FUJAIRAH BUILDING INDUSTRIES PSC.

الفجيرة لصناعات البناء ش.م.ع

Governance Report for The Year 2025

Governance Implementation:

FBI adopted and applied corporate governance principles and standards in accordance with the federal law no 32 of 2021 concerning commercial companies and the authority's chairman' resolution n 3/R/M of 2020 regarding standards and implementation of corporate governance. This is showing the commitment of FBI and its BOD with the principles of corporate governance which contributes to more transparency and protection of shareholders rights.

In this regard, the company clarifies the following points:

- All members of the BOD are non-executives.
- Most of the members of the BOD are independent.
- All independent members have pledged to disclose any changes that may affect their independence.
- The BOD of the Company made a commitment to implement the corporate governance system in accordance with the authority's chairman' resolution n 3/R/M of 2020.

Transactions of the members of the BOD and their relatives in company's shares during 2025:

The Board of Directors of Fujairah Building Industries has adopted several policies and procedures for the management of the company in light with the governance guide. The most important of which is the system governing the transactions of the BOD members and all insiders in the company's shares in accordance with the authority's chairman' resolution n 3/R/M of 2020, circulation No. 5 of 2009 issued by the ADX, which indicated that the market will suspend the trading of insiders in company's shares during the periods specified by SCA.

The objective of this policy is to maintain the company's reputation and to establish transparency as well as to enhance confidence among investors that members of the BOD and company's employees do not exploit any material information that has not been disclosed by applying all the legal requirements stipulated in the relevant regulations concerning insiders' trading in company's shares in order to avoid irregularities or violations in this regard.

Therefore, it has been decided that the members of the BOD of the Company and all insiders are not allowed to deal in person or through any other person in the Company's shares during the following periods:

- Ten working days before the announcement of any material information that may affect the price of the stock up or down unless the information is the result of sudden events.
- Fifteen days prior to the end of the quarterly, semi-annual or annual financial period until the disclosure of the financial statements.

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And as per the above policy adopted by the BOD, all the members confirmed their commitment to the embargoes period.

As per the company's record and ADX emails, FBI' BOD member's and their families transaction and their ownership during 2024 was as follows:

Name	Total Selling during 2025	Total Buying during 2025	Total shares during 2025
Khalil Ibraheim Hassan	0	**0**	**1,000,000**
Jumah Salem Jassem Al Awani	0	**0**	**146,649**

Board of Directors composition

a- statement of the current BOD:

As per the Article (19) of the Fujairah Building Industries' MOA, which specified the number of members of the Board of Directors by seven members, the current Board consists of seven members, most of them are independent and non-executive. The current members of the Board of Directors were elected at the Company's AGM held on March 06, 2024 for a period of three years.

Name	Designation	Category		D.O.J	Experience, Qualifications, positions
Mr. Ahmed Saeed Alraqbani	Chairman	Non-Independent	Non executive	2007	MBA, bachelor's degree in civil engineering, Chairman of Fujairah Rock & Aggregate, NBF BOD member
Mr. Khalil Ibraheim hassan	Vice chairman	Independent	Non executive	2015	Master's degree in finance, DGM of Fujairah port, BOD member of Fujairah Rock and Aggregate company
Mr. Mohammed Ahmed Al Moathen	member	Independent	Non executive	2016	University Degree, Director of the Fujairah National Group, BOD member of Fujairah Rock and Aggregate company
Mr.Abdelqader Mohamed Abdulla	member	Non-Independent	Non executive	1997	University Degree, Businessman
Mr. Jumaa Salem Al Awaani	member	Non-Independent	Non executive	1986	University Degree, Fujairah Fresh water BOD member, Admin and Finance Manager of Fujairah DIE – Government of Fujairah
Mrs. Maryam Abdualla Al Matroshi	member	Independent	Non executive	2024	Deputy Manager of Financial Department - Fujairah Government
Mr.Sultan Mohmed Abdulla Alslami	member	Independent	Non executive	2025	Deputy Director of Customer Relations – National Bank of Fujairah

b- Female representation in the BOD in 2025:

At the company's general assembly meeting on March 6, 2024, members of the Board of Directors were elected, including women element at a rate of 14.3%.

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c- Remuneration of BOD members:

As per the article N (171) of the federal law N 32 of 2021 concerning commercial companies and the article N (21) of the authority's chairman' resolution N (3/R/M) of 2020, the remuneration of the members of the BOD is made up of a percentage of the net profit not exceeding 10% of the fiscal year profits. The Company may also pay expenses, fees, additional bonuses as monthly salary as decided by the Board of Directors to any of its members if this member works in any committee, makes special efforts, or additional work to serve the Company in addition to his regular duties as a member of the Board of Directors.

d- 1- Total remuneration of the BOD for the year 2024:

Total BOD remuneration for the year 2023 was AED 1.260 million.

d- 2- Total proposed remuneration of the BOD for the year 2025:

During the meeting, held on 26 FEB 2026 the BOD proposed to pay a total of AED 1.260 million. as remuneration for the members for the year 2025. This proposal shall be presented to the company's AGM for its consideration.

d- 3- Detail of allowances of attending the committees for the year 2025:

The BOD decided not to pay any allowances to attend the committee's meetings.

e- Statement of BOD's meeting during 2024:

Meeting	First	Second	Third	Fourth
Name	17 Feb. 2025	07 May 2025	07 Aug 2025	6 November 2025
Ahmed Saeed Alraqbqni	✔	✔	✔	✔
Khalil Ebraheim Hassan	✔	✔	✔	✔
Mohamad Ahmad Almoathen	✔	✔	✔	×
Abdelqader M. Abdulla	✔	✔	✔	×
Jumaa Salem Alawani	✔	✔	✔	✔
Maryam Abdualla Al Matoshri	✔	✔	✔	×
Sultan Mohmed Abdulla Alslami	-	✔	✔	✔

f- BOD's tasks and function which were performed by executive management:

BOD didn't authorize executive management to perform any of its functions or tasks during 2025.

The CEO performs in accordance with the responsibilities and authorities specified by the BOD.
He is responsible for the Company's management and the core matters related to business activities within the framework of the Company's operational plan.
- CEO maintains a coherent management of the company.
- CEO provides recommendations to the BOD on strategy development, business management and operations performance.
- CEO manages the company in line with the strategy, business plans and policies adopted by the BODs.

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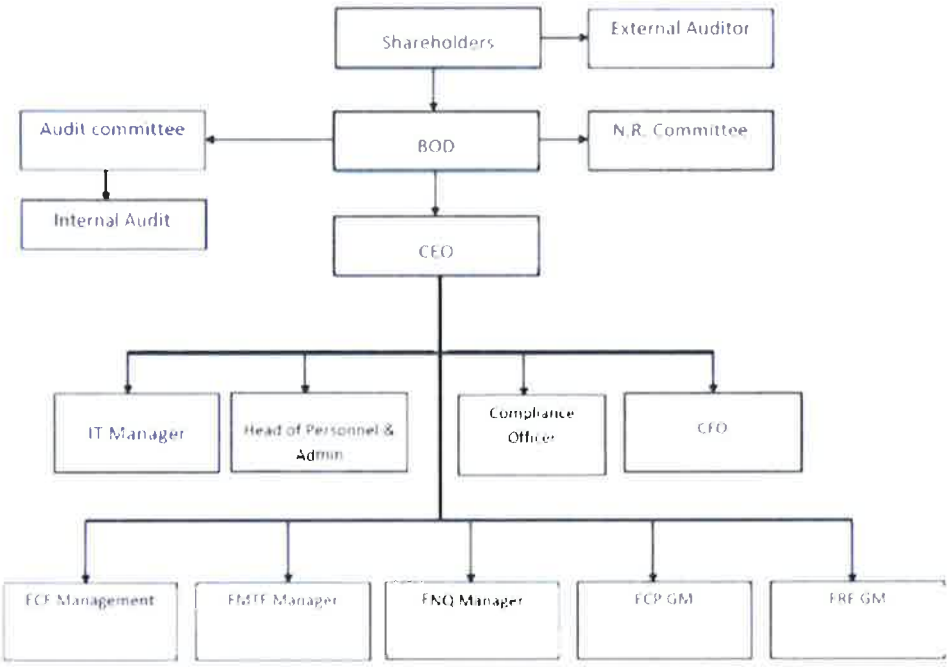
- CEO supervises operations and daily affairs, taking in consideration the matters in which the BOD reserves the right to make final decision.
- CEO ensures the consistency and integrity of the corporate culture and code of ethics.
- CEO periodically reviews the organizational structure of the company and propose the necessary amendments.
- CEO leads the management team in the day-to-day activities of the Company and reviews its performance.

g- Details of the transaction made with the related parties (stakeholders):

The Company deals with related parties either by selling or buying in a neutral manner at competitive prices like other unrelated parties. The terms of such transactions are consistent with normal trading processes where the parties operate independently, and each party looks after its self-interest with no pressure or preferential conditions by one party to the other. Related parties are those entities owned or managed by a member of the BOD.

During 2025, total sales to related parties reached an amount of AED 7,71 million and total purchases from related parties reached AED 696 thousand.

h- Organizational structure of the company:



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i- Details of senior executives:

Designation	Date of joining	Total salaries & allowances paid in 2025	Total bonuses paid in 2024 for the year 2025	proposed bonus for 2025
CEO	03-Apr-23	1,320,000	132,000	Not yet proposed
CFO	25-Jul-23	480,000	40,000	
IT Manager	17-Dec-07	246,000	22,000	
FCP General Manager	1-Jan-11	492,000	87,750	
FNQ Manager	06-May-2024	305,733	29,000	
FRF General Manager	04-May-23	720,000	60,000	
FMTF Manager	23-Sep- 2024	360,000	3,750	

External Auditor:

a -External Auditor details:

EY is a management consulting and auditing firm established in the United Arab Emirates in 1966. It has offices in most emirates and has been operating in the Middle East & GCC for more than 100 years and has a qualified staff with extensive experience in auditing and management consulting

Partner auditor: Janardhan R

b- External auditor fees:

During the company AGM Held on 20 March 2025, EY was appointed as FBI's external auditor for the year 2025 with total fees of AED 475,000.

External Auditor	KPMG
Number of years as the company's external auditor	1
Total audit Fees for 2025 (AED)	475,000
Fees for other services paid during 2025	NIL
Details of the other services provided during 2025	NIL
Services provided by another external auditor *Provision of internal control over financial reporting (ICFR) and implementing the COSO internal control framework.	470,000
*MHA Consulting LLC (formerly MOORE STEPHENS Consulting LLC) - Total fees for internal audit engagements.	260,000

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c-There are no reservations included by the external auditor on the financial and interim statements for the year 2025.

Audit Committee

a- Names and functions of Audit Committee

Mr. Khalil Ebraheim Hassan	**chairman**
Mr. Jumaa Salem Alawani	**Member**
Mrs. Maryam Abdualla Al Matoshri	**Member**

As mentioned in the article 61 of the authority's Chairman' s Resolution number 3 / R.M of 2020 the functions of Audit Committee are as follows:

- Review the Company's financial and accounting policies and procedures.
- Monitoring the integrity of the Company's financial statements and reports (annual, semi- annual, and quarterly) and review thereof as part of its normal work during the year.

- Coordinating with the Company's Board of Directors, Senior Executive Management, and the financial manager or the manager doing such role in the Company, for the purpose of performing its duties.
- Considering important and unusual clauses that are or shall be mentioned in such reports and accounts, the committee shall also pay the required attention to any issues brought up by the financial manager, the manager doing such role, compliance officer, or the auditor.
- Submitting a recommendation to the Board of Directors respecting selection, resignation, or discharge of the auditor, and in case the Board of Directors rejects the recommendation of the Audit Committee in this regard, the Board of Directors shall include in the Governance Report a statement clarifying the Audit Committee recommendations and the reasons for the Board of Directors' rejection thereof.
- Setting and implementing the policy of contracting with the auditor, submitting a report to the Board of Directors, specifying the issues the committee deems necessary to take procedures in relation to, and submitting the committee's recommendations concerning the steps required to be taken;

- Ensuring the auditor's fulfillment of the terms stipulated in the applicable laws, regulations, and resolutions and the Company's Articles of Association, and following up and monitoring his/her independence.

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- Meeting with the Company's auditor without attendance of any of the personnel of the Senior Executive Management or representative thereof, at least once annually, and discussing with the auditor the nature and scope of the auditing process and its effectiveness according to the approved auditing standards.

- Studying all that is related to the auditor's job, work plan, correspondence with the Company, comments, proposals, concerns, and any substantial inquiries posed by the auditor to the Senior Executive Management concerning accounting books, financial accounts, or control systems, and following up the Company's board of Directors response thereto and provision of the facilities required for performing the auditor's job.

