

Private and Confidential

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AFS | Advanced Financial Solutions
Beirut, Lebanon

Date: March 3, 2022

Engagement letter

We are pleased to present this engagement letter to act as auditors of "Company Name" and setting up the respective areas of responsibility of management of the Company and of ourselves.

1. Objective and scope of the services

You have requested the audit of the financial statements of the Company which comprise the statement of financial position as at "Fiscal year ending date", and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information. Our audit will be conducted with the objective of our expressing an opinion on the financial statements.

Our report will be addressed to the shareholders of the Company. The form and content of our report need to be amended in the light of our audit findings.

2. Management responsibilities

Our audit will be conducted on the basis that management acknowledges and understand that they have responsibility:

- a) For the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS);
- b) For such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- c) To provide us with:
 - (i) Access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters; Management's co-operation in providing us with records, documentation and information and agreed upon assistance on a timely basis is an important factor in being able to issue our report in due time;
 - (ii) Additional information that we may request from management for the purpose of the audit; and

- (iii) Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

Management is responsible for identifying and ensuring that the Company complies with laws and regulations applicable to its activities, and for informing us of any known material violations of such laws and regulations.

3. Auditors' responsibilities

We have a responsibility to report to the shareholders whether, in our opinion, the financial statements present fairly in all material respects, the financial position, financial performance and cash flows of the Company in accordance with IFRS.

4. Deliverables and timetables

We will be required to issue audit report on the Company's financial statements in English in USD & in Arabic in LBP. The date of issuance of our report will be agreed with you.

5. Scope of audit and representations from management

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 that the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures 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 evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with ISAs.

In making our risk assessments, we consider internal control relevant to the company's preparation of financial statements in order to design audit procedures that are appropriate in the circumstances and not for the purpose of forming an opinion on the effectiveness of 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 come to our attention during the audit of financial statements.

While it is our responsibility to express our opinion on the financial statements, the responsibility for the financial statements and all representation therein rests with management. Management is also responsible for the selection of sound accounting policies and the implementation of an internal control structure to maintain the reliability of the

financial statements and provide reasonable, but not absolute, assurance against the possibility of errors and irregularities that are material to the financial statements.

The responsibility for the prevention and detection of irregularities or fraud rests with you. We shall endeavor to plan our audit so that we have a reasonable expectation of detecting material misstatements in the financial statements or accounting records resulting from irregularities or fraud, which may exist.

As part of our audit process, we will request from management written confirmation concerning representations made to us in connection with the audit.

We look forward to a long association with "Company Name". This letter will be effective for future years unless it is amended or superseded. Please confirm your agreement to and acceptance of the terms of this letter by signing and returning to us the enclosed copy.

Yours faithfully

Khaled Mahmoud EL Achi
Managing Partner

Advanced Financial Solutions



Acknowledged and agreed on behalf of "Company Name" by:

Name:

Title:

Date:

Company Stamp:

Authorized Signature: