

ABU DHABI COMMUNITY COOPERATIVE

ABU DHABI
UNITED ARAB EMIRATES

PROPOSAL FOR AUDIT SERVICES
FOR THE YEAR ENDED
31 DECEMBER 2022

May 12, 2022

Reference No.: AP22106

The Owner's
ABU DHABI COMMUNITY COOPERATIVE
Abu Dhabi, United Arab Emirates

Dear Sirs,

With reference to the establishment request, it gives us great pleasure to submit our proposal for your consideration and approval, and we would also like to express our sincere appreciation for the opportunity you are affording us to serve you.

This document is indexed as follows for your easy reference.

- Scope of Work
- Audit Fees
- Term

We look forward to working with you and your staff. We would also be proud and honored to add the name ABU DHABI COMMUNITY COOPERATIVE to our client list.

Yours sincerely,




Nagey Mousa Eisa (CPA, CIA, CRMA, CFE)
Executive Director - Audit Services

SCOPE OF WORK

EXTERNAL AUDIT OF ANNUAL FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

You have requested that we audit the financial statements of ABU DHABI COMMUNITY COOPERATIVE which comprise the statement of financial position as at 31 December 2022, and the income statement, statement of comprehensive income, statement of changes in equity, and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes. We are pleased to confirm our acceptance and our understanding of this engagement by means of this letter. Our audit will be conducted with the objective of our expressing an opinion on the financial statements.

AUDIT RESPONSIBILITIES AND LIMITATIONS

We will conduct our audit in accordance with International Standards on Auditing (ISAs). Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Because of the test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system, there is an unavoidable risk that even some material misstatements may remain undiscovered.

In making our risk assessment, we consider internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we expect to provide you with a separate letter concerning any material weaknesses in the design or implementation of internal control over financial reporting that comes to our attention during the audit of the financial statements.

The objective of our audit is the expression of an opinion on the fairness of the presentation of the Establishment's financial statements in accordance with International Financial Reporting Standards, in all material respects. Our ability to express an opinion, and the wording of our opinion, will, of course, be dependent on the facts and circumstances at the date of our report.

MANAGEMENT'S RESPONSIBILITIES AND REPRESENTATIONS

We remind you that the responsibility for the preparation of financial statements that present fairly the financial position, financial performance, and cash flows of the Company in accordance with International Financial Reporting Standards is that of the management of the Establishment. This includes the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, and the safeguarding of the assets of the entity. Our auditor's report will explain that management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and this responsibility includes:

- Designing, implementing, and maintaining internal control relevant to the preparation of financial statements that are free from misstatement, whether due to fraud or error;
- Providing us with complete, accurate, and timely information to carry out any obligations ascribed to or undertaken by you or others under your control;
- Identifying and ensuring that the Company complies with the laws and regulations applicable to its activities;
- Properly recording transactions in the accounting records;
- Adjusting the financial statements to correct materials misstatements;
- Safeguarding assets;
- Selecting and applying appropriate accounting policies
- Making accounting estimates that are appropriate in the circumstances.

We will make specific inquiries of management and others about the representations embodied in the financial statements of the Establishment. As part of our audit procedures, we will request that management provide us with a representation letter acknowledging management's responsibility for the preparation of the financial statements and affirming management's belief that the effects of any uncorrected financial statement misstatements aggregated by us during the current audit engagement and pertaining to the latest period presented are immaterial, both individually and in aggregate, to the financial statements taken as a whole. We will also request that management confirm certain representations made to us during our audit. The results of our audit tests, the responses to our inquiries together with the written representations of management required by International Standards on Auditing comprise the evidential matter that we will rely upon as auditors in forming our opinion on the Establishment's financial statements.

OTHER MATTERS

1. If the Company intends to publish or otherwise reproduce in any document or report on the Establishment's financial statements, or otherwise make reference to Standard Mentors Auditing & Assurance in a document that contains other information in addition to the audited financial statements (e.g., in a periodic filing with a regulator, in a debt or equity offering circular or a private placement memorandum), thereby associating Standard Mentors Auditing & Assurance with such document, the Company agrees that management will provide us with a draft of the document to read and obtain our approval for the inclusion or incorporation by reference of our report, or the reference to Standard Mentors Auditing & Assurance in such document before the document is printed and distributed. The inclusion or incorporation by reference of our report in any such document would constitute the reinsurance of our report. The Company also agrees that management will notify us and obtain our approval prior to including our report on an electronic site.