- Ensuring timely response of the Board of Directors to inquiries for illustration and substantial matters mentioned in the auditor's letter.

- Review and assessment of internal control and risk management systems in the Company.

- Discussing the internal control system with the Board of Directors and ensuring the latter's establishment of an effective system for internal control.

- Considering the results of primary investigations in internal control issues as assigned to the committee by the Board of Directors or based on an initiative on the part of the committee and the Board of director's approval of such initiative.

- Review of the auditor's assessment of internal control procedures and ensuring coordination between the internal and external auditors.

- Ensuring availability of the resources required for the internal control department and reviewing and monitoring the effectiveness of such department.

- Studying internal control reports and following up the implementation of corrective measures for the comments arising from such reports.

- Setting the rules that enable the Company's staff to confidentially report any potential violations in financial reports, internal control, or any other issues and the procedures sufficient for conducting independent and fair investigations concerning such violations.

- Monitoring the extent to which the Company complies with the code of conduct.



- Review of Related Party transactions with the Company, managing conflict of interests, and submitting recommendations concerning such transactions to the Board of Directors before concluding the contracts.
- Ensuring implementation of code of conduct related to the committee's duties and powers assigned to it by the Board of Directors.

- Submitting reports and recommendations to the Board of Directors concerning the above-mentioned issues as stipulated in this article.

- Considering any other issues determined by the Board of Directors.

b- Audit Committee Meetings:

	First 17 Feb 2025	Second 07 May 2025	Third 08 Aug 2025	Fourth 06 Nov 2025
Khalil Ibraheim Hassan	✔	✔	✔	✔
Jumaa Salem Al Awaani	✔	✔	✔	✔
Maryam Abdualla Al Matoshri	✔	✔	✔	×

Nomination & Remuneration Committee:

a- Names and functions of Nomination and Remuneration Committee:

Mr. Mohamad Ahmad Almoathen	**chairman**
Mr. Abdelqader M. Abdulla	**Member**
Mr. Sulatn Mohamed Addulla Asalami	**Member**

As per the article 59 of the Chairman Resolution number 3 / R.M of 2020 the duties of the Nomination and Remuneration Committee consist in the following:

- Setting a policy for nomination of the Board and executive management membership with the aim of varying between the two genders in the Board and encouraging female nominees through offering privileges and training and motivational programs and submitting a copy of such policy to the Authority and any amendments thereof.
- Regulating and following up the procedures of nomination for Board membership in accordance with the applicable laws and regulations, as well as the provisions of this Decision.
- Constantly verifying independence of independent Board members.

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- Setting the policy for granting bonuses, privileges, incentives, and salaries to the Company's Board members and staff, reviewing such policy annually, and ensuring that the bonuses and privileges offered to the Senior Executive Management are reasonable and in line with the Company's performance.
- Annual review of the skills required for Board membership and preparation of the required capabilities and qualifications for Board membership including the time a member shall need to allocate to do his/her duties as a Board member.
- Review the Board of Directors structure and submitting recommendations regarding the changes that may be made.
- Determining the Company's needs of qualifications at the Senior Executive Management and the staff levels and the criteria for selection thereof.
- Setting the Company's human resources and training policy, monitoring implementation of such policy, and reviewing thereof on annual basis.

b- Nomination and Remuneration Committee Meetings:

	First 19 Dec 2025
Mohamad Ahmad Almoathen	✔
Abdelqader M. Abdulla	×
Sulatn Mohamed Addulla Asalami	✔

Insiders' Trading Follow-up Committee:

The insiders' trading committee was formed By the BOD and its members are as follows:

Abdel Razzak Dajani	**CEO**
Mahmoud Jallad	**Company Secretary**

The main functions of the Committee are as follows:
- Supervising the update of the list of insiders.
- Follow-up transactions of insiders and their ownership in the company's shares.
- Keep notifying insiders about all rules and regulations related to corporate governance.
- Inform insiders about embargo periods of their trading in company's shares.

Any other committees approved by the Board of Directors:

There are no other committees approved by the BOD.

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Internal Control System:

a- BOD acknowledgment:

The Board of Directors of the Company acknowledged its responsibility for the Company's internal control system and for verifying its effectiveness.

