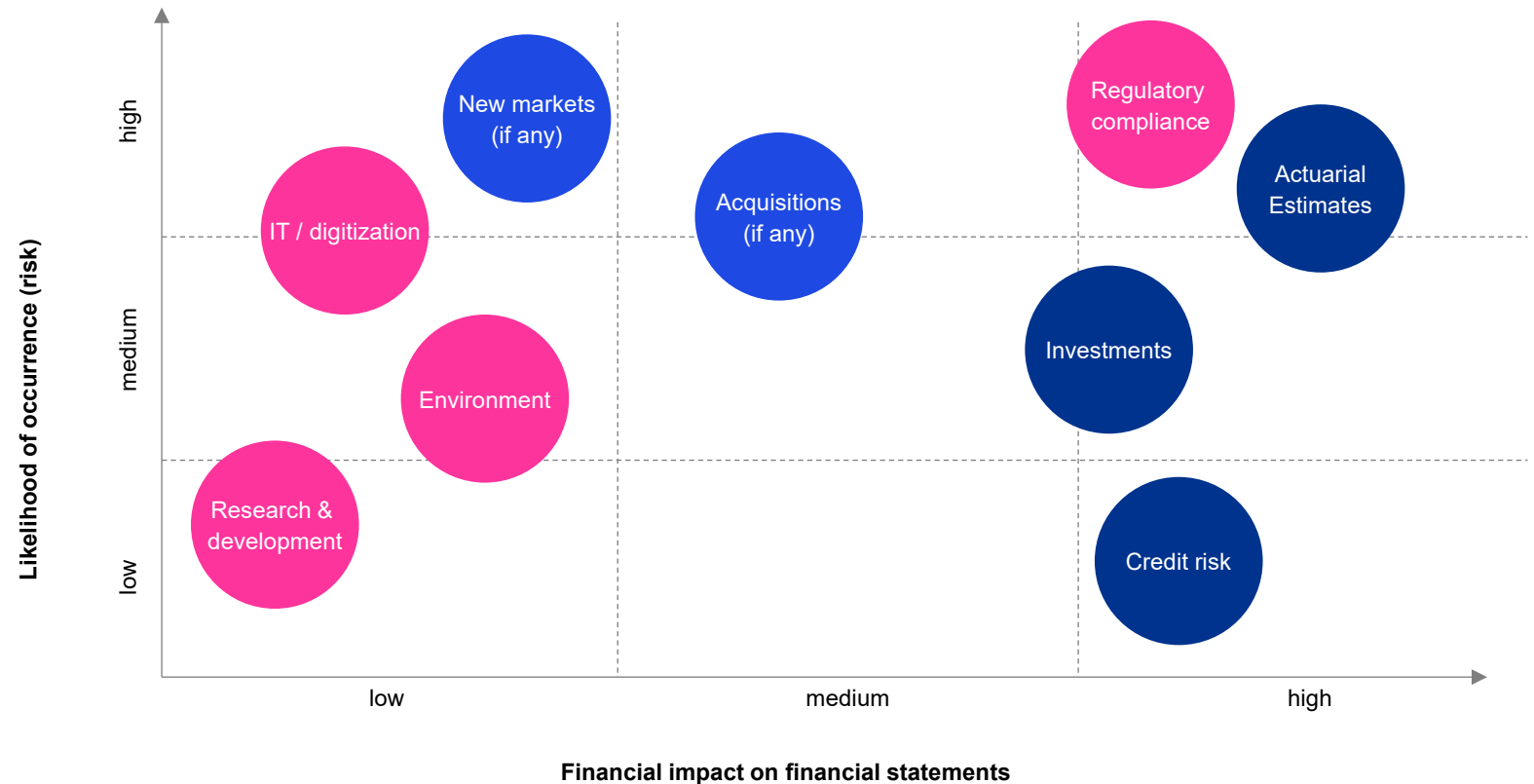
# Our audit approach: Your long-term assurance

## Audit focus

- We get to know your company intimately before we definitively determine processes. This prevents us overlooking important details.
- No two companies are the same. We base our approach on tried-and tested tools, but apply them very specifically to your circumstances, thus making sure that every issue is individually and purposefully addressed.
- The risk assessment forms the base of our audit approach and is based on our understanding of your business activities, as well as our experience of the industry and the market environment in question. This enables an efficient audit focused on your organization's requirements.
- Once we have identified the audit area focus and the risks, we will define the audit procedures that are relevant to your accounting and your financial statements.
- The following overview shows an initial analysis of what we think are your relevant topics. Of course, we will continuously review our audit strategy and adjust it to the relevant developments at Salama Cooperative Insurance Company.

● Strategic ● Financial ● Operational

## Risk assessment regarding accounting issues



# Insights into IFRS 17

We seek to provide our audit clients with guidance in relation to IFRS 17 Challenges. Our insights and guidance in relation to IFRS 17 would benefit Salama in a way that we can provide our feedback on significant assumption and judgment taken while adopting the standards. The insight may be related to the following below:

## Grouping of contracts and recognition of losses under Onerous Contracts:

The level of aggregation and therefore the appropriate level for offsetting gains and losses may become more granular under the new standard. This may result in creating separate groups for loss making contracts and hence immediate recognition of losses (offsetting losses against profits may not be allowed).

## Choice of measurement model (PAA vs GMM)

Multi year contracts may not be eligible for the PAA based solely on duration, assessment needs to be made that the liability measurement under PAA is similar to measurement under BBA.

## Treatment of Acquisition cash flows

Acquisition costs are deferred (by reducing the liability recognized on initial recognition) and are recognized as an expense over time in a systematic way. Policy choice available for contracts with a coverage period of less than 12 months.

## Enhanced disclosures

Detailed disclosures pertaining to new insurance contracts issued, growth of entity's insurance business, level of aggregation applied and expectation with respect to CSM recognition in future periods.

## Reinsurance

Under IFRS 17, reinsurance contracts will be treated as separate contracts with separate measurement model. Depending on the model used, one has to determine CSM, RA for the reinsurance assets.

## Our global publications



# Seamlessly transitioning for Salama (including transition to IFRS 17 and IFRS 9)

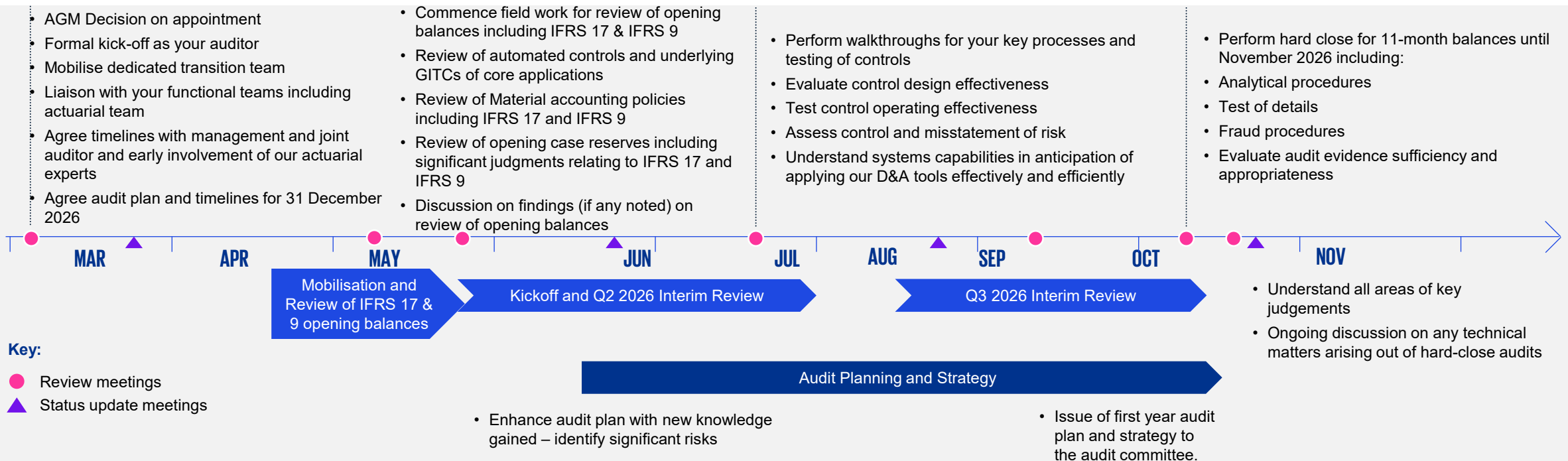
Our transition plan will be outcome-focused; We know how to transition audits to KPMG in a manner that you get a robust and insightful audit from the first year with minimal disruption to your ongoing business routine. We will cover the transition costs as part of our investment in our relationship with you.

We will minimise disruption by deploying our highly skilled transition team to execute on a well articulated, outcome-focused transition plan. This comprehensive transition plan will be developed in conjunction with management and the incumbent auditor and will set out the key milestones of the transition. We have already commenced with this process by outlining our plan below.

## Salama Transition Team

This is a mandatory journey that all our team members will follow before working on your account. This will include specific training to get knowledge on your structure, your business, your organization, your ways of working and your latest developments. They will also be trained on your accounting principles, the audit risks and the audit approach to be followed.

***“We will complete our review of opening balances including IFRS 17 and IFRS 9 before the commencement of our statutory review of quarterly interim FS for the period ending 30 June 2026”***



# Our audit process: long-term assurance

2026

months

04

## Start of engagement

Meeting between client and joint auditor

### Your benefit

- Analysis of business risks
- Fresh perspective on your activities
- New insights

06

## Risk analysis

Meeting with CFO and Management

- Audit approach tailored to your needs
- Risks are mitigated

08

## Audit planning/preparation

Harmonize the audit strategy with the audit committee

- All involved are informed
- Work is harmonized optimally on both sides

11

## Interim audit review

Feedback on interim testing and processes

- Issues were identified and tackled early on

2027

months

02

## Year-end audit

Meeting to discuss results with CFO and Management

### Your benefit

- Efficient performance
- Focus on relevant findings
- Constructive recommendations
- Communication relevant to recipients

03

## Formal reports

Preparation of audit report and management letter

- Compliance with legal requirements

03

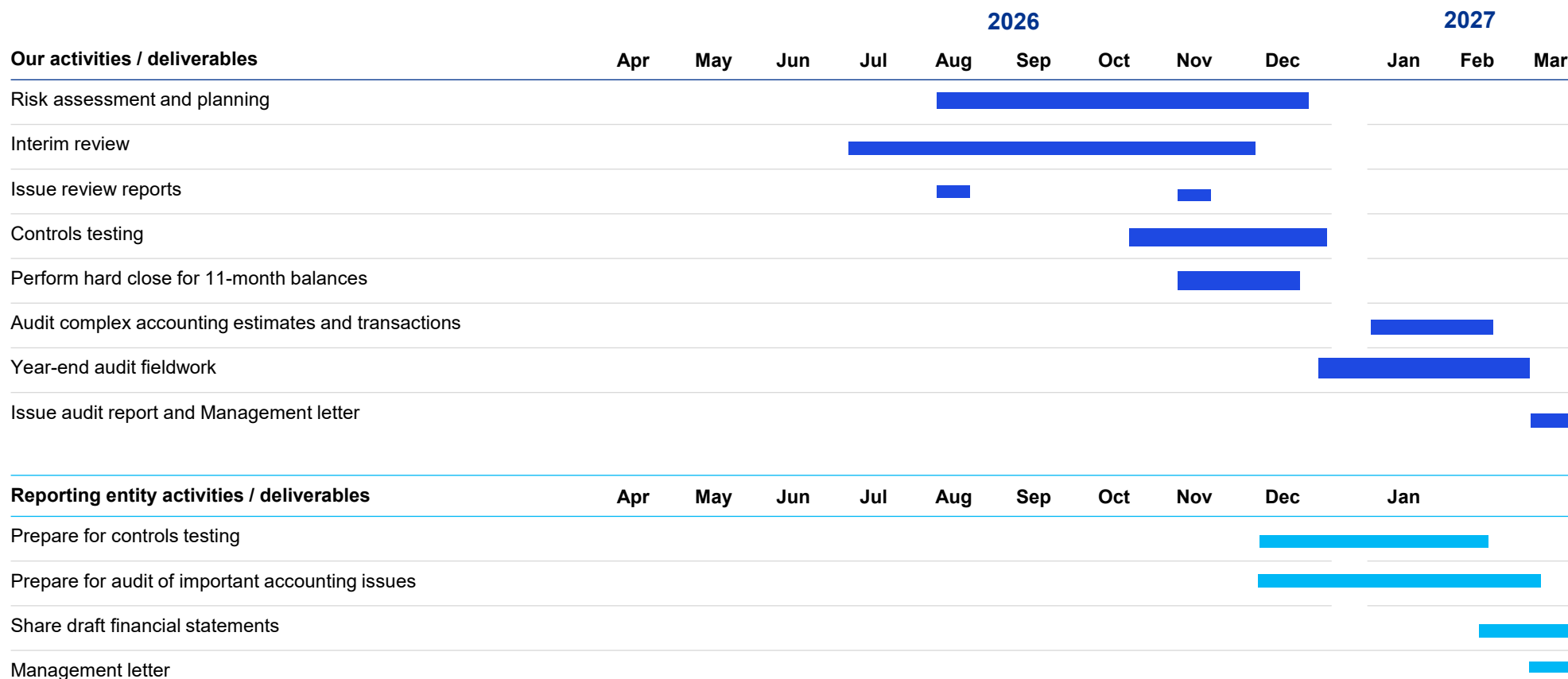
## Planning following year

Debriefing

- Improvements for audit in coming year

# Proposed timeline for Audit 2026

Our audit timetable is developed based on management's financial reporting timetable. If significant changes to the timetable are necessary, then we will communicate the reasons to you on a timely basis.



SECTION

06

التذييلات

Appendices



# Our Team



## Ebrahim Oboud Baeshen

Regional Managing Partner  
KPMG Saudi Arabia

### Background

Ebrahim will provide client relationship support at the highest level of your organization and will ensure all requisite resources are made available and that the audit engagement team continually strives to deliver added value to you.

### Professional Experience

Over last 19 years; Ebrahim has gained significant experience of accounting, audit and Zakat advisory services and is currently responsible for providing wide range of services, including due diligence, Corporate Finance and accounting advisory to Family owned businesses (FOB), Corporates and Public Sector clients in infrastructure, consumer and industrial markets sector. Ebrahim also carries a significant experience in organization design, diagnostic reviews and making recommendations of organizational governance structure. He is currently managing a portfolio of clients involved in various sectors and having distinguished complexities. He has lead a number of due diligence and valuation engagements in relation to IPO. Ebrahim is a Member of KPMG's Global Islamic Banking teams and has been a speaker on various accounting and auditing forums in Saudi Arabia and abroad. Ebrahim has worked in KPMG UK offices on secondment for more than 6 months.

He holds positions of Board member of the Saudi Organization of Certified Public Accountant (SOCPA); and Member in several committees in the Saudi Organization of Certified Public Accountant (SOCPA). He is also a Certified Arbitrator by the Ministry of Justice of the Kingdom of Saudi Arabia.



## Ovais Shahab

Head of Financial Services  
Saudi Levant Cluster

### Background

Over 23 years working in KPMG offices in Kingdom of Saudi Arabia, UAE and Pakistan. Ovais has gained significant experience of multi-locations and multi-cultural environments. He is currently managing a portfolio of clients involved in various sectors and having distinguished complexities. During his association with KPMG he has worked on various audit and advisory engagements such as due diligence, business restructuring, compliance & internal controls reviews and accounting advisory projects.

### Professional Experience

Ovais' expertise is primarily in the financial services and large Industrial sectors and during his association with KPMG, he has been involved in a number of commercial and investment banks and conglomerates requiring special focus on their joint venture and acquisition arrangements.

