

RAK
CERAMICS

CORPORATE GOVERNANCE REPORT 2025



His Highness Sheikh Mohammed Bin Zayed Al Nahyan
President of the United Arab Emirates (UAE)



His Highness Sheikh Mohammed Bin Rashid Al Maktoum
Vice president and Prime Minister of the United Arab Emirates (UAE) and Ruler of Dubai



His Highness Sheikh Saud Bin Saqr Bin Mohammed Al Qasimi
Supreme Council Member and Ruler of Ras Al Khaimah



His Highness Sheikh Mohammed Bin Saud Al Qasimi
Crown Prince of Ras Al Khaimah



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Governance Principles

1. The Statement of the procedures taken to complete the Corporate Governance system during the year 2025

R.A.K Ceramics PJSC ("RAK Ceramics" or the "Holding Company") considers sound corporate governance to be one of the pillars of running a responsible, profitable and sustainable business that creates value. An organizational commitment to corporate governance drives enhanced management accountability, creation of value for shareholders and protecting the interests of all stakeholders and the community.

RAK Ceramics has adopted a comprehensive set of corporate governance policies and procedures that draws upon global best practices and is in accordance with all relevant UAE legislation including Decision No. (2/R.M) of 2025, which concerns the amendments to Decision No. (3/R.M) of 2020 of the Joint Stock Companies Governance Guide ("The Decision") This assures that utmost vigil is exerted by the Board of Directors (the "Board"), executive management and employees of RAK Ceramics.

The Company periodically monitors the procedures that have been implemented for the governance framework, including:

a- Requirements for the composition of the Board of Directors.

b- Requirements for the composition of the Board Committees.

c- Internal Control System.

d- Insider Trading.

e- Update the Code of Conduct if necessary

f- Update the Governance Manual if necessary

g- Amending the Article of Association if necessary.

h- Issuing of the Corporate Governance Report.

i- Issuing of the ESG Report.

j- Issuing of the Integrated Report.

Governance Principles (contd.)

1. The Statement of the procedures taken to complete the Corporate Governance system during the year 2025 (CONTD.)

During 2025, the Company has applied the following procedures in regards with Corporate Governance System:

a) Meetings of the Board of Directors and its Committees:

During 2025, the Board held Four (4) Meetings, the Audit & Risk Committee held Four (4) Meetings, the Nomination & Remuneration Committee held one (1) meeting, Insider Trading Committee held Four (4) meeting and Disclosure Committee held Four (4) meetings.

b) Annual General Meeting: (AGM)

In accordance with Federal Law No. 32 of 2021 concerning the Commercial Companies and the decision, the Company held one AGM's of shareholders on 24th March 2025.

c) Disclosures and Transparency:

The Company is committed to regulations and legislation on disclosure. During 2025, the Company made disclosures on important events, Board of Directors' reports, Financial Statements (Quarterly & Yearly), Corporate Governance Report for 2025, Board of Directors' Meetings and its results, Sustainability Report 2025, Integrated Report 2025 and Annual General Meetings and its results.

d) Insiders Trading:

The Company periodically updates its insiders list, and informs the insiders of the start and end of the prohibition periods.
Thus, by exercising best corporate governance practices, the Company ensures that the interests of the stakeholders are protected along with Company meeting all its statutory and regulatory obligations.
This annual corporate governance report aims to ensure a transparent disclosure of the governance practices applied by the Company. These practices include monitoring of:

- The capital structure,
- Internal control processes and systems,
- Shareholders' rights,
- The charters of the Board of Directors and its committees,
- Related party transactions,
- Auditor's independence, rotation, and the periodic review of the principles of professional conduct.

Board Transactions

2. Statement of Ownership and transactions of the Board and their spouses, their children in the Company Securities during the year 2025.

a) Transaction Law:

The Company has adopted rules regarding dealing in the Company's securities by the members of the Board, their first degree relatives and the key management personnel. These rules are based on Articles (38) and (39) of the Federal Law No. (4) Of 2000 concerning Securities and Commodities Authority, and Article (14) of Resolution No. (2) of 2001 concerning the regulations as to trading, clearing, settlement, transfer of ownership and custody of securities, and Article (36) of Decision No (3) of 2000 concerning the regulation on transparency and disclosure and Article (33) of the Decision. The above mentioned rules were approved and endorsed by the Board. The rules specifically require directors and key management personnel not to engage, without prior approval of the Board, in any trade of the Company's shares held by them for less than three years.

b) Transactions in Securities:

The following information shows the dealings of the members of the Board, their first degree relatives and key management persons, in the Company securities during the year 2025:

			Number of Shares		
Sr.	Name	Position/Relative Degree	Owned Shares as on 31 Dec 2025	Total Sale Transaction	Total Buy Transaction
1	Sheikh Saqr Bin Saud Al Qasimi	Chairman	-	-	-
2	Fawaz Bin Sulaiman A Al Rajhi	Vice Chairman	-	-	-
3	Sheikh Khalid Bin Saud Al Qasimi	Board Member	-	-	-
4	Shaikh Saqr Bin Omer Al Qasimi	Board Member	-	-	-
5	Wassim Zuhair Moukahhal	Board Member	-	-	-
6	Farah Abdulla Mohamed Al Mazrui	Board Member	-	-	-
7	Abdulla Rashed Jasem Al Abdouli	Board Member	-	-	-
8	Abdallah Massaad	Group Chief Executive Officer	3,300,000	-	-

* The above table is related to any transactions executed in their personal capacity

Board of Directors

3. THE BOARD OF DIRECTORS (THE "BOARD")

The Board is responsible to the Company's shareholders for creating and delivering sustainable value through prudent management of its business and associated risks. In particular, the Board is responsible for strategic direction, supervision of management and adequate controls to drive the success and long term value creation. The Board plays a central role in the corporate governance framework by ensuring that the Company complies with obligations arising from its legal and regulatory requirements; its memorandum and articles of association and duties towards the shareholders.

a) Composition of the Board of Directors

The current Board consists of seven members:

- The Chairman (Non-Executive, Independent),
- The Vice Chairman (Non-Executive, Non-Independent),
- Two (2) Non-Executive, Non-Independent Directors, and
- Three (3) Non- Executive Director, Independent Directors.

The majority of the Directors meet the requirement of being non-executive and independent. Therefore, the Board composition satisfies the requirements of points (3) and (5) of article 9/5 of The Decision. The Members were elected at the AGM held on 26 March 2024 for a period of 3 years. The term of the Board members will expire on 25 March 2027.

Board of Directors (contd.)