2. Unless otherwise agreed with you, we may correspond by means of the Internet or other electronic media or provide information to you in electronic form. Because of the inherent risks associated with the electronic transmission of information on the Internet or otherwise, we cannot guarantee the security and integrity of any electronic communications or information sent or received in relation to this engagement. While it is our policy to check our e-mail correspondence and other electronic information with antivirus software, we similarly cannot guarantee that transmissions or other electronic information will be free from infection. You acknowledge that if we are working on your premises we may need to connect to the Internet through your internal network in order to access our systems.

3. Neither we nor you should be liable in any way for failure to perform or delay in performing our respective obligations under this engagement if the failure or delay is due to causes outside the reasonable control of the party which has failed to perform (force majeure).

4. Where we receive confidential information we will take such steps as we in good faith think fit to preserve confidential information from unauthorized disclosure or other misuse both during and after the termination of this engagement. Save where there is a specific agreement to the contrary, our client relationship with you should not be treated as confidential information and we may disclose this fact to clients, potential clients, or other third parties.

OTHER MATTERS (continued)

Subject to our duty of confidentiality, you agree we may act for your competitors or for other clients, whose interests are or may be opposed to yours. The report, letters, information and the advice we provide to you during this engagement are given in confidence solely for the purpose of this engagement and are provided on the condition that you undertake not to disclose this, or any other confidential information made available to you by us during the course of our work, to any third party (being a party other than those to whom they report, letter, information or advice is addressed) without our prior written consent.

Neither we nor you will be prevented from disclosing confidential information:

- a) Which is or becomes public knowledge other than by a breach of an obligation of confidentiality;
- b) Which is or becomes known from other sources without restriction on disclosure; or
- c) Which is required to be disclosed by law or any professional or regulatory obligation.

You agree that, for the purposes of carrying out our responsibilities in this engagement, we should not be treated as having notice of the information that may have been provided to individuals within this firm who are not involved in this engagement.

5. The working papers prepared in conjunction with our work are the property of Standard Mentors Auditing & Assurance), and constitute confidential and proprietary information, and will be retained by us in accordance with our policies and procedures.

AUDIT FEES

Our fees are based on the time required by the individuals assigned to the engagement. Individual hourly rates vary according to the degree of responsibility involved and the experience and skill required.

We have estimated our fees for the audit engagement will be as follows:

Professional fees	Amount (AED)
● External Audit fee of Annual Financial Statements of the Company for the year ended 31 December 2022	4,000.00
● VAT 5%	200.00
● Total	4,200.00

It is our custom to collect 50% of the fees in advance and the balance upon presentation of our bill at the completion of our work.

TERM

The term of this agreement will commence from the date of our appointment until our re-appointment, termination, or resignation.

This letter reflects the entire agreement between the Company and Standard Mentors Auditing & Assurance relating to the services described herein and supersedes any previous proposals, correspondence, and understandings, whether written or oral. The agreement contained herein shall survive the completion or termination of the audit which is the subject of this letter. In the event that any of the terms of business is held to be invalid, the remainder of the terms will continue in full force and effect.

LIMITATION OF LIABILITY

Because of the importance to our work of the information and representations supplied to us by the directors, employees, and agents of the Establishment, we shall not save to the extent that the law requires otherwise, be held responsible or liable for any loss, damage, cost, expense or other consequences (together "loss") whatsoever and howsoever, caused, incurred, sustained or arising if information material to our work is withheld or concealed from us or misrepresented to us, except and only to the extent finally determined to have resulted from our knowing disregard of matters of which we have actual knowledge, or from our bad faith or willful default.

Further, in the circumstances of this engagement and save where we re-perform the work, you agree that the maximum liability to you of the firm, its partners, principals, members, employees, and agents including secondees (in contract or tort or under statute or otherwise) for any losses suffered by you arising out of or in connection with our work, however, caused, and including any consequential or punitive losses, shall be limited as set out in the following paragraph.

You agree that we shall not be liable for any losses, except in the proportion that, and only to the extent that, such losses are agreed between us to have resulted primarily from our breach of contract or negligence (or are finally determined to have so resulted on a just and equitable basis by judicial or other processes) and in no event (other than our bad faith or willful default) shall our liability exceed the fees paid to us for the portion of the services or work products giving rise to the liability.