For all engagements, Ovais remains responsible for Presentation to the BODs, Audit Committees and C- Level Executives for communicating the Audit Plan and Results of our audit; and liaison with the Senior Management throughout the year to understand key developments and issues; suggesting solutions and improvements in the business processes.

Ovais is also an IFRS-accredited Senior Director and spends significant time on technical research, accounting advice, in-house and external training, and implementation of new IFRS pronouncements. He has led several large group engagements including Assurance, Accounting, and Advisory services to clients like National Commercial Bank, Saudi Re for Cooperative Reinsurance, The Company for Cooperative Insurance Tawuniya

# Our Team



## Muhammad Arsalan

**Audit Director**  
KPMG Saudi Arabia

### Background

Arsalan has over 13 years of association with KPMG offices in the Kingdom of Saudi Arabia and Pakistan; Arsalan has gained significant audit and assurance experience while serving a diversified client mix, especially clients operating in the financial services and conglomerate sectors.

### Professional Experience

Arsalan has led a number of audit and advisory engagements for clients operating in different sectors. As a certified chartered accountant, he has strong knowledge and experience in IFRSs and ISAs as a result of working for more than 13 years with a large portfolio of clients across diverse sectors, including Insurance, Education, FMCG, real estate, manufacturing, Ground handling services, construction. He is also part of the subject matter specialist in DPP on the IFRS 17 and issued alerts on the audit implementation guidance. Over the years, Arsalan has gained vast experience of dealing with processes governing insurance and reinsurance activities. Major insurance clients audited by Arsalan include Gulf General Cooperative, Wataniya Insurance, UBL Insurance, TPL insurance, Alinma Tokio Marine and AlJazira Takaful etc. He is the Insurance Lead in Jeddah office.

### Function and Specialisation

Insurance, Family business, Construction, medical services and manufacturing.

### Representative clients:

Wataniya Insurance, Al Jazira Takaful Taawuni Company, Gulf General Cooperation, Savola Group, Saudi Ground Services.

He is a Fellow Member of Association of Chartered Certified Accountant and did Bachelor of Commerce from University of Sindh, Pakistan.



## Salman Chaudhry

**Engagement EQCR**  
KPMG Saudi Arabia

### Background

Salman is a qualified chartered accountant and has over 20 years of experience with the Insurance industry. Where he has been involved with a number of global insurance companies through assurance, regulatory and advisory engagements. Prior to KPMG he worked with another Big 4 firm in Ireland.

### Professional Experience

Salman has assisted various companies' Financial Reporting teams on various accounts preparation matters. His current responsibilities include:

- managing audit teams and being responsible for the day to day running of the audit;
- developing and coaching members of the audit engagement team to enhance their professional and technical knowledge; and
- working with the training department to organize in-house training courses

His main clients include The Company for Cooperative Insurance, Saudi Reinsurance Company, Allianz Saudi Fransi Cooperative Insurance Company, Saudi Indian Insurance and Al Alamiya for Cooperative Insurance Company, and Kingdom Holding Company.

# Our Team



## Mamoon Zaheer

Director - IT Audit  
KPMG Saudi Arabia

### Background

Further, he is a qualified chartered accountant, he brings a wealth of deep understanding of the relationship between IT risks and financial processes.

### Professional Experience

Mamoon is an experienced IT Audit and Assurance professional with experience of leading engagements spanning global audits, SOX implementations and reviews, third party assurance reporting, due diligence, program assurance and business process reviews for clients across different sectors. He also have extensive experience of delivering training courses on IT Audit methodology and quality, General IT Controls testing, and SAP ERP IT controls audit.

- Led IT Audit for one of the largest power and utilities company in the world.
- Performed various assignments over IT Readiness Attestation ISAE 3402 / ISAE 300 / SOC 1/ SOC 2
- Performed the lead role with a quality focus on several IT internal and external audit engagements across a range of audit entities that includes a FTSE30 hospitality client, a leading furniture retailer and a clothing manufacturer
- Designed and implemented the IT Audit SOx work program for an automotive corporation
- Delivery of complex audits including ERP systems such as SAP and Oracle
- Engaged in the IT audit of largest food service company in Europe.
- Engaged in the IT Audit of largest Telecom. Company in the world.



## Faisal Faiz

Director (Data and Analytics)  
KPMG Saudi Arabia

### Professional and industry experience:

Faisal is an experienced Audit professional having over ten years of experience of Audit & Assurance within KPMG in different geographies.

He is the lead for KPMG Saudi Arabia's Audit Data Analytics initiative with a focus to leveraging automation and business intelligence in identifying IFRS and KPMG industry knowledge based risk areas beneficial to the audit process at all stages of the audit as well as insightful to the clients business operations and financial reporting.

During his association with KPMG in Saudi Arabia and the UK, he has managed the audits of various non-financial and financial institutions that include AlJomaih, Airbus, Pepsico, Banque Saudi Fransi, Saudi British Bank, JP Morgan, Standard Bank, ICBC, HSBC Saudi Arabia and Funds managed by Saudi Fransi Capital, Ashmore Saudi Arabia and HSBC Saudi Arabia.

# Our Team



## Christoforos Evlavis

Partner, Risk Consulting  
KPMG

### Background

Christoforos is a Partner in the Risk Consulting department with more than 14 years of experience. He has significant experience in the Banking and Insurance industry, having joined KPMG in 2013 after spending more than 4 years with KPMG UK where he worked in audit and advisory projects for UK and US banks as well UK insurance companies.

### Professional Experience

He is currently leading the Risk Consulting modelling and actuarial team in KPMG which has been involved in numerous IFRS 9 and IFRS 17 implementation projects in the banking and insurance sector.

Christoforos has led many engagements where he acted as a specialist supporting the core audit team for IFRS 17 and actuarial modelling covering the review of the methodology and implementation of all IFRS 17 and actuarial models for both life and non-life insurance companies in local and international insurance companies.

Moreover, Christoforos has led many engagements where he acted as a specialist supporting the core audit team for IFRS 9 modelling covering the review of the methodology and implementation of all IFRS 9 Expected Credit Loss models (including all relevant model components such as Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD)) in local and European banks and insurance companies.

He is a Fellow Chartered Accountant (FCA) of the Institute of Chartered Accountants of England and Wales. He holds a BSc in Economics from the University College London and a MSc in Management and Regulation of Risk from the London School of Economics.



## Michael Aristides

Principal , Head of Actuarial and  
Insurance Risk Services - KPMG

### Background

Michael is an active Fellow of the Institute and Faculty of Actuaries in the UK and Fellow of the Actuarial Association. He holds a BSc (First Class) in Actuarial Science from Cass Business School (now Bayes Business School), London, UK and an MSc in Financial Mathematics from Warwick Business School, UK.

Michael joined KPMG in 2022 to lead the Actuarial and Insurance Risk Services team. Prior to joining KPMG Michael worked in the insurance industry where he held a number of key executive management and actuarial management positions in life and non life insurance companies working with Actuarial, Claims, Operations, Finance, IT and Sales teams.

### Professional Experience

Michael is the lead actuarial expert for all the KPMG insurance actuarial audit engagements for both Life and Non Life Insurance Company. He is also the lead actuarial specialist in actuarial audits dealing with Life, Non Life, Reinsurance and Takaful business. His latest audit work involves auditing the LIC, LRC, Risk Adjustment and Discounting elements on the Opening and Closing balance sheets of 20 Life and Non Life insurance companies during their implementation and transition to IFRS17.

Additionally Michael specializes in advising Life and non Life clients in both actuarial and insurance risk areas including IFRS17, Solvency II, Financial Transformations and Optimizations, Reserving calculations, Capital and Reinsurance Optimization, Modelling optimizations and ESGs. Michael advises clients on the calculation and adequacy of insurance liabilities under IFRS as well as Best Estimate Liabilities under Solvency II.

# Our Team



## Georgina Foukaridou

Manager, Actuarial and Insurance  
Risk Services - KPMG

### Background

Georgina is an Associate member of the Institute and Faculty of Actuaries UK and an Associate member of the Association of Actuaries. She holds a BSc in Actuarial Science (Hons) from Bayes Business School (formerly Cass), City University London.

Following a 10-year stint in the Insurance industry, Georgina joined the Actuarial and Insurance Risk Services team of KPMG in 2024.

### Professional Experience

Georgina is currently working on multiple IFRS 17 and Solvency II audit engagements. The given engagements aim at auditing the company actuarial calculations for IFRS 17 components such as LIC, Risk Adjustment, Discounting and Solvency II components such as Solvency Capital Requirement and Technical Provisions.

Before joining KPMG, among other companies, Georgina worked in a leading Non-Life insurer where she specialized in various actuarial areas such as reserving, regulatory reporting, pricing and risk management. She worked with other company departments to improve quality in data used in actuarial calculations, introduced various procedures documentation for the Actuarial Function, and ensured product profitability through the continuous monitoring of portfolio performance. She was also involved in the enhancement and improvement of reserving models, reinsurance treaty performance review, ORSA stress testing and ESG reporting.



## Stavroula Menelaou

Senior Advisor, Actuarial and  
Insurance Risk Services - KPMG

### Background

Stavroula has a BSc in Mathematics and an MSc in Applied Statistics and she is an active member of the Institute and Faculty of Actuaries UK. She worked in the insurance industry for 3 years and joined KPMG in 2022.

Stavroula specializes in the provision of actuarial services as well as audit services to Insurance Companies related to actuarial reserving, Solvency II and IFRS17. Also, she specializes in the development and enhancement of actuarial models with target to optimize run time.

### Professional Experience

Through her experience Stavroula developed knowledge about the insurance industry and she has been involved in many actuarial audit engagements for both Life and Non-Life local Insurance Companies. In addition, she participated in IFRS17 audit engagements in Jordan, Saudi Arabia and UK as an actuarial specialist. Specifically, she worked on assessing the actuarial methodologies and assumptions used for the LIC, LRC, Risk Adjustment and Discounting under IFRS17 standard. She worked on assessing the Companies' actuarial reserves.

Stavroula has been involved in many challenging projects including the implementation of IFRS17, system transformation and the implementation of new administration system. During her career, she developed models related to IFRS4, IFRS17 and Solvency II. In addition, she validated the Standard Formula Solvency II calculations model of KPMG UK by preparing an audit-trail of the model.

# KPMG Global at a glance

## ABOUT US

2022 facts and figures

**\$34.6 bn**

global revenues in 2022

Americas: **\$13.7 bn**

EMA: **\$14.6 bn**

Per region

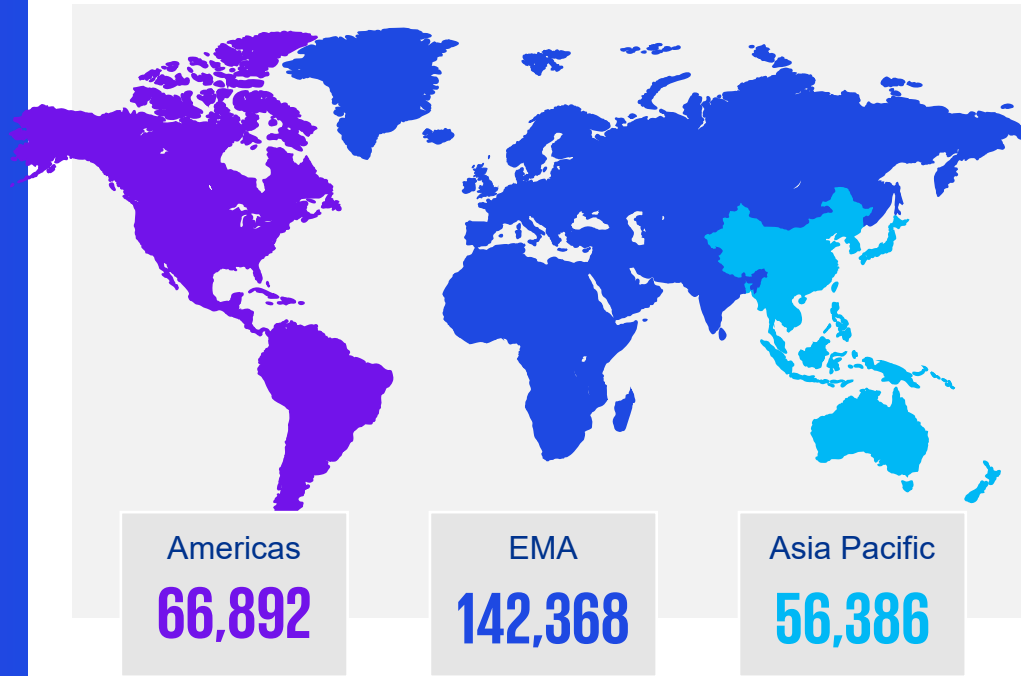
Asia Pacific: **\$6.3 bn**

Audit: **\$11.9 bn**

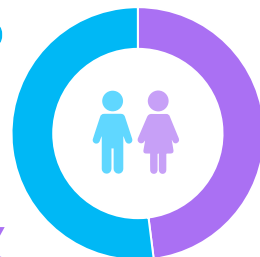
Tax & Legal: **\$7.3 bn**

Per function

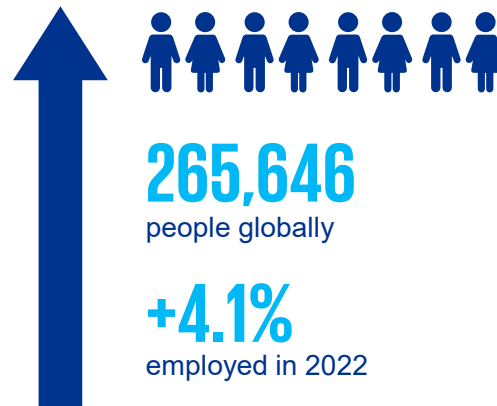
Advisory: **\$15.4 bn**



52%



48%



## News and awards



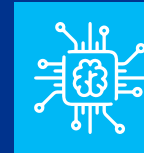
As part of the IDE Collective Action Plan launched in FY21, KPMG took an important step towards gender diversity by setting an intention to have women in more than one-third of leadership roles globally by 2025.

KPMG ranked No. 39 on **FORTUNE Magazine's 100 Best Companies to Work For**. We have been listed 13 times in the last 14 years.



In FY21, KPMG launched its new global **ESG plan** that includes more than **US\$1.5 billion investment** over the next three years.

Commitment to **Lifelong Learning**: KPMG distributed nearly **5 million books** worldwide through "KPMG Family for Literacy" (KFFL).



The **Forrester Wave: AI Consultancies Q1 2021** has named KPMG a **Global Leader** among Artificial Intelligence service providers and the master of AI for business transparency, automation, auditability and risk.

# KPMG Saudi Levant Cluster at a glance

## ABOUT US

## Our locations



**2000+**

Number of all Employees

## Workforce by level

- Leadership
- Management
- Team members

### Saudi Arabia



### Lebanon



### Jordan



## Gender ratio

- Male
- Female

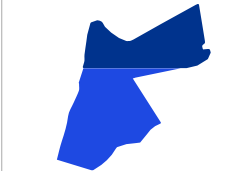
### Saudi Arabia



### Lebanon



### Jordan



## News and awards



Cfi Best Auditor Award 2022



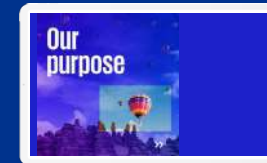
Launched our Board Leadership Centre



Our chairman recognized as one of the best 100 Arab CEOs at G2T Global Awards 2022



Launched CoE for Metaverse and Digital Twins



Launched our own Impact Plan



Hosted the first Regional Family Business Summit in 2022

# Our Impact Plan






Inclusion, Diversity and Equity (IDE) are fundamental to our success as a business and a core principle applied to our departments and programs embracing a culture that is built on trust and creating a safe environment for employees. At KPMG we are committed to:

**Inclusion:** We commit to creating a safe environment built on trust, where we can bring our true authentic selves to work and feel valued for our unique contributions and perspectives.