3. THE BOARD OF DIRECTORS (THE "BOARD") (CONTD.)

The following Table describes the composition of the Board of Directors as on 31 December 2025:

Sr.	Name	Category	Experience & Qualification	Period as Board Member	Other Current Positions in any PJSC's	Positions at any Government Department.
1	Sheikh Saqr Bin Saud Bin Saqr Al Qasimi	Chairman (Non Executive – Independent)	Bachelor of Science Degree in Banking and International Finance from CASS Business School, City University of London.	August 2021: 4 years and 5 Months	-	Positions on Boards of Al Marjan Islands, UAE; and the Vice Chairman of the Investment & Development Office, Government of RAK, UAE
2	Mr. Fawaz Bin Sulaiman A Al Rajhi	Vice Chairman (Non-Executive, Non-Independent)	• Master in Business Administration from Stanford University-USA. • Bachelors in MIS and Accounting from KFUPM- KSA.	April 2015; 10 Years & 9 months	N/A	N/A
3	Sheikh Khalid Bin Saud Bin Saqr Al Qasimi	Member (Non-Executive, Non-Independent)	• Extensive experience in Finance and Investment Management. • Holding Business Management Degree from New York University, Abu Dhabi.	July 2015; 10 years & 6 months	N/A	Chairman of Al Marjan Islands, UAE and the Vice Chairman of the Investment & Development Office and Government of RAK, UAE
4	Sheikh Saqr Bin Omar Bin Saqr Al Qasimi	Member (Non-Executive, Independent)	• Bachelor's Degree in Law from the University of Sharjah, • Master's in International Law, Public Relations and Diplomacy from the Paris-Sorbonne University Abu Dhabi, • Master's Degree in Business Administration from the American University of Sharjah.	March 2021: 4 years & 9 Months	-	-
5	Mr. Wassim Zuhair Moukahhal	Member (Non-Executive, Non-Independent)	• MBA from the Wharton School, University of Pennsylvania and, • Bachelor in Economics & Finance from McGill University	February 2016; 9 Years & 11 Months	N/A	N/A
6	Mrs. Farah Abdulla Mohamed Al Mazrui	Member (Non-Executive, Independent)	• BSc Hons - Economics from Queen Mary, University of London and • MSc - Risk Management and Financial Engineering from Tanaka Business School, Imperial College, London.	June 2021: 4 years & 7 Months	Board Member of Emirates Steel Arkan PJSC, Board Member of UAQ Bank and Board Member of Etihad Airline Group	N/A
7	Mr. Abdulla Rashed Jasem Alabdouli	Member (Non-Executive, Independent)	• Masters in Regional & Urban Planning from Paris Sorbonne University in Abu Dhabi and; • Certificate in Real Estate Investment Strategies from Harvard University.	November 2022: 3 Year & 2 Months	Board Member of RAK Properties PSC	N/A

Board of Directors (contd.)

3. THE BOARD OF DIRECTORS (THE "BOARD") (CONTD.)

For their Experience, please refer to their profiles mentioned below.

Members of the Board have the requisite expertise and management skills to perform their duties in furthering the best interest of the Company. Members of the Board are selected through cumulative voting process as per the guidelines issued by the SCA.

Profile of the members of the Board:

SHEIKH SAQR BIN SAUD BIN SAQR AL QASIMI

Chairman

Non-executive, Independent.

Board Member and Chairman since August 2021, reappointed in 26 March 2024 AGM for a three year term till 25 March 2027. Sheikh Saqr brings financial expertise to the Board of RAK Ceramics, having worked in multiple relevant roles both in the public and private domains. Sheikh Saqr is part of the investment team at the Investment and Development Office, the sovereign investment arm of the Government of Ras Al Khaimah overseeing a portfolio of strategic assets. Sheikh Saqr holds a Bachelor of Science degree in Banking and International Finance from CASS Business School, City University of London.

FAWAZ BIN SULIAMAN A ALRAJHI

Vice Chairman

Non-executive, Non-independent.

Board member since April 2015, reappointed in 26 March 2024 AGM for a three year term till 25 March 2027. Mr. Fawaz is the Chairman of the Board, CEO and Head of Investment Committee of Al Rajhi United, a family-owned investment company with offices in Riyadh, Jeddah, New York and Dubai, focusing on public equity, private equity and real estate and he is also the Chairman of RAK Porcelain LLC. Mr. Fawaz holds Master in Business Administration from Stanford University, USA and Bachelors in MIS and Accounting from KFUPM, KSA.

SHEIKH KHALID BIN SAUD BIN SAQR AL QASIMI – RAS AL KHAIMAH GOVERNMENT REPRESENTATIVE

Board Member

Non-executive, Non-independent.

Board Member since July 2015, reappointed in 26 March 2024 AGM for a term of three years till 25 March 2027. Sheikh Khalid holds business management qualification from New York University, Abu Dhabi Campus. Sheikh Khalid Bin Saud Al Qasimi is also Chairman of Al Marjan Island, Ras Al Khaimah and Vice Chairman of the Investment and Development Office, Government of Ras Al Khaimah. Sheikh Khalid Bin Saud Al Qasimi has extensive experience in finance and investment management.

SHEIKH SAQR BIN OMAR AL QASIMI

Board Member

Non-executive, Independent.

Board Member since March 2021, reappointed in 26 March 2024 AGM for a term of three years till 25 March 2027. He Holds a Bachelor's degree in Law from the University of Sharjah, Master's in International Law, Public Relations and Diplomacy from the Paris-Sorbonne University Abu Dhabi, as well as a Master's degree in Business Administration from the American University of Sharjah. Currently, he is the General Manager of RAK Real Estate and a Board Member of RAK Porcelain LLC.

WASSIM ZUHAIR MOUKAHHAL

Board Member

Non-executive, Non-independent.

Board member since February 2016. Re-appointed in 26 March 2024 AGM for a three year term till 25 March 2927. Mr Moukahhal has more than 20 years of experience in private equity investments and is currently serving as Board Member of RAK Porcelain, and RAK Ceramics Bangladesh. He is the head of alternative investment in Artal Capital, a leading asset manager based in Reyad-KSA. Mr Moukahhal holds a MBA from the Wharton School at the University of Pennsylvania and a Bachelor's degree in Economics & Finance from McGill University.

Board of Directors (contd.)

3. THE BOARD OF DIRECTORS (THE "BOARD") (CONTD.)

FARAH ABDULLA MOHAMED AL MAZRUI

Board Member

Non-executive, Independent.

Board Member since June 2021. Rreappointed in 26 March 2025 AGM for a term of three years till 25 March 2027. Mrs. Farah Al Mazrui has more than 16 years of experience in financial advisory, strategy, investment as well as wealth management solutions to large Corporates, Families, Individuals and Governments. She holds BSc Hons -Economics from Queen Mary, University of London and MSc -Risk Management and Financial Engineering from Tanaka Business School, Imperial College, London. She was Associate Director – Global Advisory in Rothschild & Co., a Leading independent financial advisory group providing M&A, strategy, and financing advice, as well as investment and wealth management solutions to large Corporates, Families, Individuals, and Governments globally. She also serves as Board Member of Emirates Steel Arkan PJSC; Board Member of UAQ Bank; and Board Member of Etihad Airline Group.

ABDALLAH RASHED JASEM ALABDOULI

Board Member

Non-executive, Independent.