The Board of Directors of the Company has appointed an independent third party, MHA Consulting L.L.C (formerly Moore Stephens Consulting L.L.C) to perform an internal audit of the Company. MHA Consulting L.L.C's function as internal auditors is to examine the adequacy of the internal control procedures in operation and essentially focused on:

- Critical assessment of systems in operation and evaluation of overall efficiency and effectiveness of internal controls and procedures;
- Review of compliance of policies and procedures;
- Testing of identified key risks and suggested best practices to mitigate them

The capacity in which MHA Consulting L.L.C conducted its work is strictly restricted to the scope of work detailed in their engagement letter dated 13 June 2025 and subsequent novation agreement dated 19 January 2026.

b- About the Internal Audit Company: :

MHA Consulting L.L.C (formerly Moore Stephens Consulting L.L.C) is a management consulting and auditing firm established in the United Arab Emirates in 2005. It operates offices across most Emirates, offering a broad range of services including auditing, accounting, taxation, and comprehensive consulting. The company has earned a prestigious reputation as one of the leading professional accounting firms in the country, delivering integrated services suited to the modern business environment. It was appointed by the Board of Directors since 2025.

- Shezad Lakdawala:

Shezad Lakdawala is a Partner at MHA Consulting L.L.C, managing a team of 15. He is a Certified Public Accountant (CPA) from the American Institute of Certified Public Accountants (AICPA) (USA), a Certified Fraud Examiner (CFE) from the Association of Certified Fraud Examiners (ACFE) (USA), a Fellow Member of Emirates Association for Accountants & Auditors, holds a bachelor's degree from California State University and has over 14 years of experience.

C- How the Internal Auditor handles any significant issues in the company:

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Part of the internal auditor's scope of work is to submit quarterly reports to the Audit Committee and BOD. Additionally, the internal auditor performs follow up procedures on previously reported issues. All internal audit reports are submitted to the Audit Committee and BOD after obtaining necessary clarifications from the Executive Management. 3 Internal audit Reports were submitted to the BOD during 2025.

MHA Consulting L.L.C assumes no liability or responsibility for any matters reported in this document that fall outside the scope of its work. This document is to be read in conjunction with MHA Consulting L.L.C's engagement letter and internal audit reports submitted to the Audit Committee and BOD.

Statement of Violation and Fines:

Fujairah Building Industries PJSC complies with all laws and regulations applied in the United Arab Emirates. During the fiscal year 2025, the Company has not been subjected to any penalties or restrictions either by the SCA or any other regulatory body.

The company's contribution in the development of society and the preservation of the environment:

Environmental Policy:

The company considers great importance to the preservation of the environment in all of its subsidiaries according to local standards under the supervision of Fujairah Municipality and the Ministry of Climate Change and Environment. The company has installed carbon emissions monitoring systems and industrial waste recycling line at Fujairah Rock Wool Factory, achieving an advanced level of compliance with environmental standards.

The company also worked on the treatment of dust emissions in Fujairah National Quarries by covering production lines, conveyor belts, dust suppression system, high-pressure water spraying, planting trees, installation of a CCTV system. And the company didn't make any direct cash contributions in this regard.

Social Policy: The company contributes to the development of the community through participation in sponsoring several events in the Emirate of Fujairah, as well as continuing cooperation with Fujairah Foundation for Region Development – FFRD which belongs to Government of Fujairah, where the company provides some products such as cement Block and pavers for repair and maintenance of houses of low-income UAE nationals in the Emirate of Fujairah. Fujairah Building Industries has made a training program for national graduates by providing them a training in various administrative and technical fields in order to gain practical experience.

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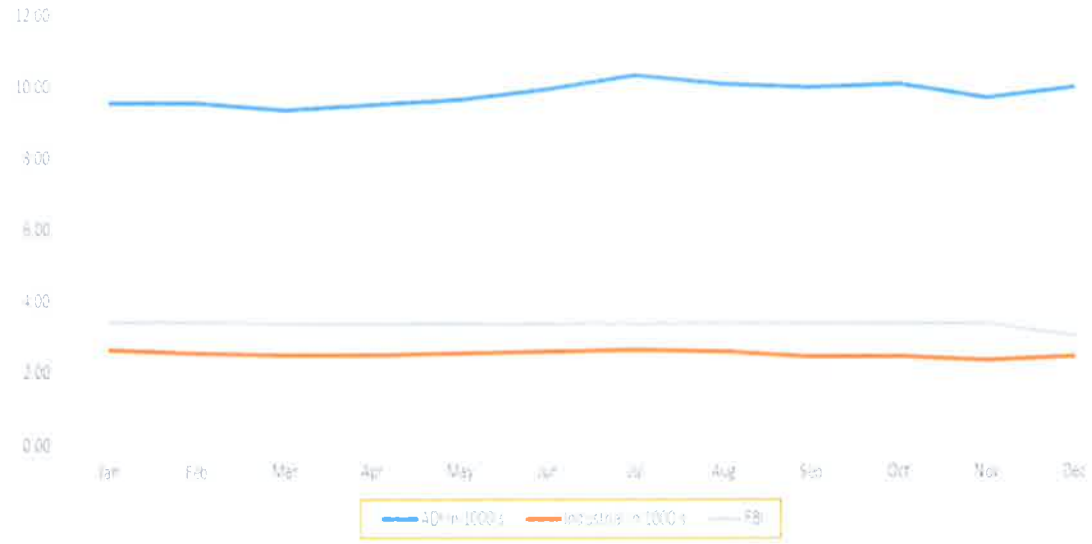
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General information:

a- the company share price in the market:

Month	Highest price	Lowest price	closing price
January	3.50	3.47	3.47
February	3.47	3.47	3.47
March	3.40	3.40	3.40
April	3.39	3.39	3.39
May	3.39	3.39	3.39
June	3.39	3.39	3.39
July	3.39	3.39	3.39
August	3.39	3.39	3.39
September	3.39	3.39	3.39
October	3.39	3.39	3.39
November	3.39	3.39	3.39
December	3.06	3.06	3.06

b- Performance of the company's Shares:



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c- Shareholding Distribution as of 31 December 2025:

Category	Nationality	Percentage
Government	LOCAL	55.91%
Companies	LOCAL	27.81%
Individuals	LOCAL	16.28%

d- Shareholders who have more than 5% as of 31 December 2025:

Name	Number of shares	Percentage
Department of Industry & Economy - Fujairah	76,028,833	55.91%
Fujairah National Group	14,919,564	10.97%
Al Saoud Limited Company	7,001,303	5.15%

e- Shareholders distribution by size of equity as 31 December 2025:

Share(s) Owned	Number of Shareholders	Number of Share	Percentage
Less than 50,000	138	1,724,632	1.27 %
From 50,000 to less than 500,000	71	8,849,141	6.51 %
From 500,000 to less than 5,000,000	10	15,112,684	11.11 %
More than 5,000,000	5	110,301,043	81.11%

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f- Procedures taken for the control of investor relations:

The company's management has appointed an investor and shareholder relations responsible and has also added an investor relations section on the company's website at:
http://www.fujfbi.ae/investor_ca.html

Contact Details of the Investor Relation manager:
Name: Mahmoud Jallad
Telephone: 00971 9 2056 900 Fax: 00971 9 2227314
Email: companysecretary@fujfbi.ae

G- Special resolution approved in the last AGM:

The Board of Directors suggestion to provide voluntary contributions for the purpose of community service and authorize the Board of Directors to determine the concerned parties which will receive These contributions provided that the voluntary contributions shall not exceed (2%) of net profit average of both fiscal years (2023/2024) subject to provisions of the commercial company's law no 32 of 2021.

Procedure taken with respect to the Special resolutions approved in the last AGM:

The company has contributed to the development of the community through participation in sponsoring several events in the Emirate of Fujairah, as well as continuing cooperation with Fujairah Foundation for Region Development – FFRD which belongs to Government of Fujairah.

h- Name of the BOD secretary:

Mr. Mahmoud Jallad: Was appointed by the Board of Directors since 17 Feb 2025.

I- Significant events during 2025:

There were no Significant events in the company during 2025.

J- Deals made by the company that 5% or more of its capital in 2025:

The company did not make any deal equal to or exceeding 5% of its capital during the year 2025.

K- Emiratization percentage in the company during 2023,2024 & 2025:

Year	Emiratization Percentage
2023	3.45%
2024	3.45%
2025	3.36%

L- Innovative project implemented by the company during 2025:

There was no innovative project implemented by the company during 2025.

Chairman **Audit Committee Chairman** **N.R Committee Chairman** **Internal Aduit**

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