**Diversity:** We commit to embracing and respecting the variety of unique experiences, cultures, identities, and perspectives we collectively bring.

**Equity:** We commit to standing against systemic barriers and biases. We help level the playing field and ensure everyone can succeed and thrive.

## Committed to sustainability: highlights on climate action

-  Go digital: take notes on your phone or computer
-  Turn off lights when you leave a room
-  Declutter and donate
-  Use reusable bottles
-  Reduce the use of paper

## Investing in our people


<h1 style="margin: 0;">237</h1> <p style="margin: 0;">COURSES</p>	<h2 style="margin: 0;">71</h2>  <p>General L&amp;D courses</p>	<h2 style="margin: 0;">35</h2>  <p>Tax L&amp;D courses</p>
	<h2 style="margin: 0;">45</h2>  <p>Advisory L&amp;D courses</p>	<h2 style="margin: 0;">86</h2>  <p>Audit L&amp;D courses</p>

# 28,000+

## hours of training

Training and technical hours

## Supporting our communities





<h1 style="margin: 0;">3705</h1> <p style="margin: 0;">support hours</p>	<p>Includes pro bono hours, skill-based activities, and hours of financial support</p>	<h1 style="margin: 0;">17</h1>  <p style="margin: 0;">initiatives</p>
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Through embedding ESG into our culture, we proudly created positive impact to our communities.





To find out more on Our Impact Plan please see our report:






## Planet

-  Reducing our impact on the planet to create a world with a sustainable future.
-  Manage usage, identify energy saving opportunities, conserve consumption and reduce carbon emissions.
-  Promote recycling to save energy and reduce greenhouse gas emissions, which helps to tackle climate change.
-  Ensure our office facilities are ecofriendly with managed energy emissions and reduced waste generation.





## People

-  Capitalize on and celebrate our people's differences to create a high performing and meaningful work culture.
-  Creating meaningful work and growth opportunities for our people.
-  Incorporate the different elements that allow people to bring their whole selves to work and celebrate their differences.
-  Creating an environment that enhances individuality in a way our people and partners show up with a sense of pride. A workplace that motivates execution with excellence.

## Prosperity

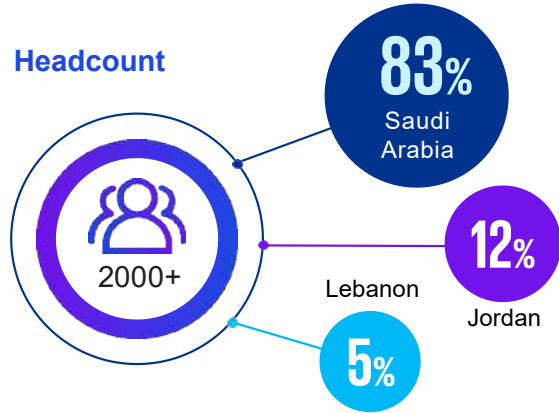
-  Deliver a positive contribution to the society and devise initiatives of societal impact in alignment with our SDGs.
-  Create the right impact, driving outcomes for our clients, people, community, and organization.
-  Foster a culture of providing skilled volunteering and pro bono work among our employees as part of our commitment to giving back.

## Governance

-  Reflecting our values in all of business processes and complying with highest standards as per rules and regulations.
-  Report yearly progress on Our Impact Plan.
-  Align firm strategy to embed ESG in all KPMG SLC activities with an emphasis on organizational transparency, in all our existing services and solutions.
-  Making ESG part of each employee development plan.

# Our Impact Plan

## Headcount



## Our community initiatives



**Building a generation**



**Giving back**



**Empowering women**

## Caring for our people

We are committed to protecting the physical and mental well-being of our people, and that is to enable them to be effective and productive.

The Flexible Work Policy showcases our support which is a crucial element for consistently being a growing and an evolving business. By instating this policy, we empower our people to achieve our value of Excellence. There are many themes to our flexible work policy including:



Additionally, the following initiatives were implemented as part of our people strategy:

- Health Lounge Day
- A Healthy Ramadan
- Stress Awareness Month
- Breast Cancer Awareness Month
- Mental Health Awareness Month

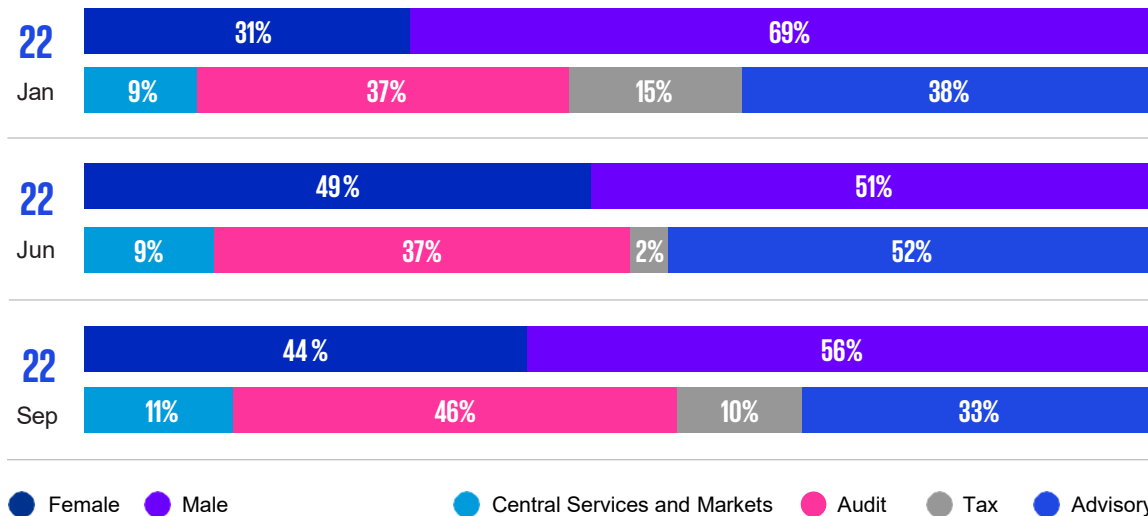
## Commitments and Code of Conduct

Trust is earned by doing the right thing—not just some of the time but all the time and in a world that rapidly changes and becomes more complex, this simple principle has never been more important

### Our collective commitments are:

- Complying with laws, regulations, and standards
- Working with the right clients and third parties
- Focusing on quality
- Maintaining our objectivity and independence
- Not tolerating illegal or unethical acts
- Protecting information
- Competing fairly
- Creating an inclusive environment where everyone can thrive
- Building public trust

## Demographics of our CO-OP training program



# Credentials

## Our audit clients in Saudi Arabia:

### Select listed clients

Riyad Bank

Arabian Centers Company Limited

Almarai Company

Alinma Bank

Bank Al Jazira

Etihad Etisalat CO

Alkhorayef Water and Power Technologies Co.

The Company for Cooperative Insurance

Dallah Healthcare Company

BinDawood Holding Co.

Saudi Public Transport Co.

Nahdi Medical Company

### Select private clients

Red Sea Company

NEOM

Saudi Arabian Airlines Corporation (SAUDIA)

Sadara Chemical CO (SADARA)

Saudi Railway Company (SAR)

Emaar The Economic City

Fakieh Poultry Farms

Saudi Tadawul Group Holding Company

Hungerstation Company

Saudi Credit Bureau (SIMAH)

Abdulkadir Al Muhaidib and Sons Group (AMG)

Saudi Arabian Investment Company

### Select sector clients

The Company For Cooperative Insurance (Tawuniya)

Wataniya Insurance Company (WIC)

Aljazira Takaful Taawuni Company

Najm Investment Company

# Data & Analytics (D&A) - Overview

## An opportunity for Audit

Accelerated digital transformation

Data explosion and advancement in data driven insights

Increased pressure to improve audit quality

Focus on audit effectiveness and efficiency

## Why Data & Analytics?

- 1 Highly effective and efficient audit contributing to **increased quality**
- 2 Data & Analytics enabled digital audit with **100% coverage** of high risk areas, moving away from sample based testing
- 3 Deep insight of your data and processes with high value control findings and **visualization dashboards**
- 4 **Increased consistency** of audit procedures by usage of similar audit platforms /advanced technologies
- 5 Reduced involvement of Client in the Audit reporting and **accelerated timelines** for reporting

## D&A Tools & Technologies

KPMG's D&A audits are powered by Advanced Analytics, Machine Learning and AI packed together to fuel Digital transformation in Audit.



**KPMG Clara Advanced Analytics** is a proprietary advanced analytical tool assisting audit of Journal Entries with AI based solution providing detailed overview tailored for all industries



**KPMG and Alteryx** alliance allows Automation of Audit procedures customized to our client needs. Big data processing made simpler



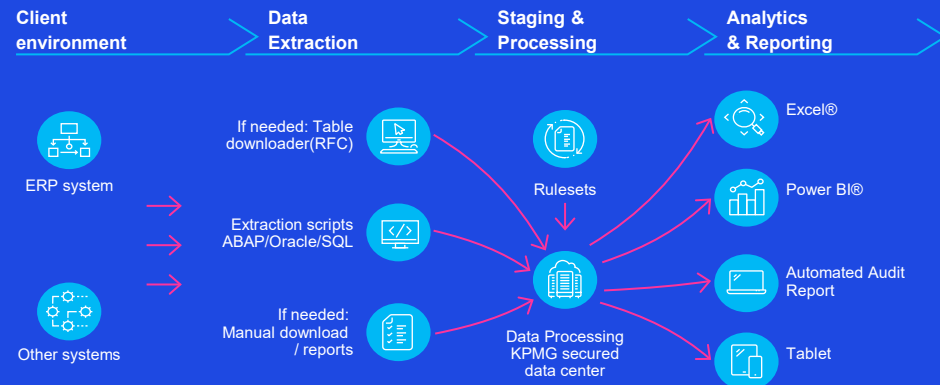
Visual Reporting through **Microsoft Power BI** provides bird eye view of Audit data converting hidden data patterns into insights and apparent trends



Process Mining through **Celonis** breaks down business processes to identify the inefficiencies in their operations and providing solution to optimize business performance

## Making the Next Gen - SMARTER

With D&A, Audits are undertaken independently providing our clients with end to end solutions, observations, risks and recommendations on their IT systems from ETL to analytics reporting.



## D&A by the Numbers

**10,000+**

committed D&A hours per year

**250+**

clients audited through D&A

**Tailor made**

D&A solutions specific to industries and 4 standard solutions for all industries

- Journal Entries
- Property, Plant & Equipment
- Procurement
- Payroll

**100+**

D&A routines/tests fully automated

**1 Billion+**

data rows audited through D&A

## Audit D&A customized to Industries



Banking



Ecommerce



Real Estate / Construction



Insurance



Retail

# Data & Analytics in Audit: Insurance

## Standard Routines

**1** Journal Entry testing: Overview of 100% JE's passed during the year with completeness and detailed High risk criteria testing.



**2** PPE Analytics: Recalculation of 100% of depreciation expense to identify any outliers at specific Asset/ Asset Category/Company code level including identification on any outlier in the FAR that may impact the valuation.



**3** Procurement Analytics: Routine designed to conduct 3 to 5 way match of purchase invoices with every RDE in procurement cycle.



## Claims & Premium Analysis

The routine helps in identification of claims paid excess of the allowance, claims paid outside the policy duration, data mismatch, missing data and over all issues regarding the data quality & operational inconsistencies.



## Deferred Acquisition cost

DAC is calculated through consideration of unearned variables by comparing the cut-off date and the policy expiry date using various formulae. The objective here is to recalculate DAC variables for various type of policies and identification of any differences between the reported and recalculated DAC figures.



## Unearned Premium reserve

This routine ensures accurate unearned premium is recorded by the company against various insurance products during period of analysis. The routines highlights differences found on individual policy level with detailed exceptional testing.



## Medical Insurance - Payables Analytics

Payables analysis is a 2 way match process between insurance company payables data and Dubai Health Portal reflected amount which is due to be paid to hospitals against customer invoices for their medical insurance claims.





# Contact us

For further information on this proposal or the services offered by KPMG, please contact us:

**Ovais Shahab**  
**Partner**

**M** + 966 50 979 1636  
**E** oshahab@kpmg.com

**Muhammad Arsalan**  
**Director**

**M** + 966 56 662 4519  
**E** muhammadarsalan1@kpmg.com



**Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.**

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

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KPMG



**PKF AI Bassam**

Chartered Accountants

**SALAMA COOPERATIVE INSURANCE COMPANY**

**FINANCIAL PROPOSAL**

# FINANCIAL PROPOSAL

Confidential

## Cover Letter

---

Thursday, 26 March 2026

Salama Cooperative Insurance Company

Jeddah

Kingdom of Saudi Arabia

Attn: Audit Committee

Dear Sir,

Thank you for considering PKF Albassam Chartered Accountants for the provision of professional services relating to the Audit and Quarterly Review of the financial statements. We are pleased to present our financial proposal, which outlines our fee structure along with the terms and conditions.

Should you require any clarification or further information regarding this proposal, please feel free to contact us. We sincerely look forward to the opportunity to collaborate with your team and contribute to your continued success.

Warm regards,

Ahmed Abdulmajeed Mohandis

Partner

PKF Albassam Chartered Accountants

# **FINANCIAL PROPOSAL**

**Confidential**

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# FINANCIAL PROPOSAL

**Confidential**

## Proposed Fee Structure

### Professional Fee

We make a long-term investment in our clients and are committed to fair and transparent fees. Our proposed fees are set at a realistic level and make no compromise to the quality of our service. The following is the fee structure for the above services (**SAR #, excluding VAT**):

#	Description	Fees in SAR # (with Big 4)	Fees in SAR # (without Big 4)	Payment Terms	Allocated Hours (With Big 4)	Allocated Hours (Without Big 4)
1	Annual Audit of the Financial Statements of the Company for the year ending 31 December 2026.	425,000	555,000	-50% upon signing of the engagement letter -35% upon commencing of audit -15% upon issuance of draft deliverable	1,240	1,480
2	Quarterly Review of Interim Condensed Financial Statements of the Company (3 Quarters at SAR 80,000 / 92,500 per quarter).	240,000	277,500	-50% upon signing of the engagement letter -50% upon issuance of draft deliverable	543	663
3	English / Arabic translation of the financial statements.	Nil	Nil	N/A	-	-
4	QAWAEM Upload.	Nil	Nil	N/A	-	-
	<b>Total</b>	<b>665,000</b>	<b>832,500</b>		<b>1,783</b>	<b>2,143</b>

# FINANCIAL PROPOSAL

**Confidential**

## Terms and Conditions

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### Invoicing and Payment

- All Invoices are required to be cleared within 1 week of the invoice date.
- Field work will be started only if the initial 50% advance payment is cleared.
- **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.

### Pricing Assumptions

- 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 as per agreed date.
- Pricing is considered as a group package and will not be valid for individual selection.

### Out-of-Pocket Expenses

- 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.
- For any travelling need (including inventory counts and field visits) logistics including accommodation, food and per diem other than Jeddah, must be arranged by the management or PKF can arrange the same and will be billed to the client.

### Proposal Validity and Acceptance

- Our proposal is valid for the period of 30 **working days**.
- Acceptance of proposal is subject to clearance from risk and quality department.

# FINANCIAL PROPOSAL

**Confidential**

## Additional Fee Circumstances

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 not limited to:

### 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 complete 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 is 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.

### 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 may include 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.