Board Member since November 2022, reappointed in 26 March 2024 AGM for a term of three years till 25 March 2027. Mr. Al Abdouli is the Chief Executive Officer of Marjan, a leading developer for freehold land in Ras Al Khaimah and a Board Member in RAK Properties PJSC. Prior to this position, he had served as Director of Town Planning and Survey Administration and Director of Project Management Office at RAK Municipality. He also had previously held Board Member positions for several RAK-based governmental entities including RAK International Airport Authority and RAK Sewerage Authority. Mr. Al Abdouli holds a Masters in Regional & Urban Planning from Paris Sorbonne University in Abu Dhabi and certificate in Real Estate Investment Strategies from Harvard University.

b) Female representation in Board in 2025:

Mrs. Farah Al Mazrui was appointed as a member of the Board of Directors at the meeting of the Board of Directors held on June 24, 2021, and reappointed in 26 March 2024 AGM. Thus, the Board fulfils the requirements of Article (9) paragraph (3) of The Decision

c) Remuneration of the members of the Board:

Remuneration for members of the Board is proposed by the Nomination & Remuneration Committee and approved by the shareholders of the Company in General Assembly Meeting. Their remuneration is governed by the requirements of Article (29) of Resolution No. 3 of 2020 of SCA concerning Corporate Governance Rules and Corporate Discipline Standards, and Article (171) of Federal Law No. 32 of 2021 concerning the Commercial Companies.

- Board remuneration for the year 2024 was AED 3,700,000.
- The proposed Board remuneration for the year 2025 is AED 3,700,000 which will be presented before the Assembly General Meeting which will be held on 17 March 2026 for their approval.
- No attendance fees are paid to the members of the committees of the Board.
-

d) Meetings of the Board of Directors:

Meetings of the Board of Directors are held regularly, or when requested by the Chairman, or when demanded by at least two third of members of the Board. Notice of a meeting is communicated to all Directors at least one week prior to the meeting. In this regard, any member can add a subject to the meeting agenda. The Company's Articles of Association also provide detailed information on the attendance, quorum, voting and meeting requirements.

In 2024, the Board held Five (4) meetings as follows:

Date	Attendees	Number of Attendance by proxy	Names of absent members
12 February 2025	7 Members	N/A	N/A
14 May 2025	6 Members	N/A	Mr. Fawaz Suliman Al Rajhi
12 August 2025	6 Members	N/A	Sheikh Saqr Bin Omar Al Qasimi
12 November 2025	7 Members	N/A	N/A

Board of Directors (contd.)

3. THE BOARD OF DIRECTORS (THE "BOARD") (CONTD.)

The attendance of members of the Board at these meetings and the General Assembly Meetings is as follows:

Attendance	12 February 2025	14 May 2025	12 August 2025	12 November 2025	AGM- 24 March 2025
Sh. Saqr Bin Saud Bin Saqr Al Qassimi	P	P	P	P	P
Sh. Khalid Bin Saud Bin Saqr Al Qasimi	P	P	P	P	P
Fawaz Bin Suliman Al Rajhi	P	A	P	P	P
Sh Saqr Bin Omar Bin Saqr Al Qasim	P	P	A	P	P
Wassim Zuhair Moukahhal	P	P	P	P	P
Farah Abdulla Mohamed Al Mazrui	P	P	P	P	P
Abdulla Rashid Jasem Al Abdouli	P	P	P	P	P

**: All Board Meetings / AGM had been participated in person or through conference call.*

P: Present *A: Absent with permission*

e) Number of the Circular Board resolutions passed during the year 2025:

N/A

f) Delegation to Executive Management:

In accordance with the corporate governance code issued by the SCA, the Board has adopted a clear policy on segregation of duties between the responsibility of the Chairman of the Board and the responsibility of the Chief Executive Officer (CEO) of the Company, whereby the Board assumes overall supervision for the strategic growth of the Company and provides direction through the approval of strategic initiatives, policies and objectives, while the day to day affairs of the Company are carried out by the executive management led by the CEO of the Company.

The CEO is appointed by the Board of Directors. The primary role of the CEO is to define and execute the business vision, mission, and strategy and manage the organization. He is responsible for the overall operations, profitability, and achievement of objectives set by the Board.

In line with this policy, the day-to-day operations of the Company are managed by Mr. Abdallah Massaad, CEO of the Company since June 2012. At the time of his appointment, the Board of Directors set the Delegation of Authority to the CEO and further updated it in May 2025. The following tables shows the delegations performed by the Executive Management pursuant to an authorization by the BOD:

Sr	Name of the authorised person	Delegation authority	Duration of Delegation
1	CEO	Financial	Valid till 2027
2	CEO	Operational	Valid till 2027
3	CEO	Capital Investment	Valid till 2027
4	CEO	Legal and Regulation	Valid till 2027
5	CEO	Administrative	Valid till 2027
6	CEO	General Powers	Valid till 2027

The Delegation is effective till the term of the present Board of Directors or is revoked by the Board.

The CEO is assisted in his duties by an experienced and qualified executive management team. Executive management of the Company is committed to strengthening governance framework in the organization by strict adherence to Company's policies and procedures.

Board of Directors (contd.)

3. THE BOARD OF DIRECTORS (THE "BOARD") (CONTD.)

g) Dealing with the Related Parties:

The details of transactions that occurred with related parties, which include some members of the Board of Directors, major shareholders, and executive management, during the years 2025 are as follows: Related Parties: The Chairman and member's of the Board of Directors of the company, Members of the executive management of the company and its employees, companies in which any of the above-mentioned individuals hold at least 30% of the capital, subsidiaries, sister companies, or affiliated companies and companies where the Chairman, members of the Board of Directors, or senior executive management of the company serve as Board members or senior executives.

The Company has entered into transactions with companies and entities that fall within the definition of a related party under the Corporate Governance Code or the International Accounting Standards 24: Related Party Disclosures. The nature of such transactions relate to the Company's normal course of business. However, the following transactions are considered outside the normal course of business with related parties and are less than 5% of the Company's capital for the year 2025.

Sr	Related Parties	The Nature of relation	Type of transaction	Value of transaction (AED)
1	Naranjee Hirjee Hotel Supplies, Oman	Affiliate Company	Royalty Income	371,862

h) Board Assessment:

I. Board Self-Assessment

As part of our ongoing commitment to exemplary governance and continuous improvement, the Board of Directors recently conducted a comprehensive self-assessment survey. This structured assessment, completed anonymously by all sitting directors individually, was designed to candidly assess our performance across key dimensions, including strategic oversight, fiduciary responsibility, board dynamics, and committee effectiveness. The process yielded a high response rate, reflecting the board's deep engagement. The aggregated results provide valuable, data-driven insights, highlighting several areas of consistent strength as well as opportunities for targeted development. This reflective exercise is a cornerstone of our governance calendar, ensuring the Board remain effective stewards of the organization's mission and strategic objectives.

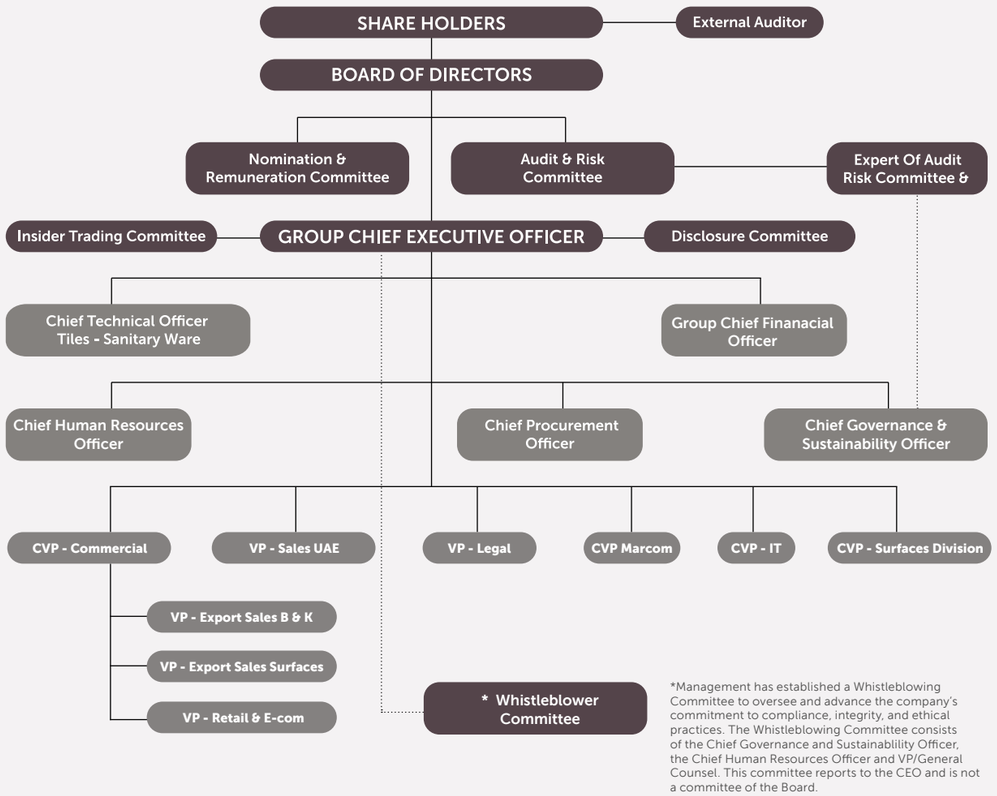
II. Assessment by independent third part:

It is the Board's intention to have the Self-Assessment for the fiscal year 2026 to be conducted through independent third-party evaluator, consistent with the Governance Rules and Regulation No. (2/R.M) of 2025, which concerns the amendments to Decision No. (3/R.M) of 2020 of the Joint Stock Companies Governance Guide.

Board of Directors (contd.)

3. THE BOARD OF DIRECTORS (THE "BOARD") (CONTD.)

h) Organisation Structure:



*Management has established a Whistleblowing Committee to oversee and advance the company's commitment to compliance, integrity, and ethical practices. The Whistleblowing Committee consists of the Chief Governance and Sustainablility Officer, the Chief Human Resources Officer and VP/General Counsel. This committee reports to the CEO and is not a committee of the Board.

j) Names, positions, date of appointment and remuneration of Senior Executive Management as on 31 Dec 2025 in AED thousands:

Sr	Position	Appointed Date	Total Salaries including Allowances for the year 2025	Total Bonus paid for 2025	Any Cash Incentives / In-kind in 2025 Or will be due in Future.
1	Group CEO	02 June 2004	3,188,800	*	*
2	Group CFO	17 July 2012	1,225,200	*	*
3	CTO – Tiles	24 July 2016	854,194	*	*
4	CTO – SW	14 Mar 2022 Released on 17 Dec 2025	753,067	*	*

**The key management personnel are also paid company performance & profitability based incentive.*

External Auditor

4. EXTERNAL AUDITOR

According to the Commercial Companies Law No.31 of 2021, and corporate governance code, the AGM appoints an independent external auditor for the fiscal year based on recommendations made by the Board. The AGM also approves the remuneration of the external auditors. The AGM held on 24 March 2025 appointed KPMG Lower Gulf Limited as external auditors of the Company for the year ending on 31 December 2025. The external auditors are invited to the Audit & Risk Committee meetings and they also attend the AGM to present their report and answer shareholders' questions.

The external auditors conduct quarterly reviews of consolidated financial information and the annual audit of the consolidated financial statements in accordance with relevant international standards. The external auditors present their report to the Audit & Risk Committee of the Board and the AGM in compliance with the Laws of the United Arab Emirates.

In 2014, the Company instituted a non-audit services policy in relation to work that may be performed by the independent auditor to provide additional assurance that their independence is not impaired in accordance with the guidance provided of the Decision.

a) Overview of the External Auditor:

For over 50 years, KPMG Lower Gulf Limited has been providing audit, tax and advisory services to a broad range of domestic and international, public and private sector clients. KPMG delivers growth with purpose, helping clients achieve their goals, building trust through actions and behaviors, and delivering to the highest standards for all stakeholders. KPMG firms operate in 143 countries and territories, serving the diverse needs of business, governments, public-sector agencies, not-for-profits organization and the capital markets. KPMG Lower Gulf is well connected with its global member network and combines its local knowledge with international expertise, providing the sector and specialist skills required by its clients. KPMG is widely represented in the Middle East and along with offices in the UAE and Oman, the firm operates in Saudi Arabia, Bahrain, Kuwait, Qatar, Egypt, Jordan, Lebanon, and Iraq.

b) External Auditors' Remuneration:

Audit Office Name & Partner Name	KPMG Lower Gulf Limited/ Mr. Sidharth Mehta
Number of Years spent as an external auditor of the company	1 Year
Number of Years the partner spent in auditing the Company	1 Year
Total fees for auditing the Interim and Yearly financial statements for the year 2025	AED 1,050,000 (Exclusive of VAT)
Total fees for other services other than auditing the financial statement for the year 2025.	AED Nil
Nature of other provided services.	N/A
Description of the other Services provided by Other external Auditor rather than the Company Auditor for the year 2025	BDO International abu Dhabi and the KSA for refund of customs duty.

c) A statement of the qualified opinions made by the external auditor in the interim and annual financial statement for 2025:

No qualified opinion on the interim or yearly financial statement

Board Committees

The Board is assisted by two permanent committees of the Board: Audit & Risk Committee (ARC) and Nomination & Remuneration Committee (NRC). In addition, there are two internal committees assisting the Board: Insider Trading Committee and Disclosure Committee.

Audit & Risk Commitee

5. AUDIT & RISK COMMITTEE (ARC):

a) Acknowledgement:

Mrs. Farah Abdulla Mohamed Al Mazrui, Audit & Risk Committee Chairperson acknowledges her responsibility for the Activities of the Committee in the Company, review of its work mechanism and ensuring its effectiveness.

b) Audit & Risk Committee Tasks:

The Committee shall perform the following tasks and duties:

