



# EXTERNAL AUDITORS



## Overview of the External Auditor

Ernst & Young was appointed by the shareholders through General Assembly Meeting held on 29<sup>th</sup> of April 2021, as the new external auditor for the group. And Mr. Ashraf Abu Sharkh, the Ernst & Young partner, was appointed as their representative and responsible for the company's accounts.

Ernst & Young (EY) is a multinational professional services firm and one of the largest in the world. EY operates

as a network of member firms which are separate legal entities in individual countries. It has 250,000 employees in over 700 offices across 150 countries and global revenue of US\$ 34.8 billion. EY provides assurance (including financial audit), tax, consulting, and advisory services to companies. EY has been present in MENA since 1923 and in the UAE since 1966. EY's Dubai office has over 1,400 staff and serves a wide variety of government, private and multinational clients.

## Appointment, fees and services

The shareholders resolved on 29<sup>th</sup> of April 2021 to appoint EY as the external auditors for GNH and subsidiaries, with a total remuneration amounting to AED 370,000.

On an annual basis, the company requests quotation/proposal from different audit firms and formal evaluation (technical/financial) is conducted before nominating the external auditors for the next year, including review

and recommendation from the Audit Committee and Board of Directors. The appointment of the external auditors (firms/fees) are eventually approved by the shareholders through the General Assembly Meeting.

Details about the external audit firms, fees and scope of services are briefly explained in the table below:

AUDIT FIRMS/CONSULTANTS	ALLIED ACCOUNTANTS PROFESSIONAL SERVICES (RSM)	AL SHABANAT	KPMG	EXCELLENCE	MARS
<b>Group companies</b>	GNH- KSA Branch	GNH- KSA Branch	Gulf Navigation Holding PJSC	Gulf Nav Ship Management FZE Gulf Navigation Group FZCO	Gulf Navigation Holding PJSC & Branches in UAE.
<b>Associated since (year)</b>	2021	2017	2019	2016	2020
<b>Total audit fees for the financial statement</b>	(N/A)	(N/A)	(N/A)	AED 3,200	(N/A)
<b>Fees and costs of the special services, other than audit of financial statements</b>	AED 26,834	AED 17,568	AED 231,367.50	N/A	AED 10,000
<b>The details/nature of other services</b>	Updating GAZT record and preparation, certification and submission of the Branch tax return	KSA branch VAT submission	Valuation Services		ESR Notification and Substance Reporting Support
<b>Statement of other services obtained from another external auditors/ consultants</b>	(N/A)	(N/A)	(N/A)	(N/A)	(N/A)

Qualified opinions were not issued/given by the auditors for the financial period 2021.



# AUDIT COMMITTEE



## Statement of Audit Committee members and their tasks/duties

The Audit Committee is composed of the following members as of 31<sup>st</sup> Dec 2021:

NAME OF BOARD MEMBERS	POSITION	STATUS
Mr. Ahmad Kilani	Chairman	Non-Independent/Executive Director
Dr. Abdul Rahman Al Afifi	Member	Independent/Non-Executive Director
Mr. Mohamed Ahmad Alhammadi	Member	Independent/Non-Executive Director

The primary tasks of the Audit Committee include:

### 1 Internal Control, risk management and regulatory compliance

1. Review the Company's financial controls, internal controls and risk management system/ framework.
2. Discuss the Internal control system with the management and to ensure that it is operating effectively.
3. Compliance with the listing and disclosure rules as issued by SCA (including other applicable rules and regulations).

### 2 Review of financial information

1. Ensure integrity of the financial statements while emphasizing any changes to the accounting policies and practices, aspects subject to judgment or estimation, substantial adjustments resulting from the audit, going concern and, compliance with International Financial Reporting Standards.
2. Consider any significant and unusual matters to be reported in the financial statements and to address concerns raised by the Head of Finance & Accounts, Compliance Officer or External Auditors.
3. Review the Company's financial and accounting policies and procedures.
4. Ensure compliance with the listing rules and other legal requirements in relation to financial reporting.
5. Review annual and quarterly financial statements before recommending to the Board for approval.

### 3 Relationship with the external auditors

1. Monitor the independence of the External Auditor and to discuss with the External Auditor the nature, scope and efficiency of the audit in accordance with generally accepted auditing standards.
2. To ensure that significant findings and recommendations made by the External Auditors and management's proposed responses are received, discussed and appropriately acted on.
3. To develop and implement policy on the engagement of an External Auditor to provide non-Audit services, if any, to ensure that provision of such services would not impair the independency and objectivity of the External Auditor.
4. Adopt a policy on dealing with the External Auditor and reporting/recommend to the Board any issues that require action on the part of the Board.
5. Meet with the External Auditors on a periodic basis.
6. Review and consider (and respond) to any correspondence or queries received from the External Auditor.
7. Review and recommend the appointment, re-appointment, or replacement of an External Auditor.
8. Review and approve the remuneration and term of engagement of the External Auditor.