# FINANCIAL PROPOSAL

**Confidential**

## Next Steps

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*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.*



**PKF AI Bassam**

Chartered Accountants

***THANK YOU!***



# Salama Cooperative Insurance Company

29 March 2026

Private &  
Confidential

Statutory audit and interim review  
services

For the Year Ending 31 December 2026



Salama Cooperative  
Insurance Company

29 March 2026

Dear Sir,

**Subject: Proposal for statutory audit and interim review services for Salama Cooperative Insurance Company for the year ending 31 December 2026**

We are delighted to have this opportunity to submit our financial proposal for appointment as the independent auditors for **Salama Cooperative Insurance Company** for the year ending 31 December 2026.

Continuing and expanding our relationship with you is extremely important to every member of our team.

Our proposal is subject to completion of our client acceptance procedures. Upon acceptance of our proposal and satisfactory completion of our internal client acceptance procedures, we will provide you with the engagement letter for your signature which will formalize the terms of the engagements for our professional services.

If you have any questions or require any additional details, please feel free to call me.

Best wishes

Mufaddal Ali

Branch of PricewaterhouseCoopers Public Accountants  
(Professional Limited Liability Company), CR No. 4030289002,  
(Main CR No. 1010371622), Share Capital SAR 500,000,  
National Address: 2091 Prince Mohammed Bin Abdulaziz Street,  
Al Andalus District, Postal Code 23326,  
Secondary No. 8909, Jeddah, Kingdom of Saudi Arabia  
T: +966 (12) 610-4400, F: +966 (12) 610-4411

[www.pwc.com](http://www.pwc.com)



# Our fee

## *A competitive fee for audit*

Our fee proposal provides you with a competitive and realistic fee that reflects our commitment to offer excellent value for money whilst allowing us to provide 'first class' service and quality you expect.

Accordingly, our proposed fee for the Statutory audit and interim review services is as follows:

Description	Proposed fee
	Saudi Riyals
Audit of the financial statements of the Company for the year ending 31 December 2026	<b>1,000,000</b>
Interim review for the period ending 30 June 2026	<b>150,000</b>
Interim review for the period ending 30 September 2026	<b>150,000</b>
Interim review for the period ending 31 March 2027	<b>150,000</b>
<b>Total fee</b>	<b>1,450,000</b>

### Notes

- Our above fee does not include cost and expenses related to upward reporting, to the auditors of the shareholders. If we are requested to perform such work, we will discuss and agree the fee separately.
- The proposed fee includes our fees for uploading the Company's financial statements and related financial information on the Ministry of Commerce (MoC) portal as required by the MoC's resolution No. (353/Q) dated 18 Safar 1436H.
- Our proposed fee excludes out of pocket expenses, mainly related to travel, translation, telefaxes and courier service, which will be billed at actual.
- You will also pay any taxes, including VAT, that are due in relation to our services. You will pay us the full amount of any invoice, regardless of any deduction that you are required by law to make.
- In accordance with our normal terms of engagement, 70% of our fees are payable prior to commencement of the audit, 20% on completion of detailed audit work and 10% on submission of our report.

At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 136 countries with nearly 364,000 people who are committed to delivering quality in assurance, advisory and tax services. Find out more and tell us what matters to you by visiting us at [www.pwc.com](http://www.pwc.com).

Established in the Middle East for 40 years, PwC has 23 offices across 12 countries in the region with more than 10,000 people. ([www.pwc.com/me](http://www.pwc.com/me)).

PwC refers to the PwC network and/or one or more of its member firms, each of which is a separate legal entity. Please see [www.pwc.com/structure](http://www.pwc.com/structure) for further details.

This proposal contains information that is proprietary and confidential to PricewaterhouseCoopers. As such, the addressee should not disclose this document or any attachments in whole, or in part to any third party without the prior written consent of PricewaterhouseCoopers.

The addressee also acknowledges that information shared here within is the intellectual property of PricewaterhouseCoopers and is subject to a non disclosure agreement as recognised by the copyright and intellectual property regulations.

# SALAMA COOPERATIVE INSURANCE COMPANY

Proposal for annual audit services

March 2026

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# Proposal Letter

We are delighted to have the opportunity to propose our external audit for the Company for the year ended December 2026.

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

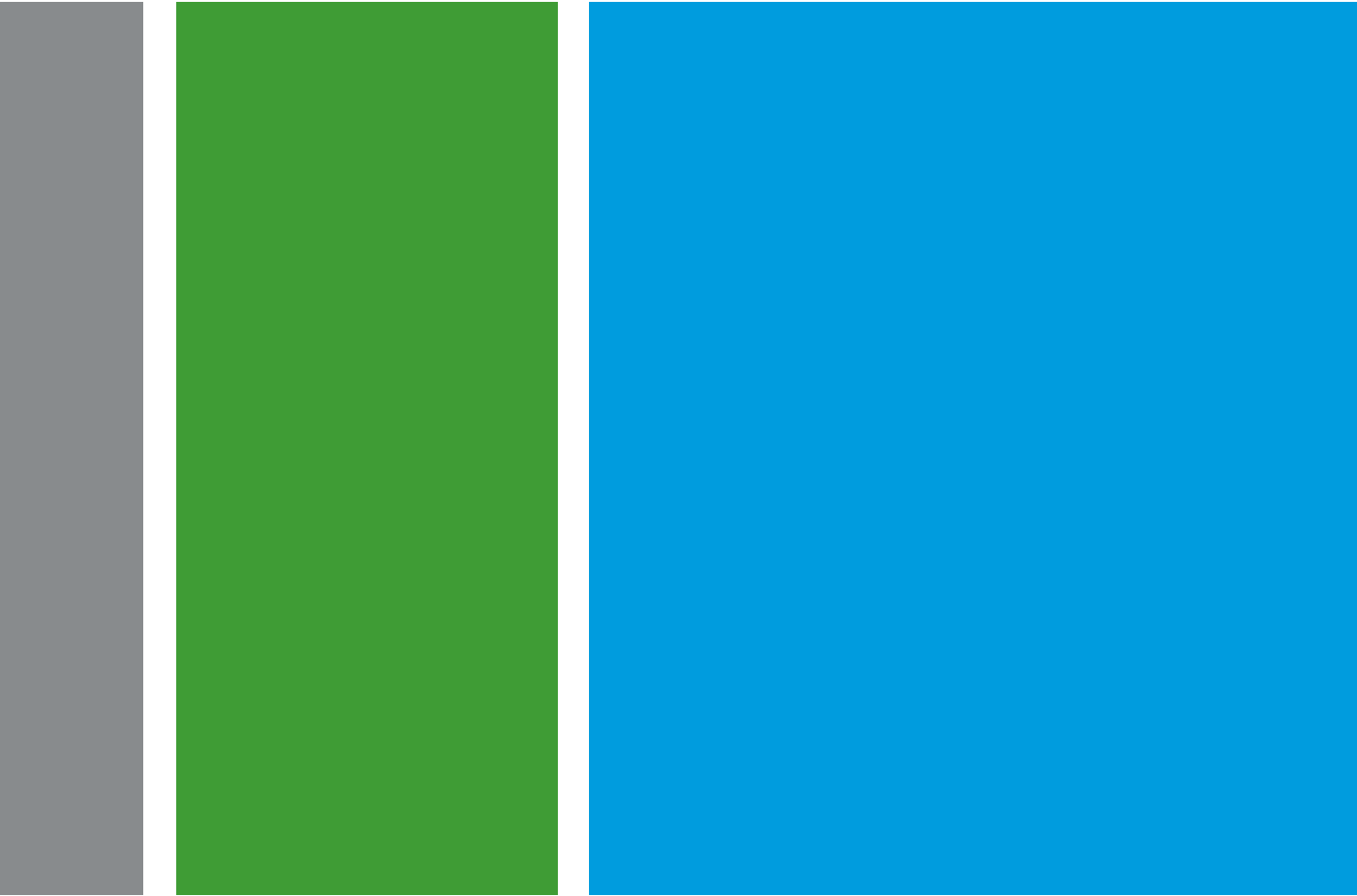
We will be the best value, not measured just on price but also on the level of quality and insight, knowledge and people we will bring to the table.

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

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# Scope of work

We will perform the following services for the Company:

- Auditing the financial statements for the year ended December 2026
- Reviewing the financial statements for quarters ending June 2026, September 2026, and March 2027.

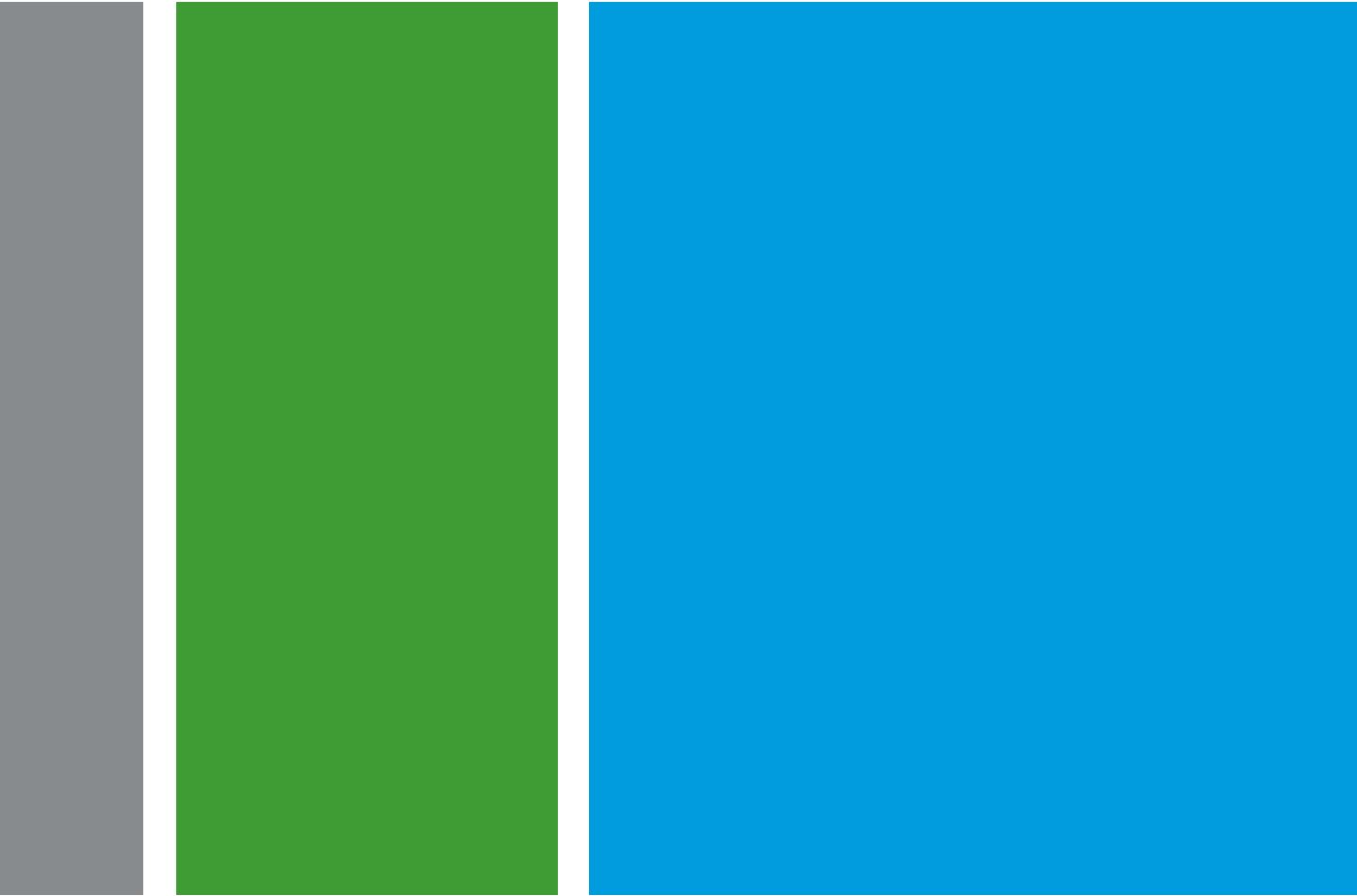
We will provide report separately on any deficiencies you may observe in internal controls and possible ways to improve the efficiency of company operations.

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.



# 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:

<b>Africa</b> Clive Betty	<b>Europe</b> Gregor Schmidt	<b>MENA</b> Bassam Dahman
<b>Asia Pacific</b> Neil Hough	<b>Latin America</b> Brendan Quirk	<b>North America</b> 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

## Middle East and North Africa

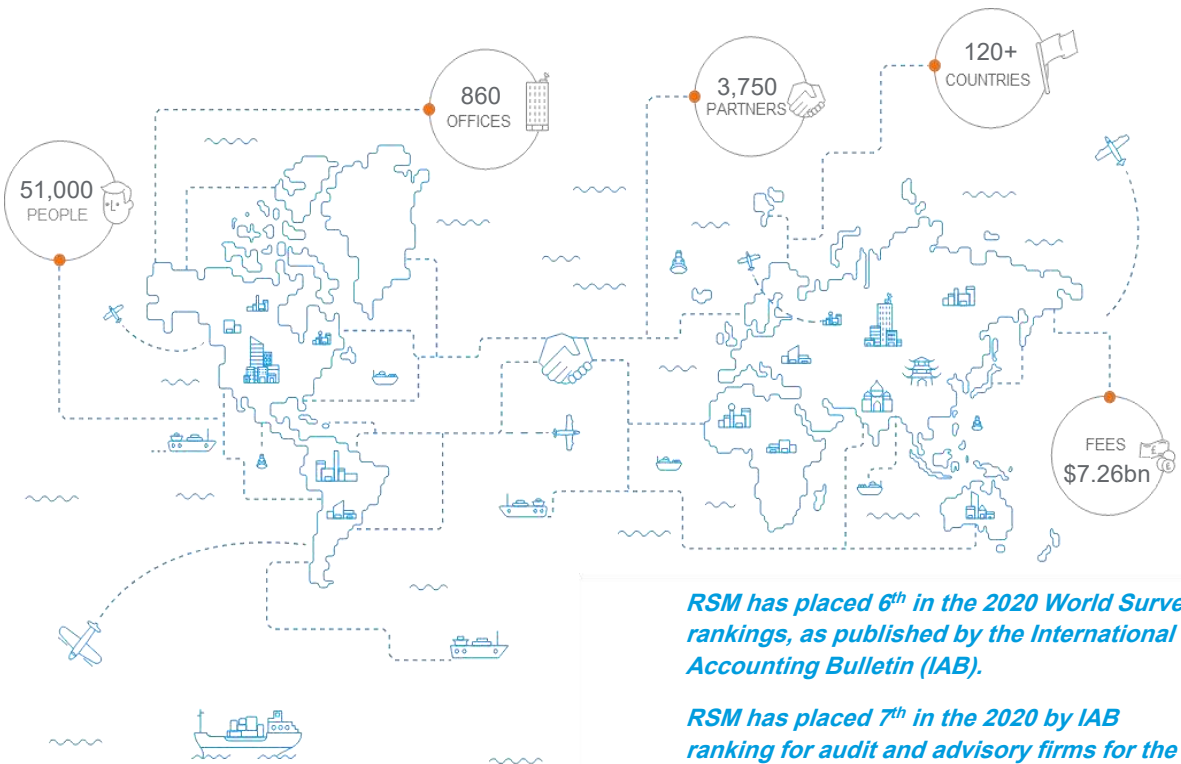
The ongoing political and social changes in the Middle East and North Africa continue to present both challenges and opportunities. RSM draws on its deep experience of the financial landscape across the region to anticipate change, business trends and help clients to enable change.

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.

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

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 6<sup>th</sup> in the 2020 World Survey rankings, as published by the International Accounting Bulletin (IAB).*

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

# RSM INTERNATIONAL

**120+**

Countries

.....