- Review the company financial and accounting policies and procedures.
- Monitor and review the integrity of the Company financial statements and reports (annual, semi-annual and quarterly) and its control regulation as part of its normal operation during the year. It shall concentrate in particular on the following: a. Any changes in accounting policies and practices. b. Highlighting of the aspects subject to the management discretion. c. Ensure that the Company annually updates its policies, procedures and control systems. d. Substantive amendments resulting from the audit. e. Assumption of business continuity. f. Compliance with the accounting standards established by the Authority. g. Compliance with listing and disclosure rules and other legal requirements related to financial reporting.
- Coordinate with the Company Board, senior executive administration, the financial manager or the manager delegated with the same duties in the Company, in order to perform its duties.
- Consider any significant and unusual terms contained or to be contained in such reports and accounts, and shall give due consideration to any matters raised by the Company Chief Financial Officer, the manger delegated with the same duties, the compliance officer or the auditor.
- Raise recommendations to the Board regarding the selection, resignation or dismissal of the auditor. In case the Board does not approve the ARC recommendations in this regard, the Board shall attach to the governance report a statement explaining the ARC recommendations and the reasons why the Board has not followed them.
- Develop and implement the policy of contracting with the auditor, and submit a report to the Board, outlining the issues that it deems necessary to be taken, along with providing recommendations for steps to be taken.
- Ensure that the auditor meets the conditions stated in the applicable laws, regulations and decisions and in the company articles of association, along with following up and monitoring its independence.
- Meet the auditor of the company without presence of any of the senior executive management personnel or its representatives, and discuss the same with regard to the nature and scope of the audit process and its effectiveness in accordance with the audited standards.
- Approve any additional works made by an external auditor for the company and the fees received in consideration for that works.
- Examine all matters related to the auditor work, his work plan, correspondence with the company, his observations, suggestions and reservations, and any substantial queries raised by the auditor to the senior executive management regarding the accounting records, financial accounts or control systems, in addition to following up the response of the company management and provision of the necessary facilities to do his work.
- Ensure that the Board responds in a timely manner to the clarifications and substantive issues raised in the auditor letter.
- Review and evaluate the company internal auditing and risk management systems.
- Discuss the internal auditing system with the Board, and make sure it performs its duty with regard to establishing an effective internal control system.

Audit & Risk Commitee (contd.)

5. AUDIT & RISK COMMITTEE (CONTD.)

- Consider the results of the main investigations regarding the internal auditing matters assigned to it by the Board or at the initiative of the Committee and the approval of the Board.
- Review the auditor evaluation of the internal control procedures and ensure that there is coordination between the internal and external auditors.
- Ensure of the availability of necessary resources for the internal auditing department, review and monitor the effectiveness of such department.
- Examine internal auditing reports and follow up implementation of corrective actions of the observations contained therein.
- Establish controls that enable the Company employees to report confidentially on any potential violations in the financial reports, internal auditing or other matters, and the steps to ensure making an independent and fair investigation of such violations.
- Monitor the company compliance with the rules of professional conduct.
- Review related party transactions with the Company, ensure that there are no conflicts of interest and raise recommendations about them to the Board before concluding them.
- Ensure the application of the business rules of its functions and the powers entrusted to it by the Board.
- Develop a comprehensive risk management strategy and policies that are consistent with the nature and volume of the Company activities, monitor its implementation, review and update it, based on the company internal and external changing factors.
- Identify and maintain an acceptable level of risks that the Company may face, and ensure that the Company does not exceed such level.
- Supervise the risk management framework of the company and evaluate the effectiveness of the framework and mechanisms of identifying and monitoring the risks that threaten the company, in order to identify areas of inadequacy and adequacy.
- Provide guidance to management, as needed, to assist them in improving their risk management practices and / or mitigating certain risks, including the presence of qualified management personnel to carry out risk management activities effectively.
- Obtain assurance from the executive management and internal audit that the risk processes and systems operate effectively with appropriate controls, in addition to compliance with approved policies.
- Prepare detailed reports on the level of exposure to risks and recommended procedures for managing such risks, along with submitting them to the Board.
- Make recommendations to the Board on matters relating to risk management.
- Ensure of the availability of adequate resources and systems for risk management.
- Report regularly to the Board on the Company risk profile and promptly inform the Board of any significant changes in the volume of the risk.
- Verify that the risk management personnel are apart from the activities that may expose the Company to risks.
- Submit reports and recommendations to the Board on the above matters mentioned.
- Appointment and removal of Chief Audit, Risk & Compliance Officer and determining his responsibilities and compensation.
- Consider any other matters determined by the Board.

Audit & Risk Commitee (contd.)

5. AUDIT & RISK COMMITTEE (CONTD.)

c) Audit & Risk Committee (ARC) Report:

I. Introduction

Role of the Audit & Risk Committee:

The Audit & Risk Committee (ARC) of RAK Ceramics PJSC is responsible for overseeing financial reporting, internal controls, risk management, and audit processes. This report summarizes the committee's activities for the year ended 31st December 2025.

Membership and Meetings:

The following Directors of the Company were members of the ARC throughout 2025:

- Mrs. Farah Abdulla Mohamed Al Mazrui , Chairperson
- Sheikh Saqr Bin Omer Al Qasimi, Member
- Mr. Abdulla Rashid Jasem Al Abdouli

Further, to strengthen Corporate Governance, Internal Controls, and ensure adherence to best practices, RAK Ceramics' Board has engaged an Audit & Risk Committee Expert to provide advice and assistance to the Committee. Mr. Philip Gore-Randall, a senior Chartered Accountant from UK having many years of extensive experience at senior level in large multinational organizations, is the designated Audit & Risk Committee Expert.

The Committee is required to meet once every quarter. The Committee held 4 meetings during the year 2025, as detailed below:

Meeting Date	Farah Abdulla Mohamed Al Mzrui	Sh. Saqr Bin Omar Bin Saqr Al Qasimi	Abdulla Rashid Jasem Al Abdouli
12 February 2025	P*	P	P
14 May 2025	P*	P*	P*
12 August 2025	P*	P*	P*
12 November 2025	P*	P*	P*

P: Participated through Conference call*

The Committee presented to the subsequent board meeting the key matters they covered at their meeting.

All the meetings were held with the required quorum. Management representatives (including the CEO and CFO), the ARC Expert, General Counsel, Internal Audit leadership, and the Company's external auditor were in attendance for the relevant agenda items.

Audit & Risk Commitee (contd.)

5. AUDIT & RISK COMMITTEE (CONTD.)

c) Audit & Risk Committee (ARC) Report: (CONTD.)

II. Financial Reporting Oversight

The ARC reviewed the Company's quarterly and year-end financial statements, including significant accounting policies, key estimates, and management judgments. Particular attention was given to:

- Revenue recognition policies
- Asset impairments and provisions
- Key audit matters
- Compliance with IFRS and regulatory requirements

III. External Audit

Auditor Appointment and Independence:

Due to mandatory rotation regulations, a thorough exercise to appoint a successor firm to Deloitte & Touche (ME) was undertaken in the second half of 2024 and the ARC's recommendation of KPMG Lower Gulf Limited was endorsed by the Board and subsequently approved by the shareholders at the Annual General Meeting held on 24 March 2025.

This was the first full year of external audit by KPMG, and the firm has settled down well in the engagement.

Any non-audit services from the external auditors are approved by the ARC within the framework of the RAK Ceramics non-audit services policy for preserving auditor independence. Further, the ARC reviews all non-audit services annually to confirm that auditor independence has not been impaired. No non-audit services were provided by KPMG Lower Gulf Limited in 2025.

Audit Findings:

The committee met with the external auditors ahead of the release of each quarterly, and annual, financial results to discuss the results and key matters observed by them.

Key areas of focus included:

- Valuation of investment property: Al Jazeera waterfront land – key audit matter
- Revenue recognition protocols
- Valuation of goodwill
- Management override of controls
- Valuation of inventories and receivables
- UAE Corporate Tax and DMTT

The committee reviewed the controls in place, audit procedures undertaken and the auditor's conclusions.

Audit & Risk Commitee (contd.)

5. AUDIT & RISK COMMITTEE (CONTD.)

c) Audit & Risk Committee (ARC) Report: (CONTD.)

