

## Audit Committee

Meeting No. (10/2021)

Held on Wednesday 06/10/1442H, corresponding to 19/05/2021

### Recommendation No. 6

#### The Audit Committee convened;

It's Meeting No. 10-2021; at 11:00 am, on the aforesaid day, for the deliberations on the items of the Agenda to conclude raising recommendation to the Board on the matter.

The meeting was attended by the following Committee's members:

Noha Abdulghani H. Sulaimani

Azhar Medo M. Kenji

Nael Samir M. Fayez

The Committee after reviewing the list of the proposals submitted by (4) Audit Firms that responded to the invitation placed for the nomination of an External Auditors to review Company's quarterly and annual financial statements ( 2<sup>nd</sup> Quarter 2021 up to the 1<sup>st</sup> quarter of 2022), including providing Zakat services. The Committee after reviewing analysis of the quotations received from the Audit Firms (attached) with the Executive Management recommendations in this respect:

#### The Committee recommended to the Board the nomination of the following Audit Firms:

1. Azem, Alsudairy, Alshaikh & Partners (Member of Crowe Horwath International ), to be the Company's External Auditors to review the quarterly and annual financial statements ( 2<sup>nd</sup> Quarter 2021 up to the 1<sup>st</sup> quarter of 2022), including providing Zakat services with annual fees an amount of SR. (895,000 – Eight hundred ninety five thousand Saudi Riyal only) due to their adequate experiences.
2. Ernst & Young and Partners, to be the Company's External Auditors to review the quarterly and annual final financial statements ( 2<sup>nd</sup> Quarter 2021 up to the 1<sup>st</sup> quarter of 2022), including to provide Zakat services with annual fees an amount of SR. (1,560,000 – Million, five hundred sixty thousand Saudi Riyal only) due to their relevant experience with respect to Company's Business.

#### Chair of the Committee

Noha Abdulghani H. Sulaimani



#### Committee's Members

Azhar Medo M. Kenji



Nael Samir M. Fayez



**Summary of the Proposals offered to SCC Group from Audit Firms on the scope of external audit and Review Services for the year ending on 31/12/2021 & 1st Quarter of 2022:-**

Quoted Fees, SR. (VAT exclusive)	Major clients	Scope of Work & Services	Auditors' name	No.
1,560,000	Saudi Telecom Company (STC)  Saudi Arabian Mining Company "Maaden" National Commercial Bank "NCB" Jabal Omar for Development Saudi British Bank "SABB" Bupa Arabia for Cooperative Insurance Co. Saudi Basic Industries Corporation "SABIC" Saudi Printing & Packaging Co. Yanbu Cement Co. Saudi Industrial Investment Group Zamil industrial Investment Co. Jotun Saudia Company Ltd. Arabian Drilling Company Riyadh Bank	SCC Group Annual Consolidated Financial Statements  Quarterly reviews of the Group financial statements Independent Financial Statements Preparing, submitting and following up Zakat and returns	Ernst & Young and Partners certified Public Accountants  Existing External Auditors	1
695,000	Al Fozan Holding Company  Saudi Research & Marketing Co. Saudi Chemical Company AlAhli Takaful Company Northern Region Cement Co. Raydan • Nestlé • Hewlett Packard Enterprise  Umm Al-Qura Cement Co. Kingdom Holding Co. Jarir Investment Co. TaaJeer Group Al Harbi Holding Company  Zajil	SCC Group Annual Consolidated Financial Statements.  Audit of the following individual companies: Mass Projects Company for Power and Telecommunication Saudi Cable Company for Marketing Limitd "Dormant" Mass Centers for Distribution of Electrical Products "Dormant"  Quarterly reviews of the Group financial statements. Independent Financial Statements Preparing, submitting and following up Zakat and returns Article 71 Requirements Report on Related Party Transactions.	Baker Tilly MKM & Partners Certified Public Accountants	2
895,000	Riyadh Cables • SPIMACO Addwaich • Al Drees Petroleum and Transport Services Company • Saudi Advanced Industries Company • Tihama Holding • Middle East Specialized Cables Co. • SABB Takaful Company • Saudi Arabian Cooperative Insurance Company, Sanad Cooperative Insurance Co. • Saudi Indian Cooperative Insurance Co. • Saudi Industrial Development Company • Arriyadh Development Co..	SCC Group Annual Consolidated Financial Statements  Audit of the following individual companies: Mass Projects Company for Power and Telecommunication  Quarterly reviews of the Group financial statements. Independent Financial Statements Preparing, submitting and following up Zakat and returns Article 71 Requirements Report on Related Party Transactions.  Previous year, fees amounted to 1,005,000 Saudi Riyal. (Including reporting fees under Article 71)	AlAzem, AlSudairy, AlShaikh & Partners Certified Public Accountants  Member of Crowe & Horwath International	3
370,000	Al Jouf Cement Co. • Nama Chemicals • Northern Region Cement Co. • Yamama Cement Co. • Amiantit Co. • Najran Cement Co. • Capital Market Authority • Public Investment Fund • Ministry of Commerce & Investment	SCC Group Annual Consolidated Financial Statements.  Audit of the following individual companies: Mass Projects Company for Power and Telecommunication  Quarterly reviews of the Group financial statements. Independent Financial Statements Preparing, submitting and following up Zakat and returns	Al Kharashi & Partners Certified Accountants and Auditors  Member of Mazars	4