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Al Fujairah National Insurance Company PJSC (the "Company" or "AFNIC") is a Public Joint Stock Company listed on the Abu Dhabi Securities Exchange (ADX). Established in 1976, under the patronage of the Ruler of Fujairah, AFNIC is registered under the Federal Company Law, and Federal Insurance Law with the Government of Fujairah as the major Shareholders (with over 80% shares), and it is governed by the provisions of the Federal Law No. (48) of 2023 Concerning the Organization of the Insurance Operations and the Federal Law No. (32) of 2021 Concerning the Commercial Companies and it is licensed and supervised by the Central Bank of the UAE (formally, the UAE Insurance Authority ) under license No. 11.

The Company's registered office is located at P.O. Box 277, Fujairah, United Arab Emirates.

The Company is based in Fujairah with branch offices in Abu Dhabi, Dubai, Sharjah, Khorfakkan, and Dibba. Moreover, it operates two claim offices and more than 40 sales outlets in multiple locations throughout the UAE.

The company underwrites all classes of Property and Liability insurances, including Motor Vehicles and Marine Vessels, to Jet Aircrafts, Port Operators' Liability, Group Life, Medical, and much more – serving both individual and corporate clients.

AFNIC is supported by a panel of strong Reinsurance securities, and is backed with expertise of over 47 years.

## OUR MAIN BRANCHES AND SALE CENTERS

**Fujairah**  
 Ground Floor, Insurance Building,  
 Hamad Bin Abdullah Street,  
 Contact No: Contact No: +971-9-2233355

**Dubai**  
 706, Building 02, Bay Square, Al Asayel Street,  
 Contact No: +971-4-2772155  
 Business Bay, Dubai

**Dibba**  
 Sheikh Hamad Street, Dibba  
 Contact No: +971-9-2444845

**Abu Dhabi**  
 Nawat Tower Building no. 3 - 8 floor - Office no. 02 Khalid Bin Al  
 Waleed St. Al Khalediya Abu Dhabi  
 Contact No: +971-2-6773429

**Sharjah**  
 Store No.1, on the Ground Floor of the Majaz Gardens Building, Al  
 Khalidia St, beside Baskin Robbins, in Majaz 3  
 Contact No.:+971-9-6061820

**Khorfakkan**  
 Sheikh Khalid Bin Sultan Al Qasimi st.  
 Al Qadisiya -,khorfakkan Contact no: 009719-6061825

AL Fujairah National Insurance Company P.J.S.C maintains a robust governance structure that is aligned to the “three lines of defense” model. It establishes a framework to embed a control culture committed to a high level of ethical and behavioral standards in order to achieve the Company’s objectives. This is supported by the Company’s Corporate Governance Policy and Procedures to facilitate effective and prudent management of the Company to deliver enduring success.

During 2025, AFNIC focused its efforts and resources on aligning the Company’s governance policies, procedures, and practices to comply with the Central Bank of United Arab Emirates Regulation and Standards for Insurance Companies issued by the Central Bank of the UAE (Circular No. 24/2022) in addition to maintaining the Company’s compliance with Decision no. (3/Chairman) of 2020 issued by the Chairman of the Board of Directors of the Securities and Commodities Authority concerning the Approval of the Joint Stock Companies Governance Guide (the “SCA Corporate Governance Guide Decision 3/RM 2020”), and other applicable decisions and resolutions issued by regulatory authorities and international best practices.

AFNIC is committed to maintaining the highest standards of corporate governance practices; devoting its time and effort to continuously identifying the best business practices and setting clear policies to be implemented across the Company. These practices ensure smooth, effective, and transparent operations that aim to protect shareholder’s rights.

The primary role of the Board of Directors (the Board) is to protect and enhance long-term stakeholder values, including shareholders and clients. The Board is responsible for setting the overall Company strategy and has oversight of executive management to ensure robust corporate governance practices are followed within the Company.

Day-to-day operations are delegated to the executive management, led by the Chief Executive Officer. The executive management team is accountable for the performance of the Company and measured against a set of corporate goals and targets. The posts of the Chairman and Chief Executive Officer of the Company are clearly distinguished between the Chairman’s role to manage the Board, and the Chief Executive Officer’s responsibility to manage the executive management and supervise the Company’s business.

There are four established Board committees (Audit Committee, Risk Committee, Nomination and Remuneration Committee, and Investment Committee,). The Board delegates its power and authority from time to time (as permitted by the laws, regulations, and the Company’s Articles of Association) to ensure that the operational efficiency and specific issues are being handled with diligence and scrutiny. Each committee has defined duties and authorities outlined in its Terms of Reference, duly approved by the Board.

Through strong corporate governance, AFNIC ensures that the Company’s business performance is effectively monitored, and that its directors, management, and staff are dedicated to serving the best interests of the Company and its stakeholders.

AFNIC has established and implemented a corporate governance framework that adheres to international standards. This framework clearly delineates the responsibilities and accountabilities of the Board of Directors, Board Committees, Executive Management, as well as the Company's Compliance, Risk, and internal audit functions.

The Board of Directors oversees governance controls in collaboration with the company's executive management through various committees, including the Audit, Risk, Nomination & Remuneration, and Investment Committees. The monitoring encompasses:

1. Ensuring adherence to disclosure and transparency policies.
2. Timely provision of financial statements for disclosure.
3. Ensuring regular Board of Directors meetings and the physical presence of members and relevant committees, in line with governance regulations and institutional norms.
4. Supervising the execution of the Board of Directors' decisions and recommendations. In addition, the monitoring extend to
5. Engaging and communicating with events that promote the interests of civil society.
6. Ensuring compliance with rules and procedures concerning securities transactions involving Board of Directors members and company employees.
7. Enforcing the Code of Professional Conduct for Board of Directors members and company employees.
8. Facilitating effective communication with shareholders and conveying their opinions to the Board of Directors.
9. Providing all shareholders with opportunities for active participation in general assembly meetings and voting on decisions.
10. Establishing an investor relations management system that fosters ongoing communication with investors and channels their feedback to shareholders, the Board of Directors, and executive management.
11. Ensuring the adequacy and effectiveness of the Internal Audit & Corporate Governance compliance program.
12. Approving the investments, business plan, budgets & financial statements of the Company.
13. Implementing the Company's strategies and ensuring that the Shareholders receive accurate and proper information at the right time.

#### OWNERSHIP AND TRANSACTIONS OF THE MEMBERS OF THE BOARD OF DIRECTORS, THEIR SPOUSES, AND THEIR CHILDREN IN THE SECURITIES OF THE COMPANY DURING THE YEAR 2025

Members of the board of directors and their spouses and children did not engage in any transactions involving the company's securities during the year 2025. The company has implemented rules endorsed by the board of directors to regulate transactions of board members in securities issued by the company. None of the members of the board of directors own any shares in the company.

## BOARD OF DIRECTORS

### STATEMENT OF THE CURRENT BOARD FORMATION

The Board of Directors of AFNIC is comprised of individuals who possess a wide range of skills, relevant industry knowledge, experience, and highly professional backgrounds. These qualities contribute to the desired level of diversity for the Company's nature size and complexity.

The Board comprises nine (9) Directors, all of whom are non-executive Directors and four (4) of them are independent. The Board of Directors was elected on 25 April 2024. The Board is comprised solely of UAE nationals

In 2025, the Board and its committees held a total of six (6) meetings. According to the Company's Articles of Association, the Board is required to meet at least 6 times a year and may convene additional meetings as necessary, as determined by the Chairman or Vice-Chairman in their absence. Meetings will only take place if a quorum is reached.

