

United Carton Industries Company
P.O.Box 31503 , Industrial Area - Phase No. 5
Jeddah 21418 , Kingdom of Saudi Arabia
Tel.: +966 (012) 2244100
Fax: +966 (012) 6368789
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الشركة المتحدة لصناعات الكرتون
ص.ب ٣١٥٠٣ ، المدينة الصناعية المرحلة الخامسة
جدة ٢١٤١٨ ، المملكة العربية السعودية
تليفون : ٢٢٤٤١٠٠ (٠١٢) + ٩٦٦
فاكس : ٦٣٦٨٧٨٩ (٠١٢) + ٩٦٦
بريد الكتروني : info@ucic.com.sa

Audit Committee Report to the Ordinary General Assembly

For the Fiscal Year Ended: 31 December 2025

Date: 23\04\2026

Dear Shareholders of United Carton Industries Company,

Pursuant to Article (88) of the Corporate Governance Regulations issued by the Capital Market Authority, the Audit Committee of United Carton Industries Company hereby presents its report for the fiscal year ended 31/12/2025, which includes a summary of the Committee's performance, responsibilities, and its opinion on the adequacy of the Company's internal control and risk management systems.

The Audit Committee has reviewed the effectiveness of the Group's internal control system for the year ended 31 December 2025. This review was based on the reports submitted by the Internal Audit Department, discussions with executive management, and the results of the external auditor's work.

The Internal Audit Department operates independently and performs its activities in accordance with the audit plan approved by the Audit Committee. It undertakes periodic, risk-based assessments of internal control systems across the Group, both within and outside the Kingdom of Saudi Arabia, and follows up on the implementation of corrective actions in coordination with executive management and other relevant assurance functions.

The Group's internal control system encompasses financial, operational, and compliance controls, and is designed to provide reasonable assurance regarding the achievement of its objectives, including the reliability of financial reporting, compliance with applicable laws and regulations, and the effectiveness and efficiency of operations.

The observations identified during the year were within the normal course of business and were addressed, or are being addressed, by management through appropriate corrective actions. The Audit Committee actively monitored the implementation of audit recommendations, including overdue observations, and ensured appropriate follow-up and escalation where necessary

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External Auditor Independence and Financial Reporting Oversight

The Audit Committee reviewed and confirmed the independence of the external auditor for the year 2025, including an assessment of any relationships or services that may impact their objectivity, in accordance with applicable regulatory requirements.

The Committee discussed with the external auditor and executive management the Company's financial performance and the integrity of its financial reporting, including the annual and quarterly financial statements and the related disclosures, prior to their submission to the Board of Directors.

The Audit Committee met with the external auditor, including sessions held without the presence of executive management, to discuss matters related to the audit process, key audit findings, and internal control considerations.

Audit Committee Meetings and Governance Compliance

During the year 2025, the Audit Committee held seven (7) meetings and carried out its duties and responsibilities in accordance with applicable laws and regulations, including the Companies Law, the Corporate Governance Regulations, the Company's Bylaws, and the Audit Committee Charter.

Conclusion

Based on the information made available to the Audit Committee, including the results of internal audit work and other assurance activities, and within the scope of the work performed, the Committee believes that the Group has an effective system of internal control in the high-risk areas which were audited during the year.

Mr. Khaled Mohammad

Mr. Sattam Abdulaziz AlZamil

Mr. Firas Wael Abwah

Barahmeh

Member

Member

Chairman

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AUDIT COMMITTEE RESOLUTION

RESOLUTION NO. 04/2026

DATE: 23-APRIL-2026

The Audit Committee initiated a competitive bidding process and received comprehensive proposals from three (3) reputable audit firms to act as external auditors for United Carton Industries Company (UCIC) and its subsidiaries (Group).

S.No.	Firm	Fee for Q2, Q3 & YE 2026, and Q1 2027 (SAR)
1	PricewaterhouseCoopers Public Accountants (PwC)	2,082,500
2	Ernst & Young Professional Services (EY)	1,900,000
3	KPMG Professional Services (KPMG)	1,700,000

The Committee conducted a rigorous technical and commercial evaluation of the submitted proposals. Following the evaluation, PricewaterhouseCoopers (PwC) has been identified as the preferred candidate to audit the Group.

Given the importance of retaining the external auditor for a reasonable period as allowed by CMA regulations, the Audit Committee negotiated a three-year fee arrangement with PwC. Under this arrangement, PwC has committed to cap any increase in their billing rates for the years 2027 and 2028 to the annual inflation rate published by the Government of the Kingdom of Saudi Arabia using December 2026 as a baseline.

Therefore, the Audit Committee hereby resolved to recommend to the Board of Directors and the General Assembly: **The appointment of one of the following options as the external auditors of the Group to audit and review the annual and interim financial statements during the three-year period commencing from the second quarter (Q2) of 2026 up to and including the first quarter (Q1) of 2029:**

- As a First Option:** PricewaterhouseCoopers Public Accountants (PwC)
- As a Second Option:** KPMG Professional Services (KPMG)

Signed by the Members of Audit Committee

Mr. Khaled Mohammad
Barahmeh
Chairman

Mr. Sattam Abdulaziz
AlZamil
Member

Mr. Firas Wael
Abwah
Member