IV. Internal Audit and Internal Controls

Internal Audit Activities:

Internal Audit at RAK Ceramics follows a risk-based audit methodology with a 4-year audit planning horizon (2023-2026) that covers its entire audit universe. The annual audit plan is developed based on management discussions, past year's internal audit engagements, operating environment, and internal audit's risk assessment. The plan is presented to, and approved by, the ARC annually.

The 2025 approved audit plan was executed by teams located in the UAE, India and Bangladesh. Increasing use was made of automated audit procedures, in many cases providing 100% coverage of selected transaction types. Significant issues and management's proposed corrective actions were presented at each meeting.

The Committee reviews the effectiveness of Internal Audit on a regular basis.

Internal Controls:

The committee reviewed the effectiveness of internal controls and risk management frameworks. No material weaknesses were identified.

Follow up on previous recommendations:

The implementation status of the recommendations arising from audit reviews are meticulously followed and reported to the ARC. The ARC also gives instructions to management in areas it feels require more emphasis.

V. Risk Management

RAK Ceramics has a comprehensive Enterprise Risk Management (ERM) in place. The risk register and mitigation status are regularly reported to the ARC, who in turn share these with the Board. The risk register underwent its first biennial review and an updated risk register was presented and approved by the ARC and Board in November 2025. The committee focused on:

Macro risks

- Business model risks
- Group Priority risks
- Group Supplementary risks
- Financial and liquidity risks
- IT & cyber-security risks
- Regulatory compliance risks

Mitigation strategies and management responses were evaluated to ensure resilience.

Audit & Risk Commitee (contd.)

5. AUDIT & RISK COMMITTEE (CONTD.)

c) Audit & Risk Committee (ARC) Report: (CONTD.)

VI. Regulatory and Compliance Matters

The committee assessed the Company's compliance externally with all applicable regulations and statutes paying particular attention to the UAE Corporate Governance Code and, internally, with Company policies and regulations. No significant breaches or violations were noted or reported.

VII. Whistleblowing, Fraud Prevention and Conflicts of Interest

RAK Ceramics has a whistleblowing policy governing the reporting and processing of whistleblowing incidents. Fraud matters, if any, are investigated by Internal Audit / Legal. The ARC is given a quarterly update on whistleblowing and fraud matters, if any. The ARC reviews the details of reported matters, mitigating and disciplinary actions if any, and strengthening of controls where required. Further, an annual fraud risk assessment is carried out by the Internal Audit and the findings are reported to the ARC. During 2025, there were a few minor whistleblowing and small fraud incidents – these were reviewed and reported to the ARC with details of disciplinary actions / corrective measures. None had any impact on the financial reporting or represented any significant control lapse.

The Company has clear policies related to potential conflicts of interest. Internal Audit conducts an annual Group wide assessment through an employee self-reporting questionnaire with all senior and mid-level personnel participating. No significant issues came to light in the 2025 review.

VIII. Committee Effectiveness and Future Focus

The ARC performs an annual review of its charter, and its effectiveness as a key committee of the Board. Further, annual reviews of the Internal Audit and Finance functions focusing on their effectiveness, strengths, and future needs, are also carried out. The ARC also holds independent executive sessions with the external auditors, internal auditors, and senior management to foster and facilitate candid and independent exchange of views as required.

Looking ahead in 2026, the ARC will focus on RAK Ceramics preparedness for ICFR public reporting and progressive implementation of IFRS 18.

Nomination and Remuneration Committee

6. NOMINATION AND REMUNERATION COMMITTEE (NRC)

a) Acknowledgment:

Mr. Fawaz Suliaman Al Rajhi, Nomination & Remuneration Committee Chairman acknowledges his responsibility for the activities of the committee in the Company, review of its work mechanism and ensuring its effectiveness.

b) Names of the Nomination and Remuneration Committee Members as on 31 December 2024 and their task:

- Fawaz Suliaman Al Rajhi (Chairman),
- Sh. Saqr Bin Omar Bin Saqr Al Qasimi (Member), and
- Abdulla Rashid Jasem Al Abdouli (Member)

c) Nomination and Remuneration Committee (NRC) Tasks:

The Nomination and Remuneration Committee's primary functions are to:-

- Develop a policy to apply for membership of the Board and Executive administration, taking into account gender diversity within the formation and encouraging women through incentive and training programs and benefits.
- Organize and follow up the procedures for applying for membership of the Board in accordance with the applicable laws and regulations and the provisions of this resolution.
- nsure the independence of independent members on an ongoing basis.
- Ensure availability of continuity of the membership conditions in the Board members annually.
- Prepare and review the policy on granting rewards, benefits, incentives and salaries to the Board members and the staff therein, on an annual basis.
- Ensure linking the remunerations and bonuses, including the other deferred options and remunerations and benefits offered to senior executive management in the performance of the company in the medium and long term
- Annually review the required needs of the suitable skills for Board membership and prepare a description of the abilities and qualifications required for Board membership, including determining the time that the member should set for the Board work.
- Review the structure of the Board and make recommendations regarding possible changes.
- Identify the company needs of competencies at the level of senior executive management and staff and the basis of selecting them.
- Prepare the policy related to human resources and training in the company and monitor its implementation, along with reviewing it annually.
- Any other matters determined by the Board

d) Nomination and Remuneration Committee Meeting

The Committee is required to meet once annually. The Committee held one (1) meeting during 2024, as detailed below:

Meeting Date	Fawaz Sulaiman Al Rajhi	Sh. Saqr Bin Omar Bin Saqr Al Qasimi	Abdulla Rashid Jasem Al Abdouli
11 February 2025	P	P	P

Insider Trading Committee

7. INSIDER TRADING COMMITTEE:

a) Acknowledgment:

Mr. Vibhuti Bhushan, Insider Trading Committee Chairman acknowledges his responsibility for the activities of the committee in the Company, review of its work mechanism and ensuring its effectiveness.

b) Names of the Insider Trading Committee Members and their Tasks::

- Vibhuti Bhushan, Group Chief Governance and Sustainability Officer (Chairman)
- Pramod Kumar Chand, Group Chief Financial Officer (Member)
- Bhoutik Vyas, Dy. General Manager – Business Development (Member)*
- Sari Kanaan, VP & General Counsel (Member)*

** On 10 February 2025, Mr. Bhoutik Vyas resigned from Insider Trading Committee, and was replaced by Mr. Sari Kanaan.*

c) Insider Trading Committee Tasks:

The Insider Trading Committee's primary functions are:-

- Prepare a special and complete register for all Insiders
- Supervision of insiders' trading and their ownership.
- Conservation of official acknowledgment from the Company Insiders about the company internal information.
- Inform all the insiders about the regulations and legal responsibility through signing the official acknowledgement.
- Inform the insiders about the prohibited period.
- Notify SCA and the market of an update list of insiders.
- Submit a copy of the insiders register to the authority upon request.
- Comply with any other requirements specified by the authority.

d) Insider Trading Committee meetings:

The committee is required to meet once annually. The Committee held four (4) meeting during 2025, as detailed below:

Meeting Date	Vibhuti Bhushan	Pramod Kumar Chand	Sari Kanaan
10 February 2025	P	P	P
12 May 2025	P	P	P
08 August 2025	P	P	P
10 November 2025	P	P	P

P: Participate

e) Summary of Committee Activities in 2025:

- The Members reviewed the registered insider list, and recommended to update the list for any addition or deletion of any employees or authorized person have access to any financial and materials matters.
- The Committee informed the insiders through official means of any materiality matters immediately upon their occurrence or at their knowledge, and on the dates of the prohibition period.
- The Committee reviewed the monthly and periodically trading on the Company share, in order to ensure that the Insider are not trading on Company share during the prohibition period, or during the period of the materiality events.
- Submit a copy of the insiders register to the authority upon request.
- Update the Insider details on ADX website – RAK Ceramics PJSC portal.