**860**

Offices

.....

**51,000**

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

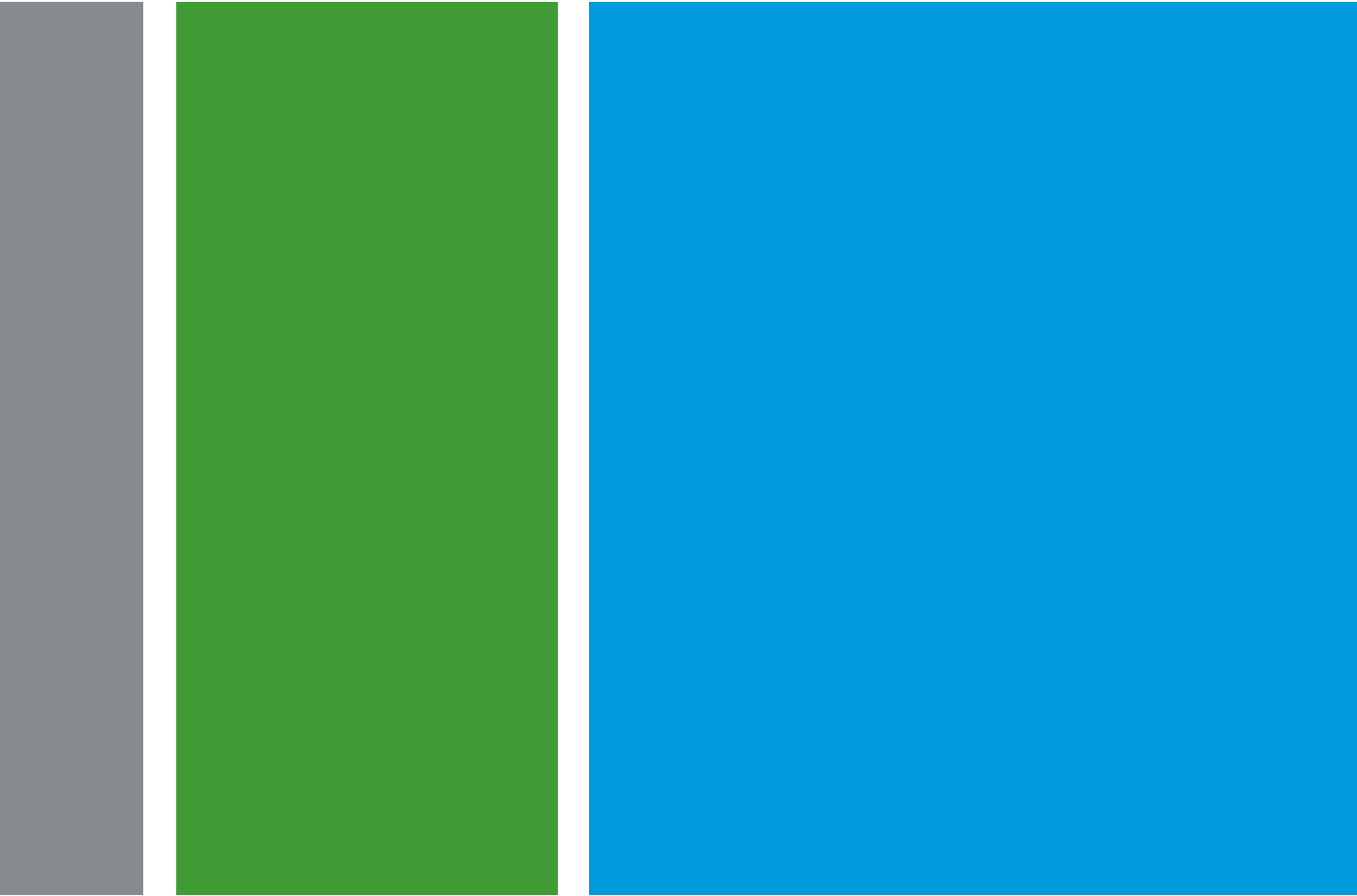
We achieve distinction through:

- ✓ 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**
- **Meshal Al Khaldi**
- **Abdallah Al Faddghi**

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.

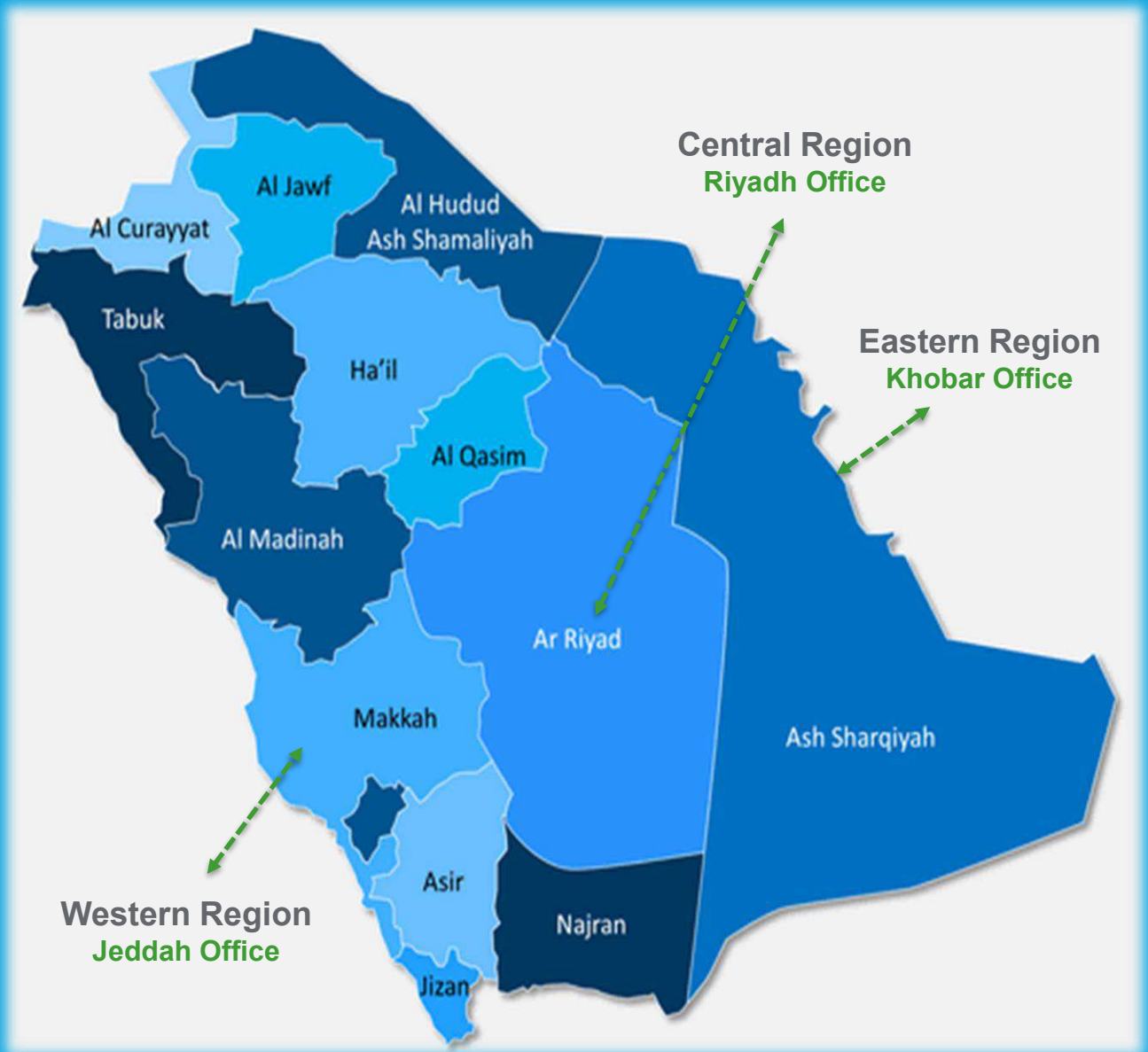
Audit quality always features prominently at the meetings. The Head of the Quality Assurance Department (QAD) provides a written report and the management monitors closely actions taken to address QAD findings. Specifically, the management discusses and ratifies any proposed RI appointments and changes 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  
220+  
Partners  
and Staff

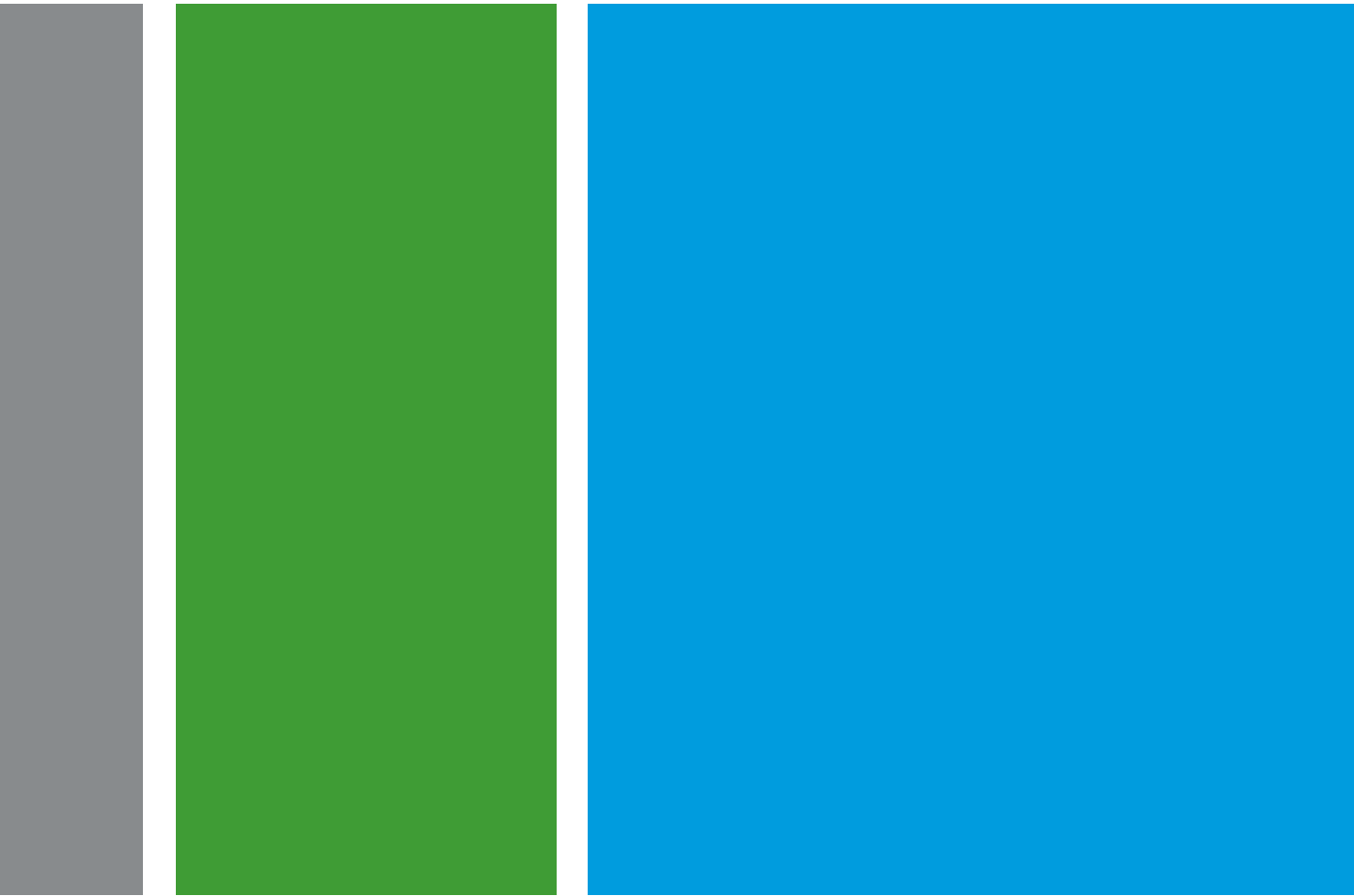


Operating  
from  
3  
Locations



Total  
revenue  
SAR 35.8m





# Audit Methodology and Commitment to Quality

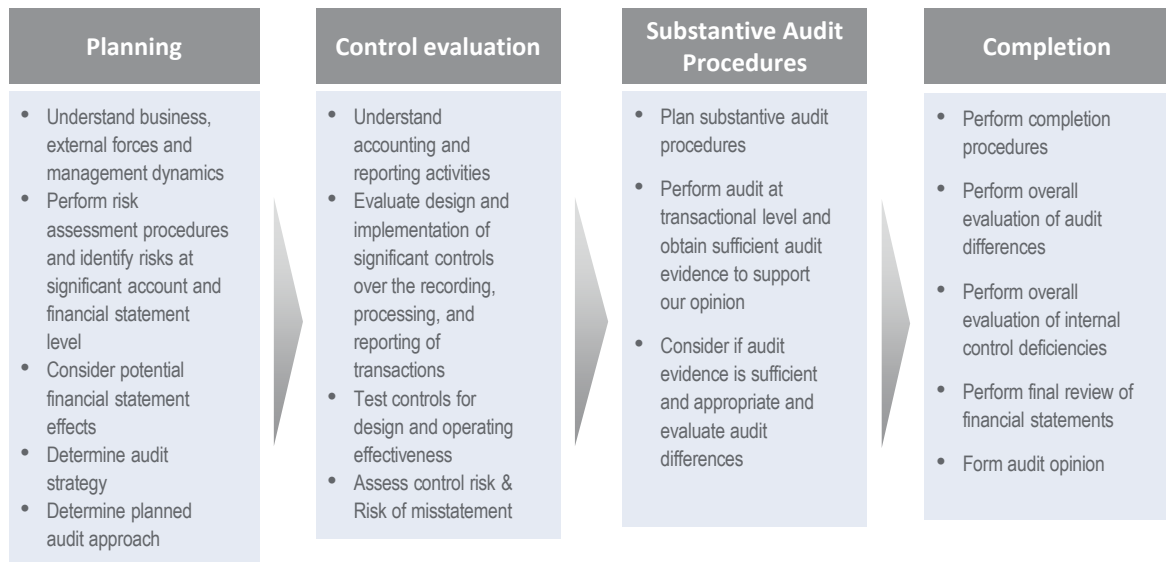
# OUR AUDIT METHODOLOGY

**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.

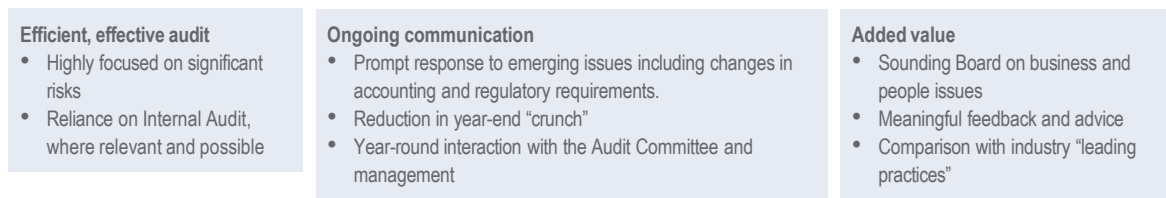
**Industry knowledge** – Access to industry knowledge facilitates our audit professionals' ability to focus on what's important to your business. Our global knowledge base allows us to provide you feedback on how your processes and controls compare with industry leaders.

## ONGOING COMMUNICATION

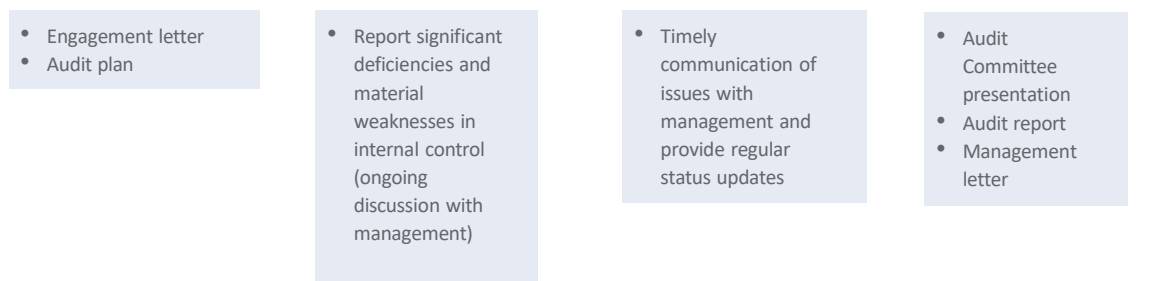
### CLOSE COORDINATION



### CLOSE COORDINATION



### Outputs for you



# 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 authorisation 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 programme 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 programme, CPD records, appraisals and ethical compliance, and internal controls, such as internal authorisation, aud-IT access and financial management.

QAD has a programme 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.

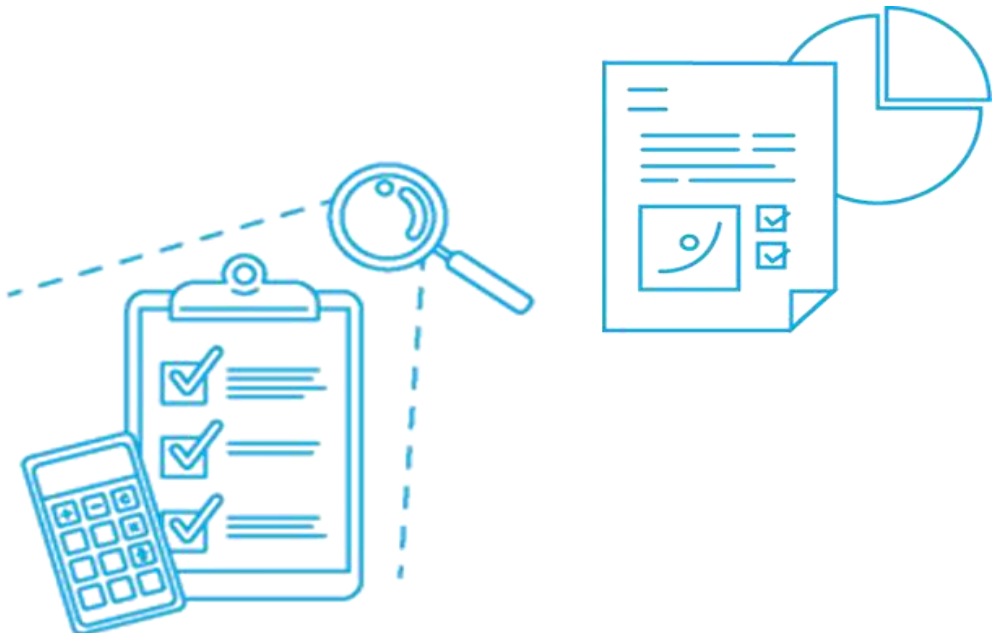
## MONITORING AND REPORTING

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.



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# 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.

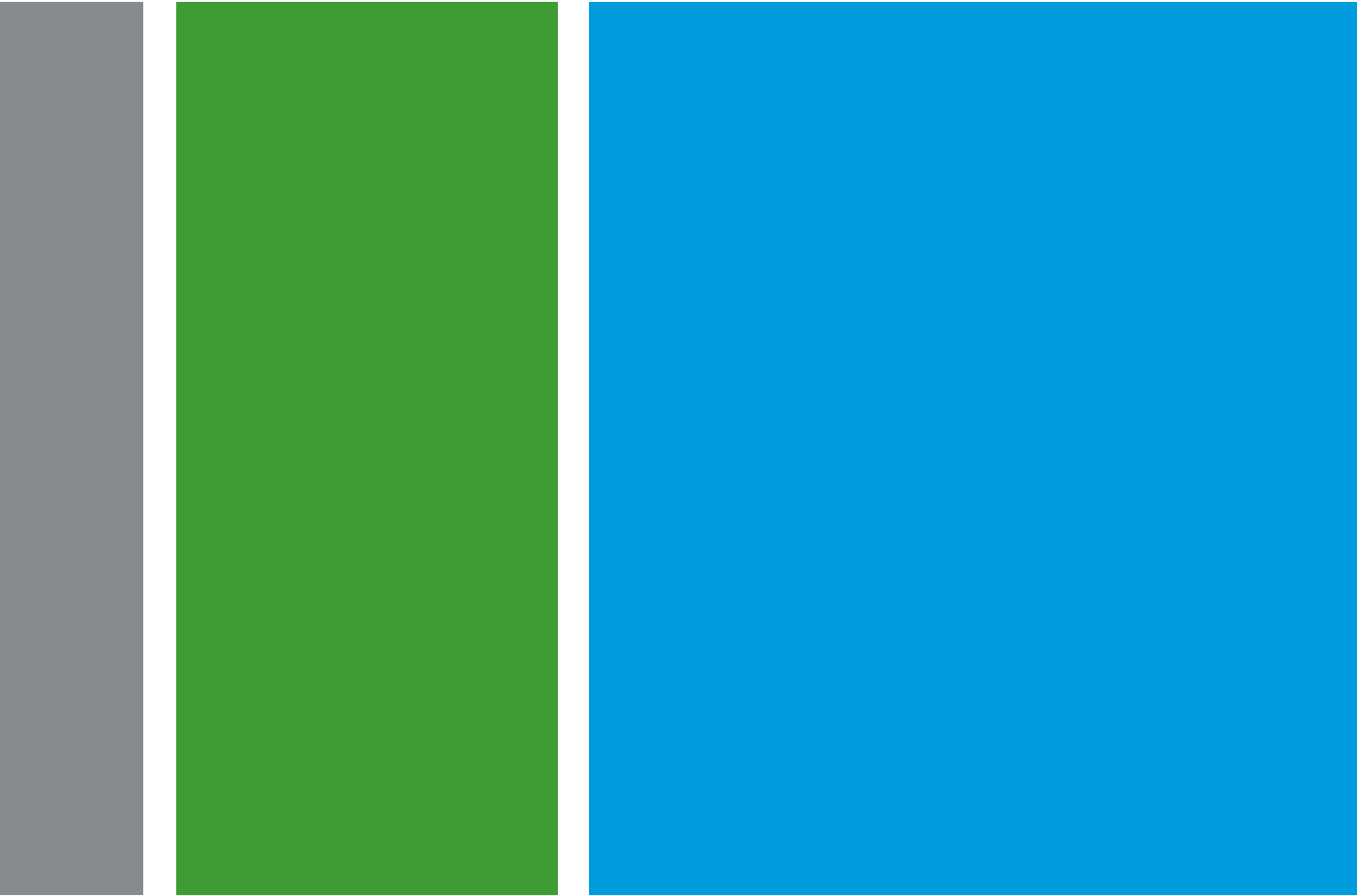
## RISK MANAGEMENT PROCEDURES

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.



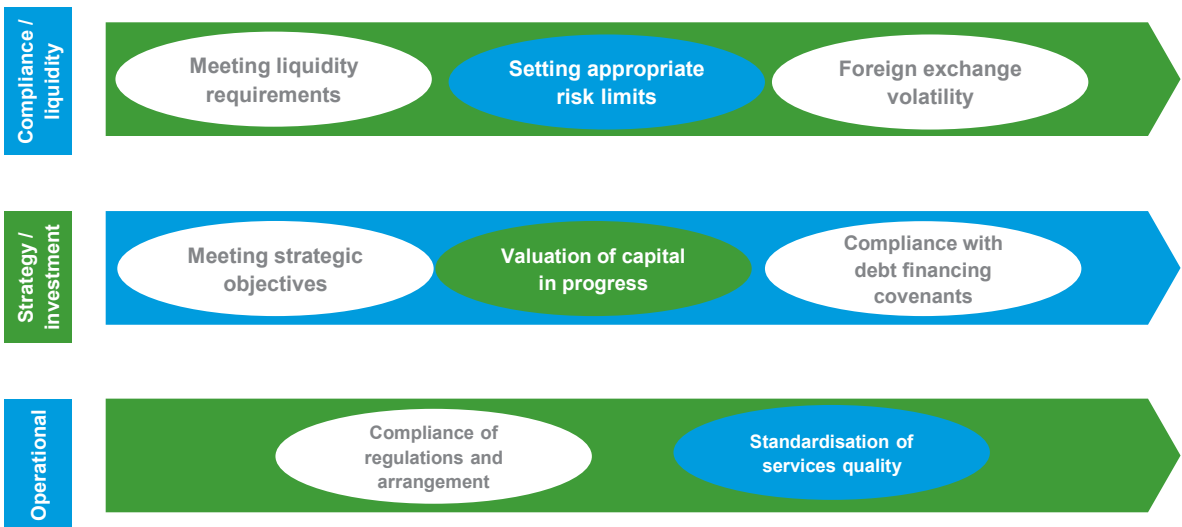
# Audit Approach

# 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:

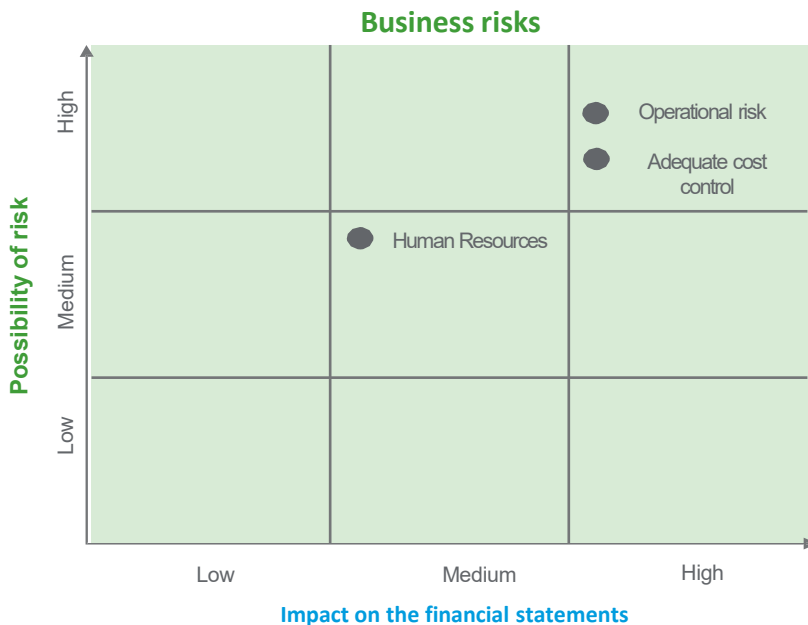
Our audit is risk based and therefore knowledge of your business risks is the most essential part of our approach. Based on our understanding through meetings with senior management, review of annual reports and using our understanding of companies operating in similar industries, we have developed the 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"><li>• Coordination</li><li>• Sector insights</li><li>• No surprises</li><li>• Independent challenge; yet solution driven</li><li>• Timely delivery</li><li>• Continuity</li></ul>	<p>Strong project management across multiple locations through:</p> <ul style="list-style-type: none"><li>• A core team with significant experience that is hands on and leads from the front</li><li>• Upfront discussions with management</li><li>• Build strong relationships across all locations where Company operates</li><li>• Periodic meetings with management and site visits</li><li>• Use of issue tracker for early resolution</li><li>• Identifying and sharing good practices in business process and controls</li><li>• Ensuring quality audit at all levels</li><li>• Identifying and proactively communicating opportunities for performance improvement through management letters</li><li>• Subject matter experts support from IT, taxation, accounting advisory and forensic experts wherever required</li></ul>

### Service charter

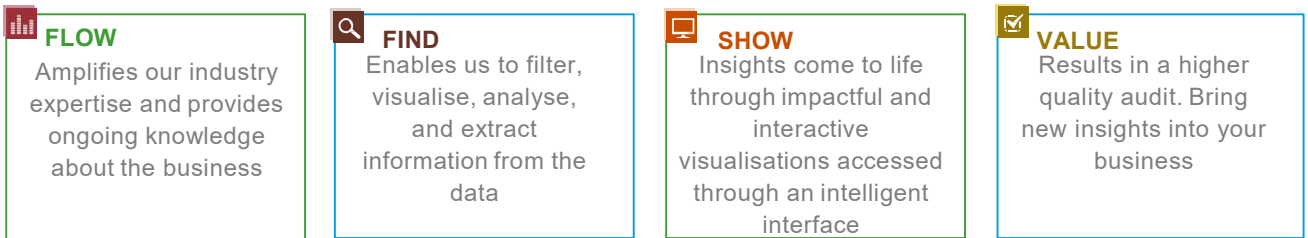
- Understanding your business
    - Risk-based audit approach
    - Dedicated points of contact
  - Proactive and client centric approach
  - Robust project management
  - Early resolution of issues
  - Timely communication and delivery
- **Understanding your business** is central to our audit. Through 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.
- Dirar** 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.
- 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.**

# TAILORED AUDIT APPROACH (Cont.)

## Leveraging technology in audit

### Our dynamic audit takes a rigorous journey through the data

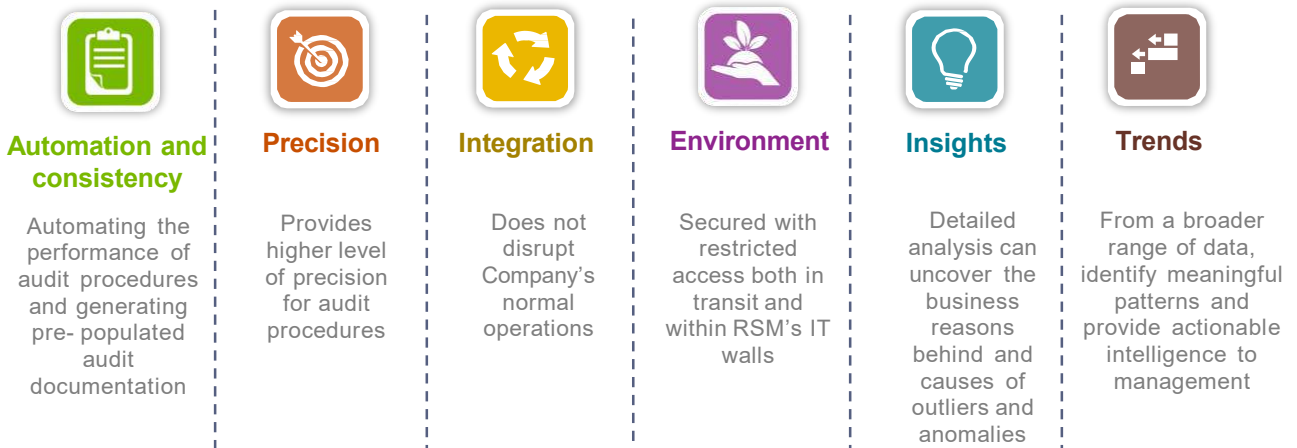
Our dynamic audit, powered by D&A innovations, digs deeper into the data, revealing more about the business and its risks. This, combined with a relentless commitment to quality, makes for a highly effective and very insightful audit. And we think that's of value.