The details of the Board of Directors are as follows:



**Mr. Abdul Ghafour Hashem Bahrouzlan**

- ❖ Chairman
- ❖ Non-executive and non-independent member

**Experiences, Qualifications & Tenure**

- ❖ Experience in both government and private Sector
- ❖ Bachelor's degree in Business Administration
- ❖ Period served as a BOD since the first election - 49 years

**Membership / Positions in any other joint stock companies**

- ❖ Chairman of the Board of Directors of Fujairah Trade Center.
- ❖ Member of Fujairah Cement Industries

**Other Significant Regulatory ,Governmental, or commercial**

- ❖ Fujairah Tennis Club



**Mr. Mohammed Abdulla Sultan Al Salami**

- ❖ Vice Chairman
- ❖ Non-executive and non-independent member

**Experiences, Qualifications & Tenure**

- ❖ Experience in administration and civil aviation
- ❖ Bachelor's degree in Political Science and Business Administration, specializing in Aviation
- ❖ Period served as a BOD since the first election - 36 years

**Membership / Positions in any other joint stock companies**

- ❖ Head of the Civil Aviation Department in Fujairah

**Other Significant Regulatory ,Governmental, or commercial**

- ❖ Vice President of the Board of Directors of the General Civil Aviation Authority of the UAE

## BOARD OF DIRECTORS



**Mr. Saif Sultan Abdulla Ahmed Al Salami**

- ❖ Non-executive and non-independent member

**Experiences ,Qualifications & Tenure**

- ❖ Executive Director at Al Fujairah National Group since 1994.
- ❖ Bachelor's degree in Electrical Engineering
- ❖ Master's degree in Computer Engineering
- ❖ Period served as a BOD since the first election 16 years

**Membership / Positions in any other joint stock companies**

- ❖ Board Member of National Bank of Fujairah PJSC

**Other Significant Regulatory ,Governmental, or commercial**

- ❖ Managing Director of Fujairah National Group
- ❖ Director of GPS Chemoil LLC FZC



**Mr. Faisal Sulaiman Musa Al Jassem**

- ❖ Non-executive and Independent member

**Experiences , Qualifications & Tenure**

- ❖ Experience in the private sector
- ❖ Bachelor's degree in Marketing
- ❖ Period served as a BOD since first election 7 years

**Membership / Positions in any other joint stock companies**

- ❖ Nil

**Other Significant Regulatory ,Governmental, or commercial**

- ❖ Senior Manager –Operations FT,ADPOC Fujairah Terminals



**Mr. Saeed Mubarak Obaid Ahmed Al Zahmy**

- ❖ Non-executive and non-independent member

**Experiences , Qualifications & Tenure**

- ❖ Experience in law and courses in insurance and risk management.
- ❖ Master's degree in Law.
- ❖ Period served as a BOD since first election – 28 years

**Membership / Positions in any other joint stock companies**

- ❖ Nil

**Other Significant Regulatory ,Governmental, or commercial**

- ❖ The owner of Al Zahmy Advocates and Legal Consultants office



**Mr. Humaid Mohamed Humaid Al Yamahl**

- ❖ Non-executive and non-independent member

**Experiences , Qualifications & Tenure**

- ❖ 30 years in government work.
- ❖ Bachelor's Degree in Sociology
- ❖ Period served as a BOD since first election –18 years

**Membership / Positions in any other joint stock companies**

- ❖ Nil

**Other Significant Regulatory ,Governmental, or commercial**

- ❖ Director of the Customs Department in Fujairah



**Capt. Salem Abdulla Abdulrahman Al Hammoudi**

❖ Non-executive and Independent Director

**Experiences ,Qualifications & Tenure**

- ❖ General Director Fujairah Oil Industry Zone (FOIZ).
- ❖ Member of Management Team Fujairah Oil Tanker Terminals
- ❖ Fleet Operations Manager National Gas Shipping Company (ADNOC Group).
- ❖ Assistance Head of Logistics –TOTAL ABK
- ❖ Master's-degree in Port Management ( Solent University) in the United Kingdom.
- ❖ Advanced Diploma in Nautical Science (Ship Captain Studies)Australian Maritime College, Australia
- ❖ Period served as a BOD since first election 2 Year.

**Membership / Positions In any other joint stock companies.**

❖ Nil

**Other Significant Regulatory ,Governmental, or commercial**

- ❖ Logistics Operations Management at Fujairah Port



**Dr. Abdulla Mohamed Ahmed Al Khadeem Alantali**

❖ Non-executive and Independent Director

**Experiences , Qualifications & Tenure**

- ❖ Working with private Group of companies across diverse industries including transport, desalination plant, chemical, factory, concrete and exporting.
- ❖ PhD of Business Administration and Management.
- ❖ Master's degree in Business Administration
- ❖ Period served as a BOD since first election 2 Year.

**Membership / Positions In any other joint stock companies.**

❖ Nil

**Other Significant Regulatory ,Governmental, or commercial**

- ❖ General Manager of Fujairah Investment Company



**Ms Raheema Ahmad Al Rayassi**

❖ Non-executive and Independent Director

**Experience , Qualifications & Tenure**

- ❖ Master's degree in organizational Excellence
- ❖ Bachelor's degree in Business Administration Management Track
- ❖ 18 years of experience in the Banking and Financial Sector in the UAE
- ❖ Experience in Finance, Investor relations affairs, and Corporate Governance field
- ❖ Period served as a BOD since the first election: 2 year

**Membership / Positions in any other joint stock companies.**

❖ Nil

**Other Significant Regulatory ,Governmental, or commercial**

- ❖ Board Secretary of National Bank of Fujairah PJSC

### Board Gender Diversity

A diverse board, with balanced gender representation, brings a range of perspectives that enhance decision-making, promote innovation, and strengthen corporate governance. It helps ensure that the company reflects the values of equality and inclusion, which are increasingly important to stakeholders, customers, and employees. For 2025, female representation on the board is 1 out of 9 members, which is approximately 11.1%. By promoting gender diversity at the board level, organizations position themselves for long-term success and improved performance, while also contributing to a culture of fairness and equality in the workplace.

In 2024, the company initiated an open nomination process to promote diversity by encouraging qualified female candidates to apply for a position on the Board of Directors. Ms. Raheema Ahmad was the sole applicant and was elected by the shareholders. Her appointment was finalized after obtaining the required approval from the Central Bank of the UAE (CBUAE).

### Board Member's Remunerations and Allowances

It is proposed that the remuneration for the Board of Directors for 2025 is a total of AED 1.5 million. This will be presented to the Shareholders at the upcoming Annual General Assembly Meeting for approval. Furthermore, for the financial year 2025, board members did not receive attendance allowances for participating in committee meetings derived from the board. Additionally, there were no supplementary allowances, salaries, or fees disbursed to board members during this period.

### THE BOARD OF DIRECTORS MEETINGS HELD DURING THE FISCAL YEAR 2025

The Board of Directors of AFNIC Insurance held six (6) meetings during 2025. The agenda along with the Board documents were circulated in advance. The details of the names of the Board members and attendance of at the Board meetings are given below.

### ATTENDANCE AT THE BOARD MEETINGS

Names of the Board of Directors 2025	BOARD MEETING DATES - 2025						Total number of attendance
	24 Feb	6 March	12 May	6 AUG	5 Nov	24 Dec	
MR. ABDUL GHAFOUR HASHEM BAHROUZIAN	✓	✓	✓	✗	✓	✓	5/6
MR. MOHAMMED ABDULLA SULTAN AL SALAMI	✓	✓	✓	✓	✓	✓	6/6
MR. SAIF SULTAN ADBULLA AHMED AL SALAMI	✓	✓	✗	✓	✓	✓	5/6
DR.ABDULLA MOHAMED AL KHADEEM ALANTALI	✓	✓	✓	✓	✓	✓	6/6
MS. RAHEEMA AHMAD MURAD AL RAYSSI	✓	✓	✓	✓	✓	✓	6/6
CAPT. SALEM ABDULLA ABDULRAHMAN AL AFKHAM	✓	✓	✓	✓	✗	✓	5/6
MR. HUMAID MOHAMEN HUMAID AL YAMAHI	✓	✓	✓	✓	✗	✓	5/6
MR. SAEED MUBARAK OBAID AHMED AL ZAHMI	✓	✓	✓	✓	✓	✓	6/6
MR. FAISAL SULAIMAN MUSA AL JASSEM	✓	✓	✓	✓	✓	✓	6/6



ATTENDED



NOT ATTENDED

NO ATTENDANCE BY A PROXY FOR THE YEAR 2025

NO CIRCULAR RESOLUTIONS DURING 2025

## COMMITTEES OF THE BOARD OF DIRECTORS

### 5.1 AUDIT COMMITTEE

The Audit Committee of Al Fujairah National Insurance Company PJSC has been established by the Board of Directors to assist in overseeing, monitoring, and reviewing the Company's financial integrity, governance, risk management, and internal control systems. The Committee ensures the quality and accuracy of financial statements and reporting, the effectiveness of governance frameworks, and compliance with applicable laws, regulations, and the Company's Code of Conduct. Additionally, the Committee oversees the statutory audit process, the performance of the External Auditor, and the effectiveness of the Internal Audit (IA) function.

#### THE AUDIT COMMITTEE CHAIRMAN'S ACKNOWLEDGMENT OF HIS RESPONSIBILITY FOR THE COMMITTEE SYSTEM AT THE COMPANY

Capt. Salem Abdullah Abdulrahman Al Afkham, chairman of the audit committee, acknowledges responsibility for the committee's system within the company, oversees its work mechanism, and ensures its effectiveness.

