



Audit Committee Report for the Fiscal Year 2025

Dear Esteemed Shareholders of National Company for Glass Industries "Zoujaj",

The audit firm assigned to perform the internal audit function is committed to verifying the effectiveness of the company's internal control system in addressing the various potential risks that the company may face. In addition, the Committee supervises the internal and external audit activities and their reports on a periodic basis and follows up on the actions taken by the company's management in response to internal audit observations, ensuring that such observations are corrected and addressed. This enhances the Audit Committee's confidence in the effectiveness of the internal control procedures in place. The Committee also communicates with the Board of Directors to provide it with any significant observations, if any, so that appropriate action can be taken.

The scope of the Committee's work includes the following:

- Reviewing the company's interim and annual financial statements before presenting them to the Board of Directors, expressing an opinion thereon, and providing recommendations to the Board.
- Examining matters submitted to the Committee by the company's departments or by the internal or external auditors.
- Reviewing the accounting policies adopted by the company, expressing an opinion thereon, and recommending them to the Board of Directors.
- Reviewing and approving the annual internal audit plan and overseeing its implementation.
- Examining any significant issues included in the financial reports.
- Reviewing internal audit reports concerning the company's departments.
- Evaluating the internal control system.
- Ensuring the independence of the external auditor and the results of their work.
- Reviewing and approving the annual external audit plan and overseeing its implementation.
- Recommendations with the Board of Directors for appointments within the internal audit function.
- Recommending the nomination of external auditors, determining their fees, and evaluating their performance.
- Reviewing the external auditor's observations on the financial statements, if any, and ensuring the company's compliance with relevant laws, regulations, and policies.
- Reporting to the Board of Directors any matters that require action and recommending the necessary measures.

Committee's Opinion on the Internal Control System:

The Committee has considered the effectiveness of internal control procedures, governance, and risk management within the company through the recommendations and observations provided by the audit firm assigned to perform the internal audit function, in addition to the observations of the company's external auditor. It is noted, however, that absolute assurance on the comprehensiveness of evaluation processes by internal or external auditors cannot be guaranteed, as such evaluations are conducted through random sampling aimed at providing reasonable assurance regarding the effectiveness of internal control procedures. Furthermore, there has been no conflict between the Audit Committee's recommendations and decisions and those of the Board of Directors.

Accordingly, in light of the Committee's activities during 2025, and based on the observations presented by the audit firm assigned to perform the internal audit function and the external auditor, and with reference to the absence of an internal audit department as well as the absence of a risk management and compliance function within the company, the committee believes that the financial statements for the year ended 31/12/2025 fairly present the company's financial position and have been thoroughly reviewed by the committee. However, the company's internal control system requires improvement, and follow-up is underway with the company's management to achieve this.

Audit Committee Members

Chairman of the Committee
Mohammed Ahmed Al-Sheikh

Member
Othman Riyadh Al-Humaidan

Member
Moqaed Abdullah Al-Khamis



Analysis of external auditor proposals submitted by audit firms for year 2026.

	The name of the Audit firm	Audit Fees	Preparing and Follow up Fees for zakat	Total
1	Baker Tilly MKM & Co. Certified Public Accountants	515,000	25,000	540,000
2	Alluhid & Alyahya Chartered Accountants	490,000	20,000	510,000
3	Al-Zouman, Al-Fahad, and Al-Hajjaj Professional service	560,000	20,000	580,000
4	Sultan Ahmed Al-Shubaily Company, Accountants and Legal Auditors	-	-	No response
5	Dr. Mohammed Al-Omari & Partners Certified Public Accountants	-	-	No response
6	Mr. Al-Ayouti & Partners Certified Public Accountants	-	-	No response
7	Crew Solutions Professional Consulting	-	-	No response
8	PricewaterhouseCoopers (PwC) – Certified Public Accountants	-	-	Apologize
9	Deloitte & Touche & Co. – Certified Public Accountants and Auditors	-	-	No response
10	KPMG – Professional Consulting	-	-	No response
11	Ernst & Young (EY) – Professional Services	-	-	Apologize
12	PKF Al-Bassam Company, Accountants and Legal Auditors	-	-	No response

Audit Committee's recommendation to select external auditor for 2026

After reviewing the above proposals, the Audit Committee recommends selecting one of the following candidates to carry out the audit and review of the accounts for the second and third quarters and the annual financial statements for the fiscal year 2026, as well as the first quarter of the fiscal year 2027, and to follow up on the Zakat filings:

1. Baker Tilly MKM & Co. Certified Public Accountants
2. Alluhid & Alyahya Chartered Accountants

Members of the audit committee

Mohammed Ahmed Al Sheikh
Chairman Audit Committee

Othman Riyadh Al-Humaidan
Member

Magad Abdullah Al khames
Member