### 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.

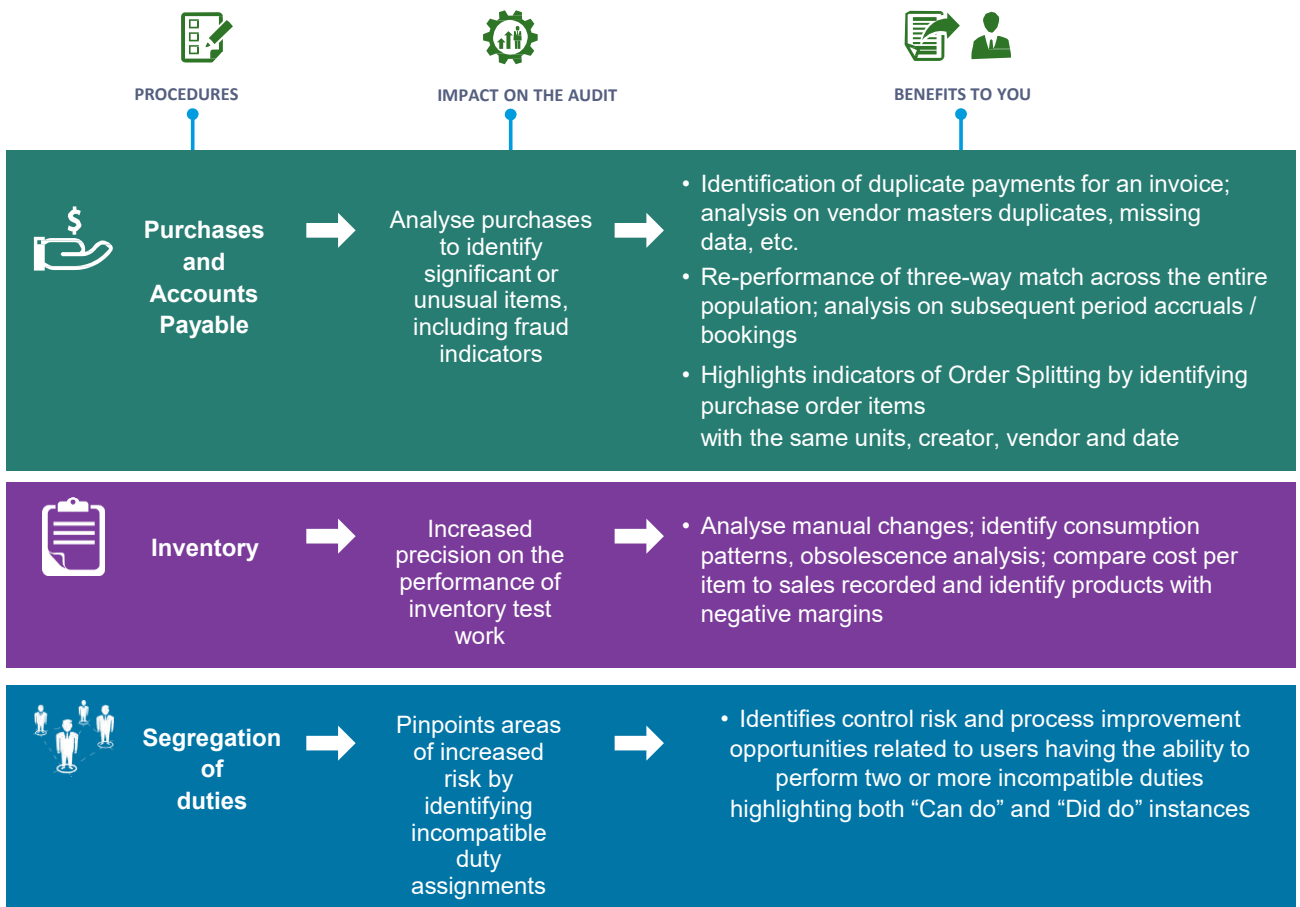
RSM is one of RSM's electronic audit tools that uses D&A to assist engagement teams in performing audit procedures over general ledger and transaction-level data extracted from Company's ERP and an accounting system. Benefits of this tools include:



# 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

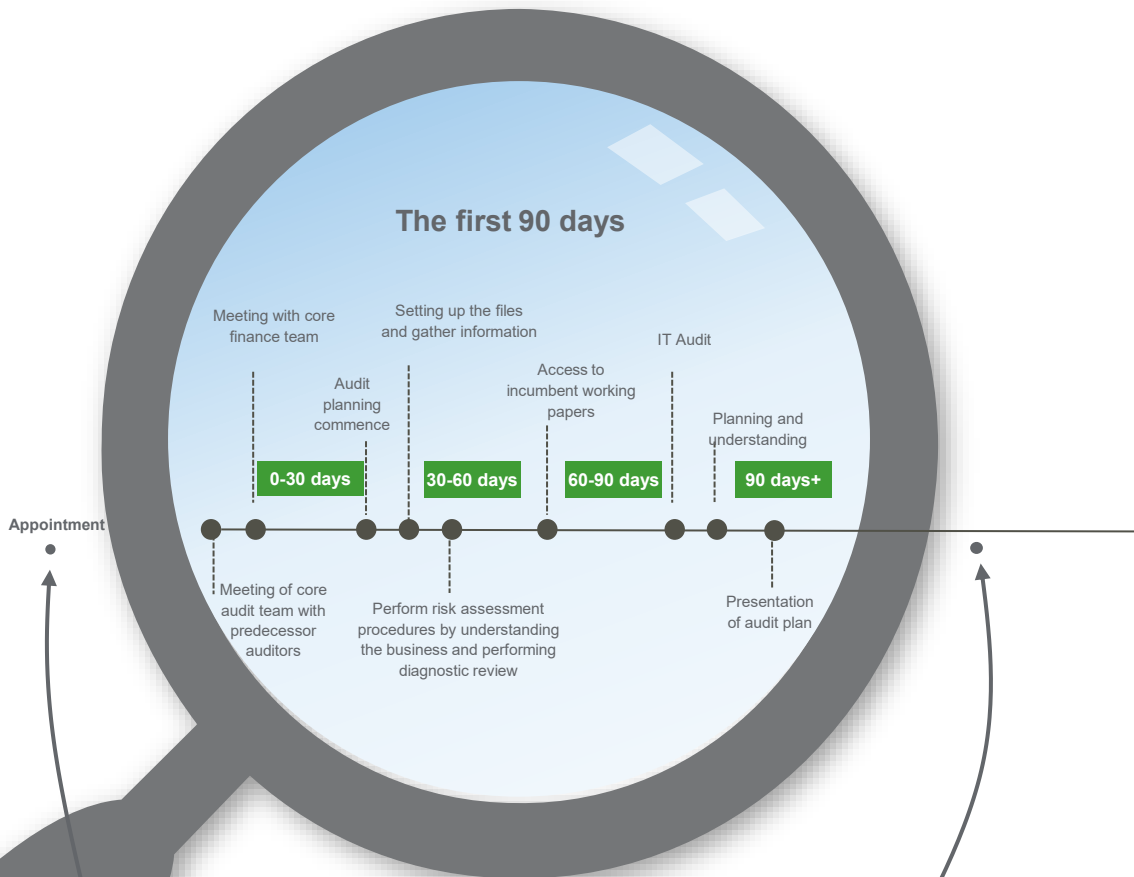


# OUR TRANSITION PHILOSOPHY

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.



# No surprises approach.... always a step ahead



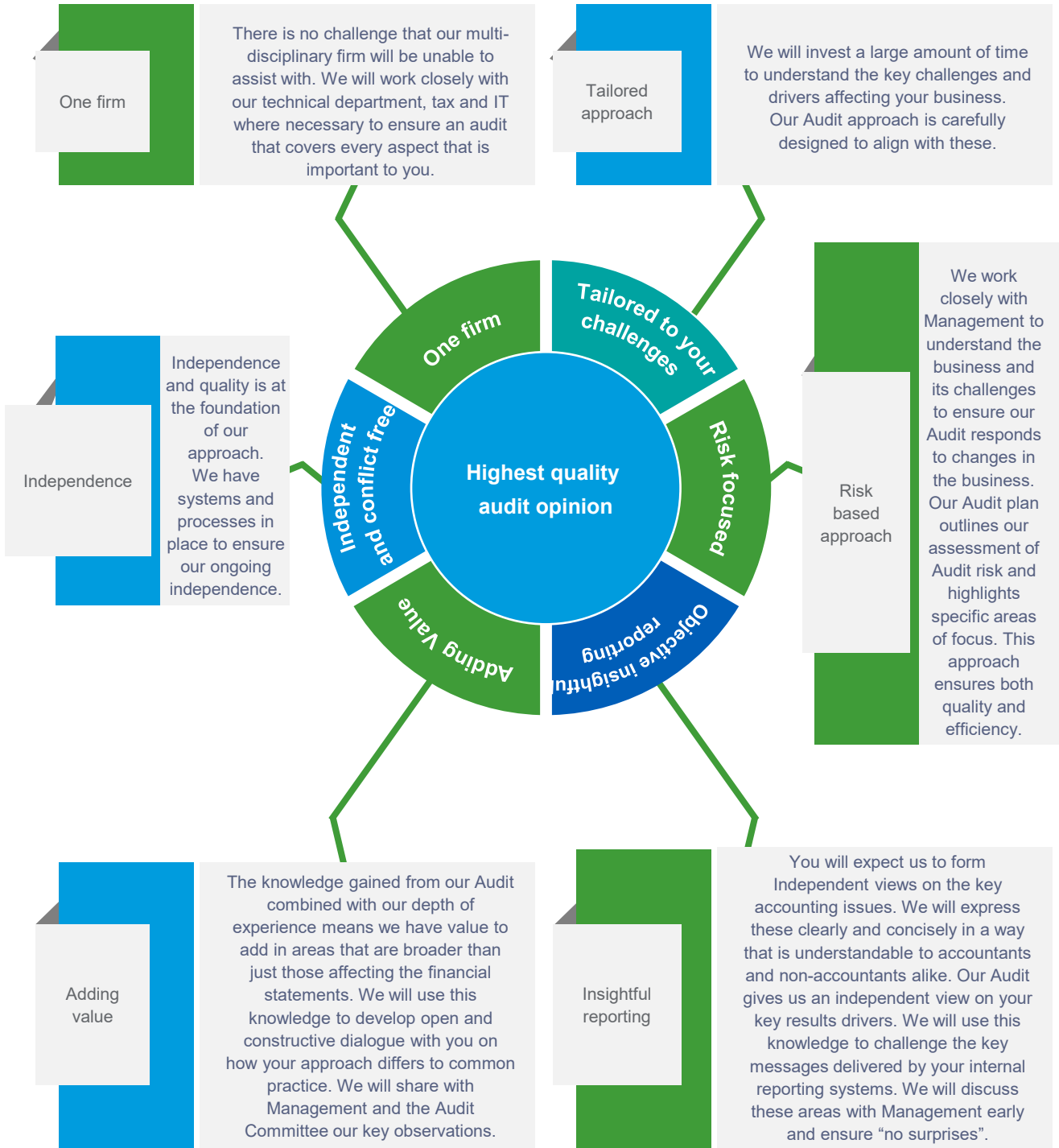
**Rolling issues log**  
Continues two-way communication

We want to meet with you early to agree timings to address your high priority matters

We have handpicked a team of specialists to provide access to the wider RSM networks that you want, and to act as a sounding board for your plans, with proposed meetings every 6 months

# 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



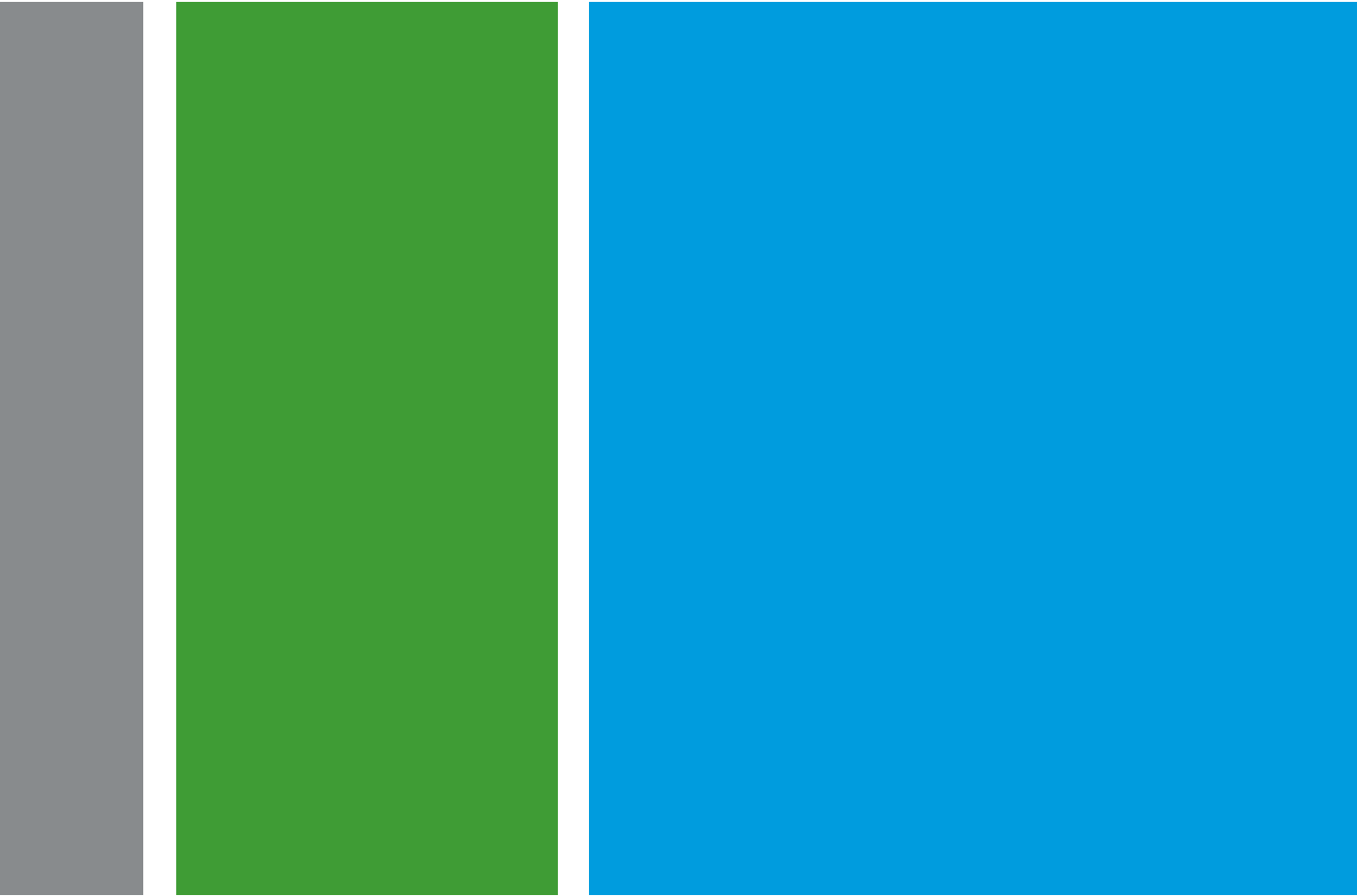
- Training and awareness sessions on regulatory, compliance and financial reporting developments
- Benchmarking of accounting policies with Saudi and global peers in the sector through Accounting Advisory subject matter experts

### 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.



**ABB**



SAAEDDIN  
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



AlNimal Holding Co.  
شركة النمال القابضة

## 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.

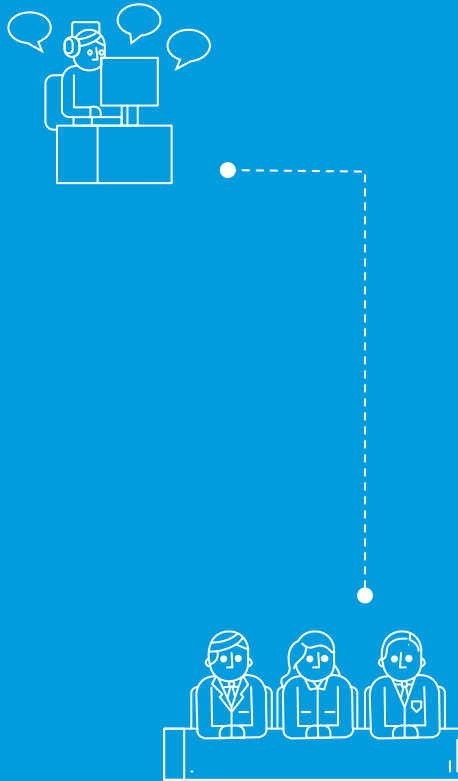
Each client interview is reviewed by the management and any issues on audit quality or service are addressed with the RI and the team. When particular themes emerge these are discussed and addressed the Management.