LIMITATION OF LIABILITY (continued)

The liability Standard Mentors Auditing & Assurance for any reasons whatsoever arising under or relating to this engagement letter shall not exceed in the aggregate the amounts actually received by Standard Mentors Auditing & Assurance for its services hereunder.

We will not be liable for any claim or demand against you, your officers, directors, employees, agents, or representatives by any third party, or any amounts representing the loss of profit, loss of business, or special, indirect, incidental, consequential or punitive damages. This provision shall survive the termination of this agreement.

INDEPENDENCE MATTERS RELATING TO FINANCIAL INTERESTS AND PROVIDING CERTAIN SERVICES

In connection with our engagement, Standard Mentors Auditing & Assurance, management, and the Audit Committee will assume certain roles and responsibility in an effort to assist Standard Mentors Auditing & Assurance in maintaining independence and ensuring compliance with the independence restrictions, securities laws and regulations Standard Mentors Auditing & Assurance will communicate to its partners, principals, members, and employees that the Company is an attest clients. Management of the Company will ensure that the Establishment, together with its subsidiaries and other entities that comprise the Company for purposes of the financial statements, has policies and procedures in place for the purpose of ensuring that neither the Company nor any such subsidiary or other entity will act to engage Standard Mentors Auditing & Assurance or accept from Standard Mentors Auditing & Assurance any service that either has not been subjected to their preapproval process, national securities legislation or other applicable rules would impair Standard Mentors Auditing & Assurance independence. All potential services are to be discussed with the partner responsible for providing our services.

In connection with the foregoing, the Company agrees to furnish to Standard Mentors Auditing & Assurance and keep Standard Mentors Auditing & Assurance updated with respect to (i) a corporate tree that identifies the legal names of the Establishment's affiliates (e.g. parents, subsidiaries, investors or investees), together with the ownership relationship among such entities, and (ii) equity and debt securities of the Company and its affiliates (including, without limitation, a tax-advantaged debt of such entities that is issued through governmental authorities) that are available to individual investors (whether through stock, bond, commodity, futures or similar markets, or equity, debt or any others securities offerings), together with related securities identification information. The Company acknowledges and consents that such information may be treated by Standard Mentors Auditing & Assurance) as being in the public domain. To the extent the Company notifies Standard Mentors Auditing & Assurance of concerns regarding the confidentiality of such information, Standard Mentors Auditing & Assurance agrees to discuss such concerns with the Audit Committee.

INDEPENDENCE MATTERS RELATING TO HIRING

Management will coordinate with Standard Mentors Auditing & Assurance to ensure Standard Mentors Auditing & Assurance independence is not impaired by hiring former or current Standard Mentors Auditing & Assurance partners, principals, members, or professional employees for certain positions. Management of the Company will ensure that the Establishment, together with its subsidiaries and other entities that comprise the Company for purposes of the financial statements, also has policies and procedures in place for purposes of ensuring that Standard Mentors Auditing & Assurance independence will not be impaired by hiring a former or current Standard Mentors Auditing & Assurance partner, principal, member or professional employees in an accounting role or financial reporting oversight role that would cause a violation of independence restrictions, securities laws and regulations.

Any employment opportunities with the Company for a former or current Standard Mentors Auditing & Assurance, principal, or professional employee should be discussed with the partner responsible for providing our services and approved by the Audit Committee before entering into substantive employment conversations with the former or current Standard Mentors Auditing & Assurance, principal, member or professional employee, if such opportunity relates to serving (1) as chief executive officer, controller, chief financial officer, chief accounting officer, or any equivalent position for the Company or in a comparable position at a significant subsidiary of the Company (2) on the Company board of directors; (3) as a member of the Audit Committee; (4) in any other position that would cause a violation of independence restrictions, securities laws and regulations.

GOVERNING LAW

This agreement shall be governed by and construed in accordance with the laws of the United Arab Emirates and the parties irrevocably submit to the exclusive jurisdiction of UAE courts, where applicable, to settle any disputes, which may arise out of or in connection with this agreement.

We hereby confirm our agreement to the above letter:

M/s ABU DHABI COMMUNITY COOPERATIVE

Accepted by (Name and Title)

Signature

Date