Disclosure Committee

8. DISCLOSURE COMMITTEE

a) Acknowledgment:

Mr. Pramod Kumar Chand, Disclosure Committee Chairman acknowledges his responsibility for the activities of the committee in the Company, review of its work mechanism and ensuring its effectiveness.

b) Names of the Disclosure Committee Members and their Tasks:

- Pramod Kumar Chand, Group Chief Financial Officer (Chairman)
- Vibhuti Bhushan, Chief Governance and Sustainability Officer (Member)
- Bhoutik Vyas, Dy. General Manager – business Development (Member)*
- Sari Kanaan, VP & General Counsel (Member)*

** On 10 February 2025, Mr. Bhoutik Vyas resigned from Insider Trading Committee, and was replaced by Mr. Sari Kanaan*

c) Disclosure Committee Tasks:

The Disclosure Committee's primary functions are:-

- Ensure the accuracy, completeness and timeliness of the Disclosure of financial and non-financial information, ensuring that such information is properly communicated internally to allow timely decisions regarding required disclosure.
- Review and approve prior to public disclosure, the company's;
- Annual Report and quarterly reports and any other information filed with the stock exchange/regulators.
- Press releases containing financial information, earnings guidance, forward-looking statements, information about material transactions, or other information material to the Corporation's security holders.
- Correspondence broadly disseminated to shareholders.
- Other relevant communications or presentations (collectively, the "Disclosure Statements").
- In the case of b-d above, assess whether information concerning the Company should be disclosed to the market or not and also determine the substance of the market disclosure and when the disclosure must be made.
- Submit to the Board as soon as practicable (recognizing that disclosure issues are often time sensitive) the Committee's recommendations and, where appropriate, proposed disclosures to enable the Board to authorize such disclosures (modified as it may determine) or, if such is the case, to confirm that no disclosure is necessary or appropriate.
- Review and advice on the scope and content of disclosure (including any selective disclosure permitted under applicable law).
- Determine on a timely basis the disclosure treatment of material information, overseeing the preparation of regulatory filings and assisting in the design, implementation and periodic evaluation of the adequacy and effectiveness of disclosure controls and procedures.
- Identify inside information for the purpose of maintaining the Company's insider list. viii. Determine whether to request in particular circumstances a trading halt or voluntary suspension of trading.
- Respond to any requirement from the stock exchange or regulators to disclose market sensitive information to correct or prevent a false market.
- Resolve questions about the materiality and treatment of information.
- Evaluate and mandate website disclosure practices and other communication policies particularly with respect to financial or other market sensitive information.
- Ensure that a record is maintained of the Company's public disclosures.
- Maintain a record of matters considered for disclosure but not disclosed.
- Assess relevant and substantive market rumors or speculation concerning the Group and make recommendations as to what response, if any, should be made.
- Recommend appropriate employee training in respect of the handling of inside information and the Group's Disclosure Policy.

Internal Controls
Violations Committed

d) Disclosure Committee meetings:

The Committee held four (4) meetings during 2025, as detailed below:

Meeting Date	Vibhuti Bhushan	Pramod Kumar Chand	Sari Kanaan
10 February 2025	P	P	P
12 May 2025	P	P	P
08 August 2025	P	P	P
10 November 2025	P	P	P

P: Participate

9. INTERNAL CONTROLS

a) Board Responsibility

The Board assumes overall responsibility for internal controls in the Company including mandating the requirements, where appropriate, for policies, guidelines and controls (including authority levels and segregation of duties).

The executive management is responsible for the implementation of internal controls in co-ordination with the Heads of Functions, General Managers, Divisional Managers and domestic and overseas Branch Managers. The responsibility for implementing, and adhering to, efficient internal control systems in the Company rests with each employee.

b) Head of Internal Audit Department and Compliance Officer, Qualifications and the appointment date:

According to corporate governance requirements and the directions of the Securities and Commodities Authority, an Internal Audit Department has been established with sufficient independence and appropriate staffing to meet its obligations. The department reports to the Audit & Risk Committee of the Board.

The Internal Audit Department is headed by Mr. Vibhuti Bhushan, a CFA and MBA with many years of international working experience in the fields of internal audit, risk management, corporate governance and finance. Mr Bhushan also serves as Compliance Officer. Mr. Bhushan was appointed on 14th April 2014.

c) Work Mechanism of Internal Control and Dealing with Problems

The Board believes that the Group's internal control system provides reasonable assurance on the completeness, integrity, accuracy and presentation of financial information/ statements, safeguarding and preservation of assets, detection of fraud and compliance with applicable laws and regulations.

The Audit & Risk Committee, on behalf of the Board, reviews the system of internal control and assesses the framework by evaluating the work carried out by the internal control department and the external auditors. The Board confirms the adequacy of the existence of effective internal controls in the Group based on the recommendations and advice presented by the Audit & Risk Committee

Internal Audit Department conducts reviews of internal control systems in the Company and submits its assessment and recommendations to the Audit & Risk Committee and Board each quarter. The review process is in accordance with applicable international standards and The Decision.

In 2025, the company did not face any problems with its internal controls.

d) Number of Report issued by Internal Control Department to Board of Directors:

4 Reports.

10. VIOLATIONS COMMITTED

During 2025, there were no instances of imposition of any fine for any violation by the Company.

Corporate & Social Responsibility

11. Company's contributions in developing the community and protection the environment during 2025

	Sponsorship & Social activity	Amount (AED)
1	CSR activity on UAE National Day	27,463
2	Sponsorship for RAK Municipality magazine	3,000
3	Staff welfare activity on Eid Al Aadha & festivals	31,012
4	Medical assistance	25,575
5	Donations & social contributions	237,840
6	Women's day & Christmas celebrations	8,102
7	Sponsorship of sports tournament	771,731
Total		**1,114,723**

General Information

12. General Information

The Company reports financial results and other material information on the relevant webpage of Abu Dhabi Stock Exchange (ADX) at www.adx.ae. The Company also publishes invitations to General Assembly Meetings and other material information in English and Arabic newspapers.

The annual audited accounts and report of the Board are circulated to the shareholders at the General Assembly Meeting. The report of the Board is provided in the annual report, and includes Management Discussion and Analysis of periodic performance.