## 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**



**Mohammed Al Nader, SOCPA, CPA, Mcs**  
**Managing Partner**

**Kingdom of Saudi Arabia**

- Mohammed Al Nader currently serves as the Managing Partner at RSM Saudi Arabia, one of the leading global firms specializing in audit and advisory services. He brings with him over 20 years of extensive experience, during which he has delivered a wide range of advisory services to numerous private, governmental, and semi-governmental entities across Saudi Arabia, the United States, and Canada.
- Prior to joining RSM Saudi Arabia, Al Nader worked with one of the Big Four accounting firms, where he provided audit and consulting services to several major banks in Saudi Arabia, in addition to serving companies across various sectors, including investment, industry, telecommunications, and others.
- Al Nader possesses deep expertise in leading audit engagements, risk-based internal auditing, compliance, fraud investigation, corporate governance advisory, and IT systems review to ensure alignment with the requirements of the National Cybersecurity Authority. He is also highly experienced in providing financial advisory services related to mergers and acquisitions
- Certified Public Accountant (SOCPA) - Saudi Arabia.
- Certified Public Accountant (CPA) - USA.
- Accredited Valuer in Business Valuation - Saudi Arabia.
- Master of Business Administration and Finance - HeriotWatt University - UK.
- Bachelor of Accounting - King Saud University - Saudi Arabia

Mobile: +966 55 228 4828

Email: [malnader@rsmsaudi.com](mailto:malnader@rsmsaudi.com)

Address: Riyadh - Saudi Arabia

- **Mohammad Al Nader**



**Abdullah Al Faddaghi, SOCPA,**  
**Partner**

**Kingdom of Saudi Arabia**  
[aalfaddaghi@rsmSaudi.com](mailto:aalfaddaghi@rsmSaudi.com)

- Abdullah Al Faddaghi is a partner at RSM, with more than 10 work skills and professional experience in providing a range of advisory services to a wide range of companies. Fadaghi is a chartered accountant and licensed bankruptcy trustee in the Kingdom of Saudi Arabia. He has specialized and extensive experience gained from his experiences working in Many different sectors in the Kingdom of Saudi Arabia.Experience
- Abdullah provided auditing and consulting services to major companies in the financial sector, trade and industry, contracting, construction, investment, and others. The list of clients managed by Al-Faddaghi included some major companies in the Kingdom of Saudi Arabia, such as Al-Abdullatif Industrial Investment Company, Laden Investment Company, and the Small and Medium Enterprises Financing Guarantee Program (Kafala). Among others, Al-Faddaghi has extensive experience in liquidation and bankruptcy and has worked on a number of voluntary and voluntary liquidations under the supervision of commercial courts.

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**Abdulhamid Nazer, SOCPA, MBA**  
**Partner**

**Kingdom of Saudi Arabia**  
[anazer@rsmsaudi.com](mailto:anazer@rsmsaudi.com)

Mr. Abdul Hamid is a Certified Public Accountant licensed to practice in the Kingdom of Saudi Arabia under Ministry of Commerce License No. 376, and a Financial Consulting License No. 199.

Abdul Hamid obtained a Bachelor's degree in Accounting from Riyadh University in 1979, a Master's degree in Business Administration from the University of Edinburgh, UK, in 2006, and a Postgraduate Certificate in International Business from the University of Edinburgh in 2005. He also holds a Fellowship in Bank Auditing from the Bank Administration Institution, Chicago, USA.

Abdulhamid has held prominent leadership positions, most notably as General Manager, in addition to membership and chairmanship of the Board of Directors, Executive Committees, and Audit Committees in a number of companies both inside and outside the Kingdom of Saudi Arabia. Abdulhamid is considered a prominent figure in the development of the accounting and auditing profession in the Kingdom, having effectively contributed to raising the level of professional performance and the standards adopted in this field. He also has distinguished contributions in the fields of research and study, and has participated in numerous specialized training courses inside and outside the Kingdom, which have broadened his horizons and enhanced his practical and academic experience.



**Mohammad Mohandes, SOCPA**  
**Partner**

**Kingdom of Saudi Arabia**  
[mmohandes@rsmsaudi.com](mailto:mmohandes@rsmsaudi.com)

Mohammad has over 21 years' experience providing Assurance services to listed companies, leading Saudi family businesses and conglomerates, as executive management team member of one of the big 4 firms in the Middle East for more than 17 years or as founder and lead managing director of his professional services firm. His functional experience covers Litigation Support, Assurance, IFRS conversion, Administrations and Liquidations.

During his career, he led many Assurance engagements through sales and delivery phases; planning and monitoring work progress, inspiring teams to deliver high quality standards, and presenting findings and recommendations to Board members and executives.

#### **Experience**

- 2001 – 2017, Audit Manager at Deloitte & Touch (KSA)
- 2017 – 2018, CEO at Mohammad Mohandes Certified Public Accountants
- 2018 – 2020, Executive Manager at Sadagah Certified Public Accountants and Consultants, KSA
- March 2020 – October 2021, Executive Manager at El Sayed El Ayouty & Co (MOOR KSA)
- November 2021 – September 2025: Partner at CROWE.
- October 2025 – present: Partner at RSM.

#### **Education and Professional Affiliations**

- Certified Public Accountant (SOCPA) Saudi Arabia
- Local Content Certification from Local Content & Government Procurement Authority
- Bachelor's degree in Accounting

**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 (1<sup>st</sup> 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

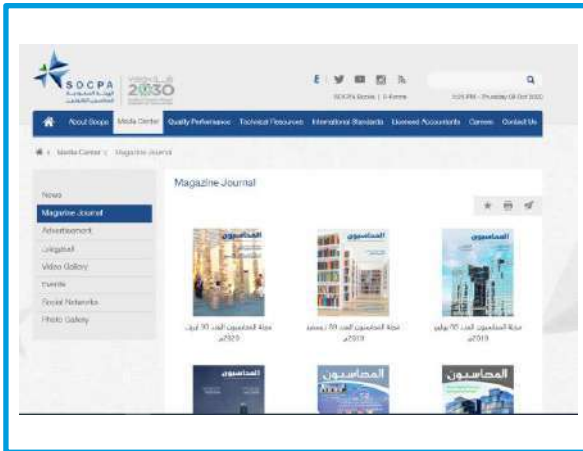


We are proud of our awards and will continue to do all that we can to ensure that our people have the best working environment and our clients have access to the best resources in the Kingdom of Saudi Arabia. Our Partners and RSM International are supportive of these initiatives as we build a culture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



Mohammed Al Nader  
Managing Partner

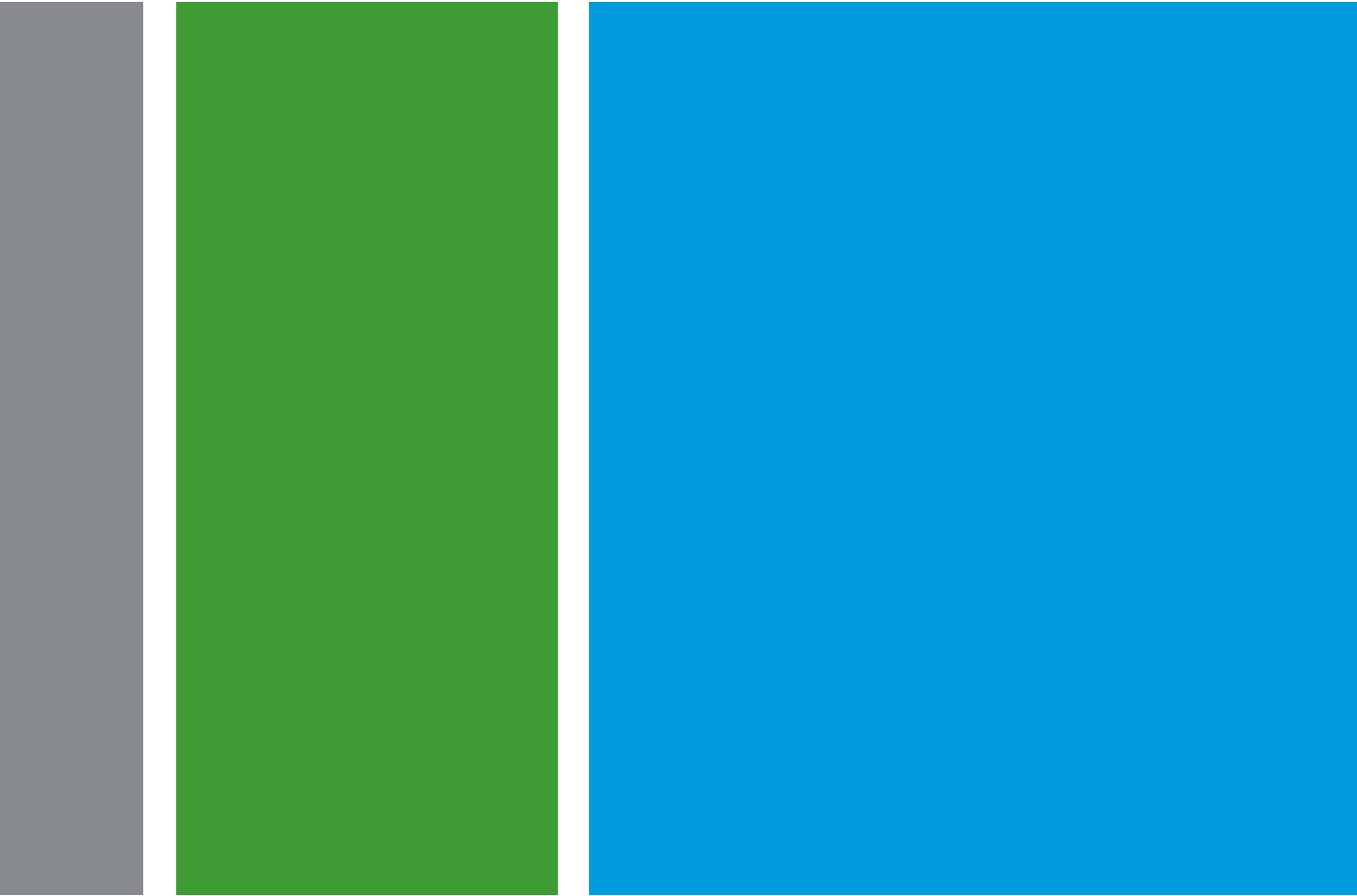
# DIFFERENT TYPE OF SERVICE



<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:

Services	Fees
Auditing the financial statements for the year ended December 2026	425,000
Reviewing the financial statements for quarters ending June 2026, September 2026, and March 2027.	225,000
Total	650,000

Note: Above mention fee amount is excluded from VAT and out-of-pocket expense, VAT will be charged as per the law.

## Conclusion

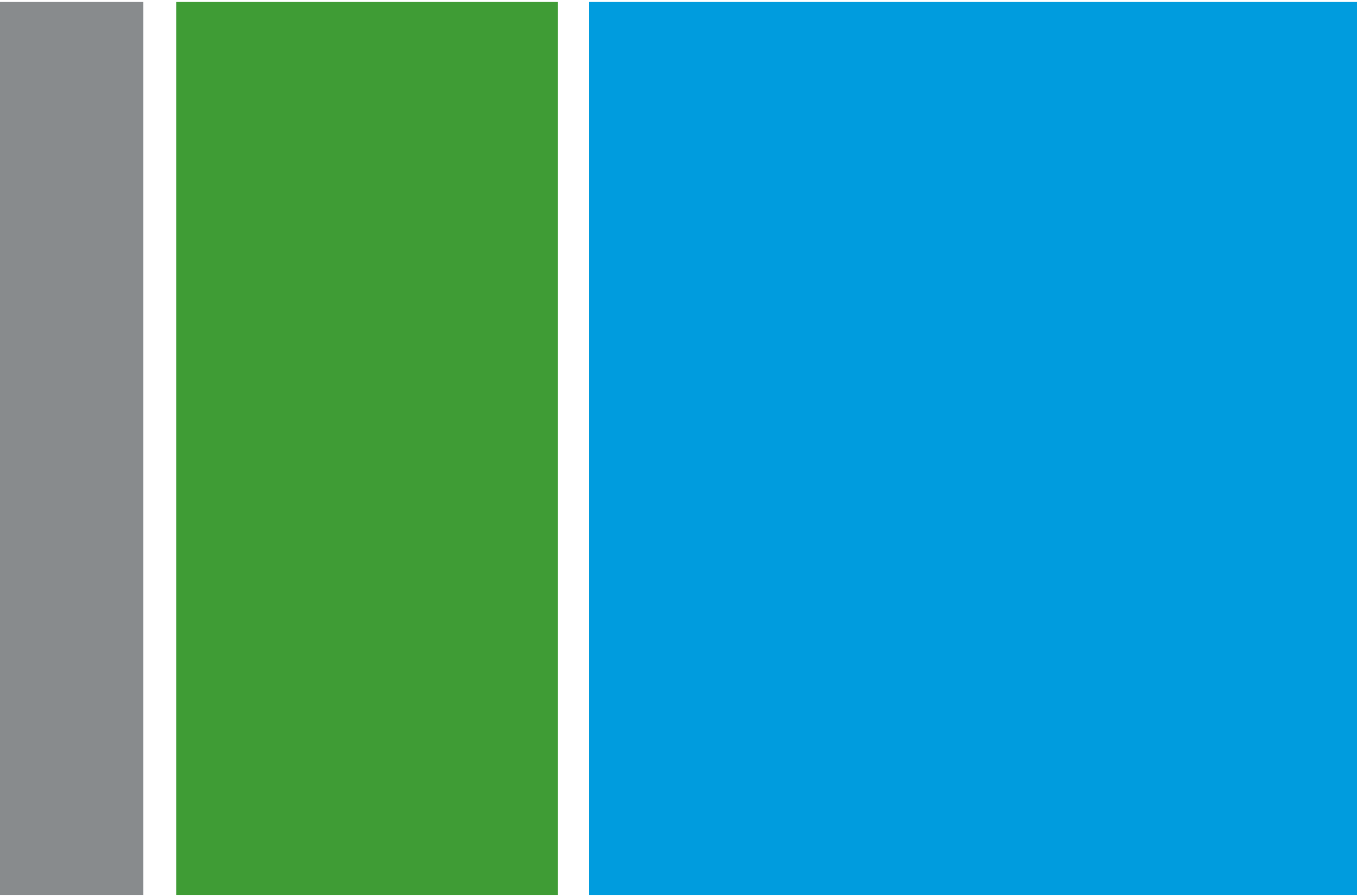
We are very keen to work with you on this assignment.

We have the skills and the experience required to assist you in annual audit services.

We have undertaken a previous similar assignment efficiently and cost effectively and our experience indicates that the key to the successful implementation of such an instruction is to properly plan the process and ensure that the division of duties are clearly understood and protocols are in place to effectively manage the communication flows amongst all the key stakeholders.

I hope this is sufficient for now, but of course we can expand on aspects of this email if required. I look forward to hearing from you.

Kind regards  
**Mohammad Al Nader**



## 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 54 833 3033  
Tel: +966 13 814 7098  
Email: info@rsmsaudi.com



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

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