The quarterly financial statements of the Company are not sent to the individual shareholders of the Company, but are uploaded on the designated web page of Abu Dhabi Stock Exchange under Company symbol "RAKCEC" and also at the Company webpage www.rakceramics.com

a) Stock Market data for the period from 1st January to 31 December 2025 & Statement of the Performance of the Company's Share

Month	High	Low	Number of Shared Traded	Closing
January	2.61	2.48	4,059,335	2.58
February	2.62	2.50	3,312,295	2.50
March	2.63	2.44	4,791,175	2.58
April	2.53	2.30	3,292,932	2.49
May	2.55	2.40	2,715,261	2.44
June	2.49	2.39	3,721,416	2.47
July	2.61	2.46	3,424,760	2.58
August	2.69	2.51	7,958,310	2.51
September	2.52	2.41	2,857,913	2.42
October	2.61	2.42	4,572,969	2.57
November	2.58	2.33	21,615,048	2.44
December	2.62	2.44	10,547,889	2.51
Total			**72,869,303**	

b) Statement of the comparative performance of the company's share with the general market index and sector index during 2025

Index & Price	Open	Close	Difference
General Index	9,419	9,992.72	573.72
Industrial Sector Index	2,718.60	2,470.36	(248.24)
RAKCEC Share	2.48	2.51	0.03

General Information (contd.)

12. General Information (contd.)

c) Distribution of Share Capital Ownership as on 31 December 2025:

Sr. Category	Percentage of shareholding (%)			
	Individuals	Companies	Government	Total
Local	55.00	30.74	5.02	90.76
Arab	5.65	3.53	0	9.18
Foreigner	0.03	0.03	0	0.06
Total	**60.68**	**34.30**	**5.02**	**100**

d) Statement of shareholders owning 5% or more of the Company's capital as on 31 December 2025:

Sr	Shareholders	Number of Shares	% of Holding
1	Falcon Investment LLC	205,792,320	20.71
2	Al Rajhi Partners LLC	68,339,161	6.88
3	Government of RAK	49,899,386	5.02
4	Other	669,673,091	67.39
Total		**993,703,958**	**100**

e) Shareholders distribution as on 31 December 2025:

Sr	Shares Ownership	Number of Shareholders	Number of Shares Owned	% of Shareholding
1	Less than 50,000	1480	9,841,702	0.99
2	From 50,000 to Less than 500,000	299	42,158,081	4.24
3	From 500,000 to Less than 5,000,000	70	103,445,407	10.41
4	More Than 5,000,000	34	838,258,768	84.36
Total		**1882**	**993,703,958**	**100**

General Information (contd.)

12. General Information (contd.)

f) Regulations of Investors Relation:

In 2015, the Company has established an Investors Relations Department and appointed a Head of Investor Relations. A separate section called Investor Center was also added to the Company's website

(http://www.rakceramics.com/investors-center.php).

Investor Relations can be contacted on the following email addresses:

ir@rakceramics.com

Phone: +971 7 246 7297

The Link of the Investor Relations webpage on the website of the Company.

http://www.rakceramics.com/investors-center.php

g) Special Resolutions:

N/A

h) The Name of the Board Secretary and the date of his appointment:

In the BOD Meeting held on 3rd August 2021, the Board appointed M/s BSA Ahmed Bin Hazem & Co as Board Secretary.

i) Materiality Events during 2025:

On 12 August 2024, the Board of Directors approved a distribution of a semi-annual cash dividend of 10% per share for the period ended on 30th June 2025.

j) Statement of transactions conducted by the Company with related parties during the year 2025 amounting to 5% or more of the Company's capital:

At the Board of Directors meeting held on 12/11/2025, the Board approved granting Kludi GmbH (a wholly owned sister company) headquartered in Germany, financial facilities in the form of loans amounting to EUR 5,000,000, representing 2.14% of the share capital of RAK Ceramics PJSC.

Except for this transaction, there were no transactions carried out by the Company with related parties that amount to 5% or more of its share capital.

k) Statement of the percentage of Emiratisation at the company by the end of 2023, 2024 & 2025 (Percentage of Admin employees):

Year	%
2023	10.00%
2024	10.8%
2025	12.7%

Conclusion

I) Statement of innovative projects and initiatives undertaken by the company or under development in 2025:

The year 2025 was exciting and brought significant innovations, with updated products now featured in our 2026 general catalogues as well as in our website.

Distinct Innotech icons highlight key features for easy identification, underscoring company's capability and expertise in delivering innovative product solutions.

Following innotech products added during the year 2025..

SCRATCH GUARD POLISHED SURFACE:
A premium glazed polished surface finish, engineered for enhanced scratch resistance without compromising on gloss and elegance, specifically designed for Maximus Slabs. The polished surface features a highly scratch-resistant finish that provides exceptional durability against deep scratches, even from metal objects, making it one of the premium scratch-guard finishes available for porcelain surfaces.

ANTIBACTERIAL - RAKSanit:
RAKSanit is the ideal solution for spaces where hygiene is of utmost importance. Integrated directly into the glaze during the production process, this innovative product offers permanent protection. RAKSanit includes both Porcelain and Ceramic tile collections, specifically designed to reduce bacterial contamination and promote a healthier living and working environment. Thanks to its antibacterial properties, powered by silver nitrate compounds, RAKSanit is more than 99% effective in reducing bacterial growth. RAKSanit is now extended to Maximus Countertops included by default in all standard countertop slab products, regardless of the surface finish, ensuring a permanent solution for maintaining hygiene.

SOFTECH:
Softech is the next-generation surface, designed as a single surface for both indoor and outdoor spaces.
This innovative surface combines high slip resistance with a soft, tactile feel, making it a game-changer in tile technology by applying micro particles to the tile surface, filling in the surface's microscopic cavities to create a smoother, softer, more uniform matt surface that is easy to clean. This innovative approach provides both safety and comfort. Softech redefines surface technology, providing a pleasant touch, safety, style and a refined matt, non reflective elegance.

In addition to these innovations, we have been able to introduce the following in 2025:

- The mega-size slab measuring 162x324 cm.
- A structured surface in mega slabs featuring designed structured belts.
- The 3D Shape structured surface created using new generation digital technology synchronizing design with special effects in mega slabs.

RAK products are consistently earning global recognition for innovation and design excellence, receiving the Archiproducts Best Design Award for five consecutive years (2021-2025). This prestigious honor, selected by a jury of leading global figures in architecture and design, underscores RAK's commitment to continuous design excellence.

Exciting new innovations are continuously in progress, each with unique features that set our products apart and enhance both their quality and the strength of our brand. Our approach to sustainable practices through innovative product development and technological advancements, will continue.

13. CONCLUSION

RAK Ceramics is committed to respecting the rights of all its stakeholders through the adoption of the highest standards of governance resulting in transparency and integrity in all its dealings and disclosures.

The Board reinforces the concept of equal opportunity by the adoption of a remuneration and compensation policy that motivates all employees to continuously improve their performance in line with the strategic objectives of the Company. As a responsible corporate citizen, the Company actively promotes CSR initiatives and various other activities focused on giving back to and improving its communities. The Company continues to develop trustworthy relationships with its customers and all other stakeholders by establishing appropriate channels for receiving complaints and their resolution, enhancing its corporate governance, and managing the business with wisdom.

For RAK Ceramics PJSC,

Sheikh Saqr Bin Saud Al Qasimi	Farah Abdulla Mohamed Al Mazrui	Fawaz Sulaiman A Al Rajhi	Vibhuti Bhushan
Chairman of the Board of Directors	Chairperson of the Audit & Risk Committee	Chairman of the Nomination and Remuneration Committee	Chief Governance and Sustainability Officer

HEAD OFFICE

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