#### NAMES OF THE AUDIT COMMITTEE MEMBERS

MEMBER'S NAME	POSITION	DESIGNATION
CAPT. SALEM ABDULLA ABDULRAHMAN AL AFKHAM	<b>CHAIRMAN</b>	NON - EXECUTIVE / INDEPENDENT
MR. SAEED MUBARAK OBAID AHMED AL ZAHMY	<b>MEMBER</b>	NON - EXECUTIVE / NON - INDEPENDENT
MR. FAISAL SULAIMAN MUSA AL - JASSIM	<b>MEMBER</b>	NON - EXECUTIVE / INDEPENDENT

#### AUDIT COMMITTEE FUNCTIONS AND DUTIES ASSIGNED THERETO.

The responsibilities of the Audit Committee are in line with SCA Corporate Governance Guide Decision 3/RM 2020 and the CBUAE Regulations and Standards for Insurance Companies. The Audit Committee undertakes the following duties and responsibilities.

- Develop and implement a policy for engaging external auditors, and present a report to the board of directors outlining significant issues requiring attention, accompanied by recommendations for necessary actions.
- Assessing the adequacy of Senior Management, and the extent of their application of the Board's directions.
- Supervise and ensure the independence and objectivity of external auditors, engage in discussions regarding the nature and extent of the audit process, and evaluate its effectiveness in line with accepted auditing standards.
- Oversee the integrity of the company's financial data and its reports, conducting regular reviews throughout the year, with particular emphasis on the following:
  1. Any modifications to accounting policies and practices.
  2. Identifying areas subject to management estimation.
  3. Significant revisions resulting from the audit process.
  4. Compliance with accounting standards mandated by the regulatory authority.
- Ensuring compliance with listing regulations, disclosure mandates, and other legal prerequisites pertinent to financial reporting preparation.
- Collaborating with the board of directors, executive management, and the CFO to fulfill its responsibilities, with the committee mandated to convene with the company's external auditor at least once annually.
- Addressing any noteworthy or unconventional matters arising or requiring inclusion in reports and accounts, and giving careful consideration to concerns raised by the CEO or CFO, the compliance Director, or the auditor.
- Assessing the company's financial control systems, internal controls, and risk management protocols.

#### AUDIT COMMITTEE FUNCTIONS AND DUTIES ASSIGNED THERETO.

- Engaging in discussions with management regarding the internal control system and verifying its efficacy in establishing a robust internal control framework.
- Approving the appointment and dismissal of the head of internal audit, evaluating his performance, and verifying the sufficiency of his compensation.
- Reviewing significant investigation findings concerning internal control matters delegated by the board of directors or initiated by the committee with board approval.
- Ensuring alignment between the internal auditor and external auditor, and securing requisite resources for the internal audit function, while also evaluating its efficiency.
- Scrutinizing the company's financial and accounting policies and procedures.
- Reviewing the external auditor's report, their action plan, and any significant queries raised by the auditor regarding accounting records, financial statements, and control systems, and providing responses and approvals as necessary.
- Ensuring the board promptly addresses clarifications and significant issues raised in the external auditor's report.
- Establishing mechanisms for employees to confidentially report potential violations in financial reporting, internal controls, or other areas, and undertaking impartial and thorough investigations into such violations.
- Monitoring the company's adherence to professional conduct regulations. violations as well as preparing a report to the board in this regard.
- Guaranteeing the enforcement of the committee's operational protocols and the powers delegated to it by the board of directors.
- Presenting a comprehensive report to the board of directors addressing the matters outlined in this item.
- Addressing any additional issues as directed by the board of directors.
- Reviewing the internal audit's charter annually, and approving any changes to the charter.

During the year 2025, AIFNIC held four (4) Audit Committee meetings. The details of attendance are as follows:

MEMBER'S NAME	MEETING'S DATES 2025				TOTAL NUMBER OF ATTENDANCE
	19 Feb 2025	12 May 2025	16 May 2025	5 Nov 2025	
Capt. SALEM ABDULLA ABDULRAHMAN AL AFKHAM	✓	✓	✓	✓	4/4
MR. SAEED MUBARAK OBAID AHMED AL ZAHMY	✓	✓	✓	✓	4/4
MR. FAISAL SULAIMAN MUSA ALJASSIM	✓	✓	✓	✓	4/4

✓ ATTENDED

✗ NOT ATTENDED

## COMMITTEES OF THE BOARD OF DIRECTORS

### 5.2 NOMINATIONS AND REMUNERATIONS COMMITTEE

The Board Nominations & Remunerations Committee is a permanent committee of Al Fujairah National Insurance Company PJSC that reports to the Board of Directors. The Committee is established to ensure that nomination and remuneration arrangements support the strategic aims of the business, facilitate the nomination and election of Board members with the necessary technical skills and experience to serve the Company's interests, and oversee the recruitment, motivation, and retention of senior executives. These efforts are carried out while complying with regulatory and governance requirements, meeting shareholder expectations, and aligning with the broader employee population's interests.

In its nomination role, the Committee is responsible for identifying and recommending suitable candidates for directorship and executive positions as required by the Board.

This Terms of Reference outlines the purpose, composition, organization, and responsibilities of the Nominations & Remunerations Committee.

#### THE NOMINATION AND REMUNERATION COMMITTEE CHAIRMAN'S ACKNOWLEDGMENT OF HIS RESPONSIBILITY FOR THE COMMITTEE SYSTEM AT THE COMPANY

Humaid Mohammed Humaid Al Yamahi, Chairman of the Nominations and Rewards Committee, acknowledges responsibility for the committee's system within the company, oversees its work mechanism, and ensures its effectiveness.

#### NAMES OF THE COMMITTEE MEMBERS

MEMBER'S NAME	POSITION	CATEGORY (EXECUTIVE, NON-EXECUTIVE OR INDEPENDENT)
MR. HUMAID MOHAMED HUMAID AL YAMAHI	CHAIRMAN	NON-EXECUTIVE / NON-INDEPENDENT
MR. SAEED MUBARAK OBAID AHMED AL ZAHMY	MEMBER	NON-EXECUTIVE / NON-INDEPENDENT
MR. FAISAL SULAIMAN MUSA ALJASSIM	MEMBER	NON-EXECUTIVE / INDEPENDENT

#### NOMINATION & REMUNERATION COMMITTEE FUNCTIONS AND DUTIES ASSIGNED THERETO

The responsibilities of the Nomination & Remuneration Committee are in line with SCA Corporate Governance Guide Decision 3/RM 2020 and the CBUAE Regulations and Standards for Insurance Companies. The Nomination & Remuneration Committee undertakes the following duties and responsibilities:

- **Develop a policy for awarding bonuses, benefits, incentives, and salaries to board members and company employees, and review it annually. The committee must ensure that the bonuses and benefits granted to the company's senior executive management are reasonable and commensurate with the company's performance.**

## 5.2 NOMINATIONS AND REMUNERATIONS COMMITTEE

- Ensure the ongoing independence of independent members. If the committee determines that a member no longer meets the independence criteria, it must refer the matter to the board of directors. The board shall then inform the member in writing at their registered address with the company about the reasons for the loss of independence. The member must respond to the board within fifteen days of receiving the notification. The board will decide whether the member remains independent at the first meeting following the member's response or the expiration of the specified period without a response. If the member loses this status, it will not affect the minimum number of independent members required on the board. This should be considered when forming committees while adhering to the provisions of the amended Companies Law. If the board's decision to revoke the reasons or justifications for independence from the member would impact the minimum percentage of independent members required on the board, the board shall appoint an independent member to replace this member, subject to approval by the first general assembly of the company to consider the board's decision.
- Identify the company's competency requirements at the senior executive management and employee levels, and establish criteria for their selection.
- Develop the company's human resources and training policy, oversee its implementation, and review it annually.
- Coordinate and oversee the procedures for nominating board members in accordance with applicable laws and regulations.

During 2025 , AFNIC held one (1) Nominations & Remunerations Committee meeting. The details of attendance are as follows:

MEMBER'S NAME	MEETING'S DATES 2025	TOTAL NUMBER OF ATTENDANCE
	6 Aug 2025	
MR. HUMAID MOHAMED HAMID AL YAMAHI	✓	1/1
MR. SAEED MUBARAK OBAID AHMED AL - ZAHMI	✓	1/1
MR. FAISAL SULAIMAN MUSA ALJASSIM	✓	1/1

✓ ATTENDED

## COMMITTEES OF THE BOARD OF DIRECTORS

### 5.3 INVESTMENT COMMITTEE

The Board has established the Investment Committee to oversee the Company's investment strategy, evaluate investment proposals, monitor the performance of the investment portfolio, and implement action plans to achieve targeted investment income in alignment with the Company's growth objectives.

**The chairman of the Investment Committee acknowledgment of his responsibility for the Committee system at the company**

Saif Sultan Abdulla Ahmed Al-Salami, Chairman of the Investment Committee, acknowledges responsibility for the committee's system within the company, oversees its work mechanism, and ensures its effectiveness

#### NAMES OF THE MEMBERS OF THE INVESTMENT COMMITTEE

MEMBER'S NAME	POSITION	DESIGNATION / CATEGORY (EXECUTIVE, NON-EXECUTIVE OR INDEPENDENT)
MR. SAIF SULTAN ADBULLA AHMED AL SALAMI	CHAIRMAN	BOARD MEMBER / NON-EXECUTIVE / NON-INDEPENDENT
DR. ABDULLA MOHAMED AHMED AL KHADEEM ALANTALI	MEMBER	BOARD MEMBER / NON-EXECUTIVE / INDEPENDENT
MR. ANTOINE AL MAALOULI	MEMBER	CHIEF EXECUTIVE OFFICER / EXECUTIVE / NON-INDEPENDENT
MR. MUKHTAR AHMAD	MEMBER	FINANCE DIRECTOR / EXECUTIVE / NON-INDEPENDENT

#### THE INVESTMENT COMMITTEE FUNCTIONS AND DUTIES ASSIGNED THERE TO

- Ensure that the company's assets are diversified and appropriately allocated to enable efficient responsiveness to changing economic conditions, including fluctuations in financial and real estate markets.
- Reviewing the performance of the Company's assets annually.
- Preparing and reviewing the investment policy, reviewing its performance, implementation and managing its risks, on an annual basis.

### 5.3 INVESTMENT COMMITTEE

- Focus on maintaining assets to cover technical provisions and other long-term insurance obligations or property and liability commitments.
- Conduct thorough reviews to evaluate the creditworthiness of related parties with which the company may engage in significant transactions.
- Develop a policy and framework for stress testing all investments, including regular stress testing encompassing a variety of market scenarios, and changes in investment, operational, social, and economic factors.
- Submit quarterly reports to the board on the performance of the Company's investment portfolio.
- Perform proper research and due diligence before recommending additional investments for the Company's benefit.

During 2025, the Investment Committee held one (1) meetings. The details of attendance are as follows:

MEMBER'S NAME	MEETING'S DATES	TOTAL NUMBER OF ATTENDANCE
	4 Dec 2025	
MR. SAIF SULTAN ADBULLA AHMED AL SALAMI	✓	1/1
Dr. ABDULLA MOHAMED AHMED AL KHADEEM ALANTALI	✗	0/1
MR. ANTOINE AL MAALOULI	✓	1/1
MR.. MUKHTAR AHMAD	✓	1/1

✓ ATTENDED

✗ Not A TTENDED

## COMMITTEES OF THE BOARD OF DIRECTORS

### 5.4 Board Risk COMMITTEE

The Board Risk Committee of Al Fujairah National Insurance Company PJSC is responsible for overseeing the Company's risk management framework, ensuring its alignment with regulatory requirements and strategic objectives. The Committee identifies, assesses, and mitigates key risks that may impact the business, while also monitoring risk exposure, compliance, and internal controls to safeguard the Company's financial stability.

**The Risk committee Chairperson's Acknowledgement of her personality for the committee system al the company.**

MS. RAHEEMA AHMAD AL RAYSSI AKHAM , chairperson of the risk committee, acknowledges responsibility for the committee's system within the company, oversees its work mechanism, and ensures its effectiveness .

#### NAMES OF THE AUDIT COMMITTEE MEMBERS

MEMBER'S NAME	POSITION	CATEGORY (EXECUTIVE, NON-EXECUTIVE OR INDEPENDENT)
MS. RAHEEMA AHMAD AL RAYSSI AKHAM	CHAIRPERSON	NON-EXECUTIVE / INDEPENDENT
MR. SAIF SULTAN ADBULLA AHMED AL-SALAMI	MEMBER	NON-EXECUTIVE /NON- INDEPENDENT
DR. ABDULLA MOHAMED AHMED AL KHADEEM ALANTALI	MEMBER	NON-EXECUTIVE / INDEPENDENT

## 5.4 Board Risk COMMITTEE

### THE Board Risk COMMITTEE FUNCTIONS AND DUTIES ASSIGNED THERE TO

- Review and monitor the Company's future risk strategy, its risk appetite, in particular, in relation to capital, liquidity and operational risk and make recommendations on risk appetite to the Board.
- Review of the design, completeness, and effectiveness of the risk management framework relative to the Company's activities that would threaten its business model, future performance, solvency or liquidity.
- Ensure the Company has a comprehensive risk management strategy, risk governance framework and policies that are consistent with the nature and volume of the Company's activities, monitor its implementation, review and update it, based on the Company's internal and external changing factors.
- Review and approve risk policies and any material changes made to these to be recommended to the Board for approval (if applicable)
- Responsible for implementation of an effective risk culture, compliance culture and internal controls across the Company.
- Review emerging risks and stress tests which could impact the adequacy of economic, regulatory capital and liquidity and provide challenge and proposed actions where relevant.
- Oversee and ensure Company's risks are at acceptable level as per the risk appetite and that the Company's risks do not exceed such level.

## 5.4 Board Risk COMMITTEE

- 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.
- Review and recommend to the Board for approval and material regulatory filings including the Own Risk and Solvency Assessment (ORSA) methodology and its Report.
- The Committee shall have effective communication and coordination between the Board Audit Committee and the Board Risk Committee to facilitate the exchange of information and effective coverage of all risks, including emerging risks, and any needed adjustments to the Company's Risk Governance Framework.
- Any other matter delegated by the Board of Directors.

During the year 2025, AIFNIC held four (4) Risk Committee meeting. The details of attendance are as follows:

MEMBER'S NAME	MEETING'S DATES 2025				TOTAL NUMBER OF ATTENDANCE
	9 July 2025	5 Nov 2025	5 Dec 2025	30 DEC 2025	
MS. RAHEEMA AHMAD AL RAYSSI AKHAM	✓	✓	✓	✓	4/4
MR. SAIF SULTAN ADBULLA AHMED AL SALAMI	✓	✓	✓	✓	4/4
DR. ABDULLA MOHAMED AHMED AL KHADEEM ALANTALI	✓	✓	✓	✓	4/4

✓ ATTENDED

## AFNIC's Risk Management Approach: Strategies, Exposures, and Forward-Looking Considerations

### KEY POINTS CONCERNING AFNIC'S RISK EXPOSURES AND RISK MANAGEMENT STRATEGIES.

AFNIC's operations continue to be diversified across multiple business lines and geographical areas to create a balanced portfolio. The careful management of this diversity enables AFNIC to keep exposure within the defined risk appetite while leveraging diversification benefits. AFNIC's risk management framework ensures the protection of our policyholders' interests, ensuring capital adequacy through clear risk limits and risk selection criteria.

AFNIC's risk exposure is actively monitored for all areas of business performance by the adoption of a structured framework to aggregate and manage concentrations. AFNIC's comprehensive reinsurance strategy mitigates significant exposures across all business performance areas.

### INFORMATION ON THE PURPOSE, STRATEGIES, STRUCTURES, AND RELATED RISKS AND CONTROLS OF MATERIAL AND COMPLEX OR NON-TRANSPARENT ACTIVITIES:

#### Purpose:

To identify, assess, and manage financial and non-financial risks while ensuring stability, liquidity, and regulatory compliance.

#### Strategies:

Pro-active risk identification, diversification, fraud risk management, data analytics for risk assessment, and stress testing for vulnerabilities.

#### Structure:

Corporate governance with clear roles and responsibilities, oversight committees, and the Three Lines of Defence model to ensure effective risk management.

#### Related Risks and Controls:

Stringent risk selection, capital oversight, contingency planning, fraud detection, and independent oversight from internal and external audits.

### Forward looking statements and foreseeable risk factors:

AFNIC employs a forward-looking risk strategy, vigilantly identifying and mitigating emerging risks. AFNIC prioritizes climate change, technology disruption, cybersecurity, and political instability, all of which are rapidly evolving. In alignment with its growth objectives, AFNIC is strengthening its Risk Management Framework to respond effectively to shifts in both the business and regulatory landscape.

### 5.5 INSIDER TRADING SUPERVISION COMMITTEE

The Committee Chair of the Supervision and Follow-up Committee of insider's transactions acknowledgment of his responsibility for the Committee system at the company.

I, Mukhtar Ahmad, the Committee chair of the Committee for Monitoring and Supervising the Transactions of Informed Persons, acknowledge responsibility for the committee's system within the company and for oversees and ensures its effectiveness.

MEMBER'S NAME	POSITION
MR. MUKHTAR AHMAD	COMMITTEE CHAIR
MR.EIAD ABSSI	MEMBER

#### THE SUPERVISION AND FOLLOW-UP COMMITTEE OF INSIDER'S TRANSACTIONS FUNSCTIONS AND DUTIES

The duties of the Committee are in accordance with Article (33) of SCA Corporate Governance Guide Decision 3/RM 2020. The Committee undertakes the following duties:

- Safeguard non-public information owned by the company.
- Ensure that non-public information remains confidential and is not disclosed to individuals outside the company, including family, friends, or other employees unless such disclosure is necessary for business purposes.
- Monitor the activities of individuals who have access to the company's proprietary information, whether they engage in transactions themselves or through intermediaries, involving securities of the company.
- Oversee the dissemination of any data or the provision of statements or information that could impact the market value of securities and influence investor decisions.
- Guarantee that internal company information is not utilized for trading securities on the market.

### NUMBER OF SUPERVISION AND FOLLOW-UP COMMITTEE OF INSIDER'S MEETINGS HELD DURING THE YEAR 2025

During the year 2025, the Committee of follow-up and supervision of insiders' trading held one (1) meeting. The meeting details of attendance is as follows;

MEMBER'S NAME	MEETING'S DATES 2025	NUMBER OF ATTENDANCE
	13- OCT	
MR. MUKHTAR AHMAD	✓	1/1
MR. EIAD ABSSI	✓	1/1

✓ ATTENDED

### Assessment of the Board of Directors

In 2025, an internal assessment of the Board of Directors, Its member and committees was conducted. The results were reviewed by the Chairman and the chairman of the Nomination and Compensation Committee, which concluded that the Board continues to function effectively while also identifying some areas for further enhancement.

An internal assessment of the Executive Management and its members was conducted as well. The results were reviewed by the Chief Executive Officer in coordination with the Chairman of the Board, confirming that Executive Management continues to perform its responsibilities effectively while identifying areas for further improvement and strengthening of management practices.

## RELATED PARTY TRANSACTIONS

### DETAILS OF TRANSACTIONS CONDUCTED WITH RELATED PARTIES ( STAKEHOLDERS ) DURING THE YEAR 2025

#### A related party is defined as follows:

A person or a close member of that person's family is related to the Company if that person:

- Has control or joint control over the Company;
- Has significant influence over the Company; or
- Is a member of the key management personnel of the Company or a parent of the Company?

Transactions with related parties

The company engages in transactions with related parties as part of its regular business operations. The management believes that the terms of such transactions are not significantly different from those that could have been obtained from third parties.

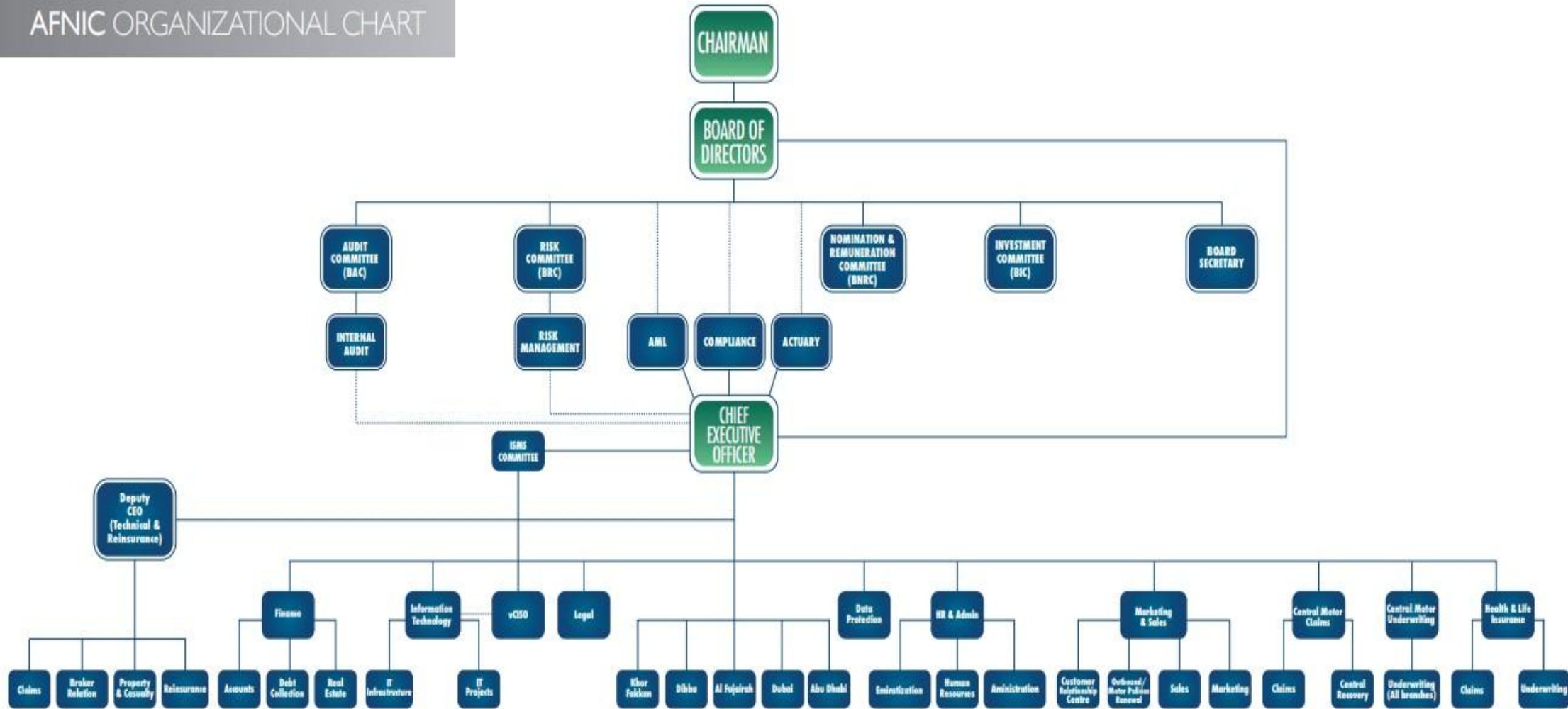
During the year 2025, the Company entered into transactions with Related Parties as per the details given below

TYPE	RELATIONSHIP	Total
Claims Settled	Company Under Common Control	13,456,293
Gross Written Premium	Company Under Common Control	71,,540,278
Gross Written Premium	Board Member	218,415
Investment in Fixed Deposit	Company Under Common Control	70.459,009
<b>Grand Total</b>		<b>155,673,996</b>

Also Attached below is a statement of the transactions that the company made during 2025, which equal 5% or more of the company's capital.

Company Name	RELATIONSHIP	TYPE	Total
NATIONAL BANK OF FUJAIRAH	Company Under Common Control	Gross Written Premium	12,924,346
NATIONAL BANK OF FUJAIRAH	Company Under Common Control	Fixed Deposit	10,000,000
NATIONAL BANK OF FUJAIRAH	Company Under Common Control	Fixed Deposit	10,000,000
NATIONAL BANK OF FUJAIRAH	Company Under Common Control	Fixed Deposit	10,000,000
NATIONAL BANK OF FUJAIRAH	Company Under Common Control	Fixed Deposit	10,000,000
<b>Grand Total</b>			<b>52,924,346</b>

AFNIC ORGANIZATIONAL CHART



## EXECUTIVE MANAGEMENT DURING THE YEAR 2025

### The task and power of Directors carried out by member of the Board or the Executive Management during 2025 based on delegation from the Board

The Board of Directors has authorized the executive management to carry out all activities related to the company's business as stipulated in the Articles of Association. This includes insurance operations, claims settlements, real estate management, and making appropriate decisions that enhance the company's performance. However, any decisions related to the company's strategic policies, such as investment policies, contract signing, and loans, must be referred to the Board of Directors for approval. It is noted that the delegation of authority is renewed annually and remains valid until July 20, 2025.

The Executive Management supports the Chief Executive Officer (CEO) in the development of strategies, budgets, policies, and procedures, as well as in handling significant operational matters. They also ensure effective internal communication within the organization.

The CEO operates in accordance with the authority delegated by the Board of Directors through a Power of Attorney. With the support of the Executive Management team, the CEO is responsible for the day-to-day management of the business, in line with the annual Strategic Plan approved by the Board of Directors

The major duties and responsibilities delegated to the Executive Management by virtue of a Power of Attorney are but not limited to :

- Transact, manage, conduct, and perform all commercial, financial, and insurance matters, as well as exercise any powers deemed necessary or relevant to the business and affairs of the Company's operations within the United Arab Emirates, in accordance with the provisions of the Power of Attorney and within the limits specified in the Delegation of Authority Matrix..
- Manage the Company's accounts with any bank(s) in accordance with the provisions of the Power of Attorney and within the limits outlined in the Delegation of Authority Matrix.
- Represent the Company in all financial agreements approved by the Board of Directors, in accordance with the provisions of the Power of Attorney and within the limits specified in the Delegation of Authority Matrix.
- Represent the Company in all legal matters, including the settlement, compromise, discharge, or composition of claims, as per the provisions of the Power of Attorney and within the limits outlined in the Delegation of Authority Matrix.
- Purchase or lease residential, business, and other premises and facilities required for the Company's operations, in accordance with the provisions of the Power of Attorney and within the limits specified in the Delegation of Authority Matrix.

## EXECUTIVE MANAGEMENT'S SALARIES AND BENEFITS

### 9.1 STATEMENT OF THE SENIOR EXECUTIVE IN THE FIRST AND SECOND GRADE ACCORDING TO THE COMPANY'S ORGANIZATIONAL STRUCTURE

Position	Date of appointment
The Chief Executive Officer (CEO)	16/01/1981
Deputy Chief Executive Officer (Dy CEO)	19/04/2003
Account & Financial Director	01/06/2023
Director of Human Resources, Marketing, and Administration	02/02/2014
Compliance Director	21/12/2002
Central Claim Director	01/02/1982
East coast Regional Director	02/08/2003
Information Technology Director	28/09/2003
Internal auditor Director	12/07/2015
Property & Casualty Director	13/11/2011
Central Underwriting Manager	15/06/1991
Legal affair Manager	13/10/2025
Board of secretary	01/02/2009
Property & Casualty Senior Manager	24/05/1977
AML Officer	22/02/2022

**The total salaries and allowances paid for the year 2025**

8,439,192

**The total bonuses paid for the year 2025**

1,722,372

**Any other cash or in-kind bonuses for the year 2025 or deserving in the future**

N/A

## 9.2 EXECUTIVE MANAGEMENT'S SALARIES AND BENEFITS

- The Board of Directors has approved the remuneration policy that aims to enable the company to attract, retain, and motivate highly qualified members for the Board and Executive Directors.
- The remuneration policy seeks to enable the company to provide a well-balanced and performance-related compensation package, taking into account shareholders' interests, industry standards, and relevant corporate regulations.
- The remuneration policy will ensure that the interests of Board members & senior executives are aligned with the business strategy and risk tolerance, objectives, values, and long-term interests of the company and will be consistent with the "pay-for-performance" principle.
- The remuneration policy will ensure that remuneration to directors, key managerial personnel, and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- The Remuneration of employees largely consists of basic remuneration, perquisites, allowances, and bonus. The components of remuneration vary for different employee grades and are governed by industry patterns, qualifications and experience of the employee, responsibilities handled by him, his individual performances, etc. The annual variable pay of senior managers is linked to the Company's performance in general and their individual performance for the relevant year is measured against specific major performance areas which are closely aligned to the Company's objectives.
- Based on the recommendation of the Nomination & Remuneration Committee, remuneration to the Non-Executive Directors is to be decided by the Board of Directors, and distributed to them based on their participation and contribution to the Board/certain Committee.

## EXTERNAL AUDITOR

The BDO Chartered Accountant & Advisors audit office is one of the largest offices operating in the country in the field of external auditing. The office has been present in the UAE for a long time, earning a good reputation in the business community due to its extensive experience in this field. It's worth noting that the office has been conducting external audit work for the company since 2024, and there is no other external auditor performing auditing or providing financial services to the company. The external auditor is completely independent from the executive management and the Board of Directors.

### FEES AND COSTS RELATED TO AUDITING OR SERVICES PROVIDED BY THE EXTERNAL AUDITOR DURING THE YEAR 2025

The Name of the Audit Firm	BDO Chartered Accountant & Advisors
The Name of the Partner	Mohammad Afzal Koya
The number of years spent as an external auditor for the company	2
The number of years the partner auditor has spent auditing the company's accounts.	2
The total audit fees for the year 2025	275,000 AED
Fees and costs of other special services in addition to financial statement auditing for the year 2025	0
Fees specifically for anti-money laundering services.	
Details and nature of other services provided (if any). If there are no other services, this shall be expressly stated.	NO OTHER SERVICES PROVIDED
A statement of other services performed by another external auditor other than the company's auditor to audit the information systems management during the year 2025	20,000 AED

There were no reservations mentioned by the auditors in their opinion on the financial statements for the year ended 31 December 2025.

## INTERNAL CONTROL SYSTEM

The Board of Directors acknowledges its responsibility for establishing and maintaining a sound system of internal control and risk management within the Company. The Board has undertaken a review of the operating framework of the internal control system to ensure that it is adequate and effective in managing the Company's operations and associated risks. Based on the information provided and the reviews conducted during the year, the Board confirms that the internal control system is operating effectively and that continuous monitoring and improvement mechanisms are in place.

In 2025, no significant control issues or non-compliance were identified within the company.



The Internal Audit function operates as an independent and objective assurance and advisory service, aimed at enhancing the company's value and optimizing its operations. It supports the organization's objectives by employing a structured, systematic approach to assess and improve the effectiveness of risk management, control, and governance processes.

AFNIC's Internal Audit function is led by Mr. Mohammed Sultan Abu Salem, who has served as Manager - Internal Audit since his appointment on July 12, 2015. He holds a Bachelor's degree in Accounting and brings 19 years of experience in internal audit management within the insurance sector. He is responsible for regularly reporting the internal audit function's findings to the Audit Committee.

In 2025, the Internal Audit Department issued Five reports.

#### INTERNAL AUDIT MANAGEMENT MECHANISM

- The management convenes annually with the audit committee to endorse the management's work plan.
- Evaluation of the implementation of the annual audit plan.
- Assessment of risk audit and challenges encountered by the company.
- Review of the effectiveness of audit procedures, audit methodologies, and

There were no major problems encountered by the company during the year ended on 31/12/2025



## COMPLIANCE FUNCTION

The Compliance function operates as an independent entity, ensuring that the company fully adheres to all applicable laws, regulations, and guidelines set by regulatory authorities.

At AFNIC, the Compliance Department is structured around a dedicated core team led by the Compliance Director, Ms. Suzan Adel El Sayed. She holds a Bachelor's degree in Business Administration and P.Master's degree in Law and International Diploma in Governance Risk & Compliance by International Compliance Association.

Ms. El Sayed initially joined AFNIC as Senior Manager of the Central Litigation Department on December 21, 2002, and assumed leadership of the Compliance Department on June 1, 2023.

As Compliance Director, she oversees all compliance-related activities within AFNIC, ensuring the company's operations align with regulatory requirements and industry best practices. The Compliance Department is responsible for developing, implementing, and continuously monitoring compliance policies and procedures to uphold regulatory standards and reinforce a culture of compliance across the organization.



## VIOLATIONS COMMITTED DURING THE FISCAL YEAR 2025

- AFNIC did not commit any material violations during 2025.
- No board members were sanctioned by any national or foreign judicial authority.



The company is committed to the community and the environment with the following obligations, which are deemed necessary to fulfill and maintain:

- Compliance with all laws, regulations, and systems enacted for environmental preservation.
- Participation in events organized for environmental conservation.
- Contribution to any event organized for this purpose.
- The company contributes to serving the community in all economic, social, and cultural activities organized by governmental or non- governmental entities.
- The company trains citizen employees for qualification and subsequently hires some of them according to the company's annual plan.
- The company has contributed to and supported some events organized to serve civil society, as follows:

## THE COMPANY CASH CONTRIBUTIONS DURING THE YEAR 2025

EVENTS & CONTRIBUTION VALUE IN AED		EVENT & CONTRIBUTION VALUE IN AED	
Ajman Club for Disabled	50,000	Nair Service Society VishuSandhya	5,000
AL Tareq Rehabilitation & Autismus Center	10,000	Fujairah Bodybulding Championship	10,000
Fujairah International Piano competition	10,000	Sevanam SNDP Yogam Ponnonam	5,000
Indian Social Club – Souvenir book	2,500	Selected Bavikara UAE Cricket Premier League	3,000
CSR - Philippines school, mosque, and waterwheel construction	69,900	Fujairah Traffic Week	5,000
Kerela Muslim Cultural Centre – Ameen Puthoor Memmorial Football tournament	1,000	Indian Cultural & Arts Society Orumayde Ponnonam	2,500
Rising GYM-Powerlifting Competition-2025	10,000	Fujairah Cricket Brothers Fujairah Super League	1,500
UAE Scout Pioneers	5,000	Perumbavaar Pravasi Association Onam Celebration	3,000
Wakilak for Tourism - insurance policy	1,000	Keralotsavam-Kairali Cultural Association	1,500
Zayed Radio For Qura'an - 5 insurance policies	3,500	UAE Kerela Muslim Cultural Centre	2,000
Donation to Individual	1,000	CAPSS Fujairah Mandala Makara Vilakku Festival	3,000
NSS Hindu College Changanassery Kalayasmrithi	5,000	Indian Cultural and Arts Society	2,500
Fujairah Culture & Media Authority	33,000		

**Total Contribution amount 245,900**

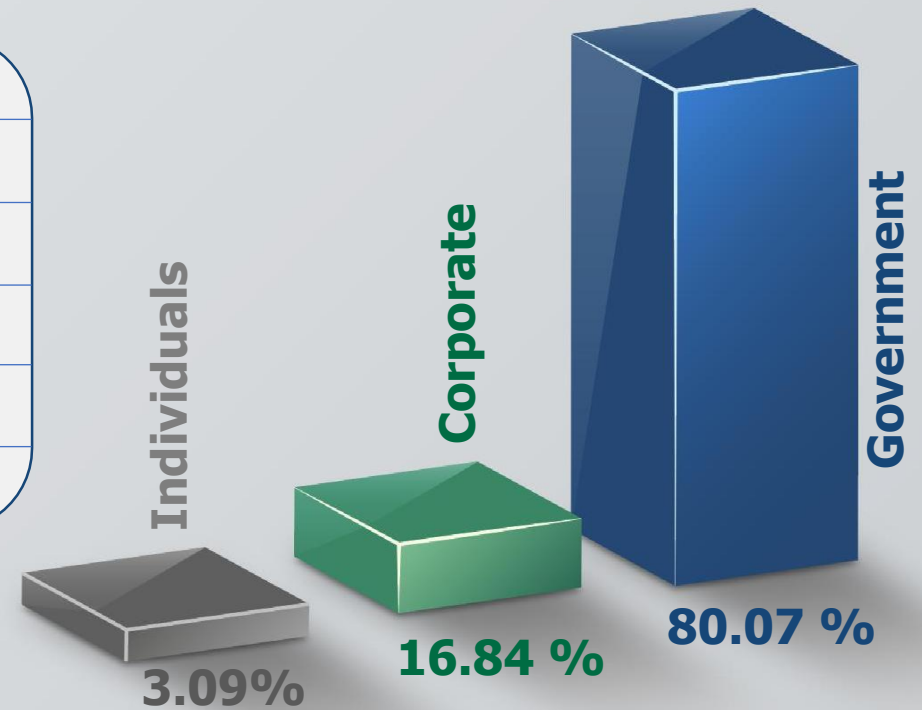
## GENERAL INFORMATION

THE COMPANY'S STOCK PRICE IN THE MARKET ( HIGHEST AND LOWEST PRICE ) AT THE END OF EACH MONTH DURING THE YEAR 2025

The closing price of the stock on 31/12/2025 was 210 dirhams

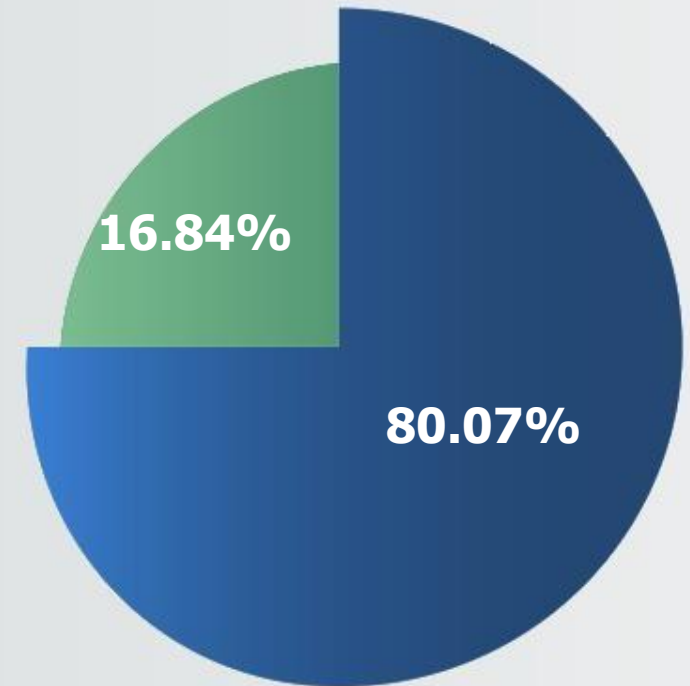
### STATEMENT OF STAKEHOLDERS' OWNERSHIP DISTRIBUTION AS OF 12/31/2025

No	CLASSIFICATION OF SHAREHOLDER	PERCENTAGE OF OWNED SHARES %			
		INDIVIDUALS	CORPORATE	GOVERNMENT	TOTAL
1	LOCAL	3.09	16.84	80.07	100
2	ARAB	-	-	-	-
3	FOREIGN	-	-	-	-
	<b>TOTAL</b>	<b>3.09</b>	<b>16.84</b>	<b>80.07</b>	<b>100</b>



THE SHARHOLDERS WHO OWN 5% OR MORE OF THE COMPANY'S CAPITAL AS OF 2025

SHAREHOLDER	NUMBER OF OWNED SHARES	PERCENTAGE OF OWNED SHARES OF CAPITAL
Department of Industry & Economy Government of Fujairah	1,065,686	80.07 %
Fujairah Investment Company	224,175	16.84 %



## GENERAL INFORMATION

### STATEMENT OF THE DISTRIBUTION OF SHAREHOLDERS ACCORDING TO OWNERSHIP SIZE AS OF 31/12/2025

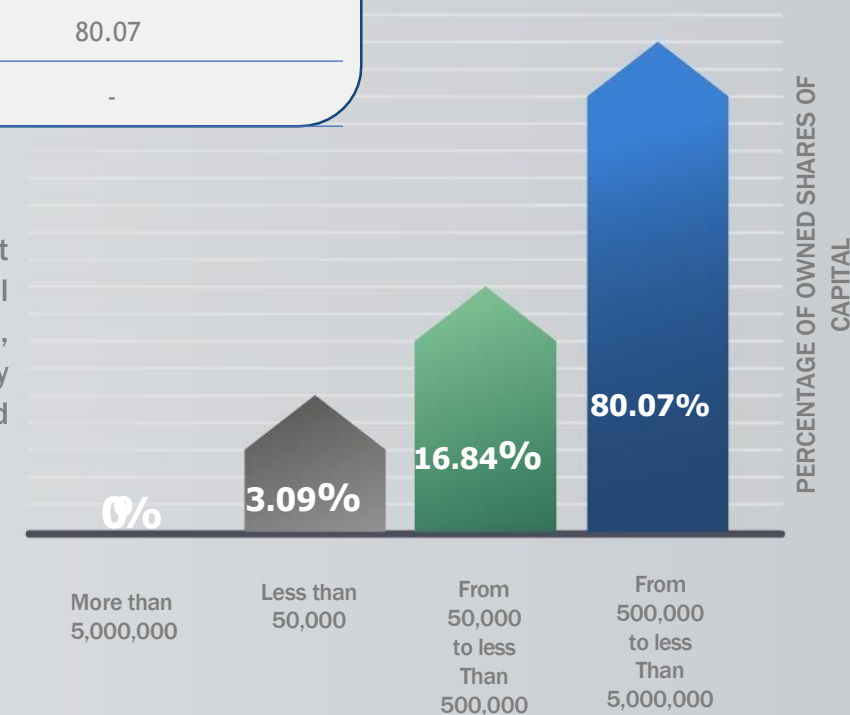
SHARE OWNERSHIP	NUMBER OF SHAREHOLDERS	NUMBER OF OWNED SHARES	PERCENTAGE OF OWNED SHARES OF CAPITAL
LESS THAN 50,000	12	41,139	3.09
FROM 50,000 TO LESS THAN 500,000	1	224,175	16.84
FROM 500,00 TO LESS THAN 5,000,000	1	1,065,686	80.07
MORE THAN 5,000,000	-	-	-

### PROCEDURES TAKEN REGARDING INVESTOR RELATIONS

The investor relations page on the company's website has been updated, to include contact details and communication channels for the investor relations department. Additionally, all relevant reports on interim financial results, minutes of General Assembly meetings, company disclosures, shareholder ownership percentages, dividend distributions, and any other investor-related matters have been made available to ensure transparency and accessibility.

### DETAILS OF INVESTOR RELATIONS OFFICER ON THE COMPANY'S

NAME	MR.EIAD FAYEZ ABSSI
EMAIL	<a href="mailto:Eiad.absi@fujinsco.ae">Eiad.absi@fujinsco.ae</a>
CONTACT NUMBER	+971 526 411 065



Investor information are available on our Investor Relations link Website page:  
[https://afnic.ae/en/Investor\\_Relations\\_home](https://afnic.ae/en/Investor_Relations_home)

#### DECISIONS PRESENTED AT THE GENERAL ASSEMBLY HELD DURING THE YEAR 2025

- No special resolutions were presented to the General Assembly during the year 2025

#### SECRETARY OF THE BOARD OF DIRECTORS

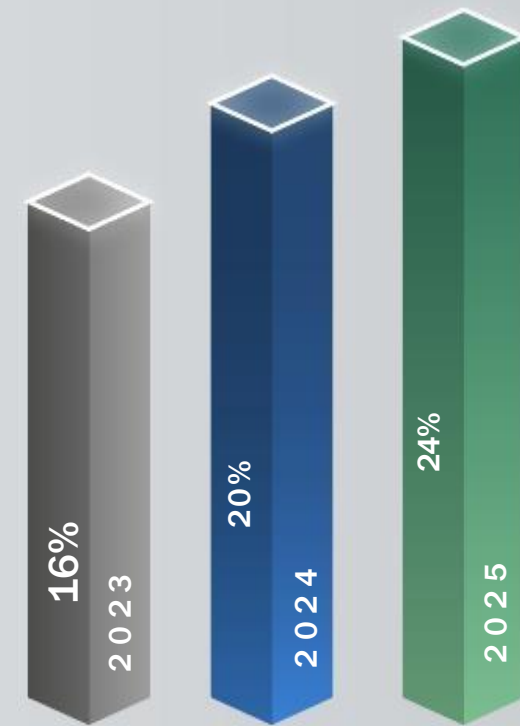
NAME	AWAD ALLAH ALI MOHAMMED KHIR
DATE OF APPOINTMENT	1/2/2009
EDUCATIONAL QUALIFICATIONS	BACHELOR'S DEGREE IN LAWS
PRACTICAL EXPERIENCE	LEGAL RESEARCHER FOR OVER 38 YEARS
JOB DUTIES	<ul style="list-style-type: none"> <li>• Organizing Board of Directors' meetings throughout the year.</li> <li>• Sending invitations to board members, recording minutes of board meetings, and ensuring the signing of minutes by members.</li> <li>• Maintaining digitally organized records of board minutes.</li> <li>• Facilitating procedures for conducting general assembly meetings.</li> <li>• Compiling the annual governance report.</li> <li>• Monitoring the phased and annual disclosure process.</li> </ul>

## GENERAL INFORMATION

- No significant events were encountered by the company during the year 2025.
- No transactions were conducted with related parties during the year 2025 that were equal to 5% or more of the company's capital

### RATIO IN THE COMPANY BY THE END OF THE YEARS 2023- 2024- 2025

YEAR	PERCENTAGE
2023	16%
2024	20%
2025	24%



LOCALIZATION RATIO

### PROJECTS AND INNOVATIVE INITIATIVES UNDERTAKEN BY THE COMPANY OR UNDER DEVELOPMENT DURING THE YEAR 2025

During 2025, the Company continued to pursue several initiatives aimed at enhancing product offerings, improving operational efficiency, and supporting digital transformation. Key initiatives include:

- **Longer Life Insurance Product** -The Company developed an individual life insurance product titled “Longer Life Insurance.” The product has been shared with reinsurers for review and technical assessment. Subject to their approval, the Company will proceed with the required regulatory approvals prior to launch.
  - **AI-Enabled Business Process Transformation**- The Company has initiated the implementation of an AI-enabled business process re-engineering program aimed at improving operational efficiency and decision-making. An internal AI Committee has been established, and the process of selecting qualified AI vendors has commenced.
  - **AI-Based Underwriting Portals** -The Company is evaluating the development of AI-based underwriting portals across various lines of business to enhance underwriting efficiency and strengthen risk assessment processes.
  - **FloodGuard Insurance Product** -FloodGuard was initially developed as a stand-alone product and is now offered as a bundled coverage with Motor Third-Party policies in response to increased demand for flood protection among motorists.
  - **Limited Loss War Risk Coverage** -The Company is working with reinsurers to develop a limited loss war risk coverage for SME properties and motor policies. The coverage will operate on a loss-limit basis to manage risk accumulation while providing basic protection to policyholders.
  - Development of the complaints system to effectively receive, track, and respond to customer complaints.
  - AFNIC 2024 Annual Report Highlights presented to the AFNIC Board of Directors using AI avatars.
  - Created QR code stand for customers to download the AFNIC App.
  - Opened New outlets at strategic locations.
  - Develop interactive videos, for motor insurance renewal reminder, using AI.
  - Improved the wellness of the employees through the Wellness Program, where we organised a fitness & health session and distributed sustainable wellness snack packages.
- These initiatives reflect AFNIC’s dedication to innovation ,ongoing efforts to strengthen corporate governance, enhance stakeholder engagement, and drive sustainable growth.



## THE ANNUAL AUDIT COMMITTEE REPORT

### The Audit Committee performed the following duties:

- Review with the management and the external auditors all significant matters on the quarterly and year-end financial statements and recommend its adoption by the Board.
- Monitor compliance with the financial reporting standards and regulatory requirements.
- Review the Company's financial and accounting policies and procedures.
- Review significant accounting and reporting issues, including:
  - Changes in accounting policies.
  - Significant adjustments resulting from the audit.
  - Ongoing concerns.
  - Adherence to accounting criteria set by the Securities and Commodities Authority.
  - Adherence to listing and disclosure rules and other financial reporting legal requirements.
  - Complex or unusual transactions or highly judgmental areas.
  - Ensure that the Company updates its policies, procedures, and control systems annually.
- Review any management letter from the external auditors and ensure the Executive Management takes corrective actions.
- Discuss significant issues and difficulties encountered in the interim or final audits.
- Review the effectiveness of AFNIC's risk management framework, assessment and responses to key business risks.
- Oversee and make recommendations on the appointment of external auditors to the Board, their fees and any questions relating to their resignation or removal.
- Develop and apply a policy for contracting with external auditors to provide audit and non-audit services and make a report to the Board of Directors to set forth the issues in respect of which action shall be adopted together with recommendations on necessary to-be-adopted steps.
- Evaluate on an annual basis external auditor qualifications, compliance with applicable laws, performance and independence. In performing this evaluation, the committee will obtain and review a report by the independent auditor describing the firm's internal quality-control procedures at least annually. Any material issues raised by the most recent internal quality-control review or peer review of the firm or by any inquiry or investigation by governmental or professional authorities related to one or more independent audits carried out by the firm and any steps taken to deal with any such issues and (to assess the auditor's independence) all relationships between the independent auditor and the company.
- Ensure that the Board responds in a timely manner to the clarifications and substantive issues raised in the auditor letter.
- Review the extent of non-audit services provided by the external auditors in relation to the objectivity and independence needed in the conduct of the audit and make such recommendations on these matters to the Board as the Committee sees fit.
- Review the mission and action plan of the external auditor and any material inquiries raised by the auditor to the Management in respect of accounting records, financial accounts or control systems, respond thereto and approve the same.

- Discuss with AFNIC's external auditor any audit problems or difficulties encountered during the audit and assess management's response relating to:
  - Restrictions on the scope of the external auditor activities.
  - Restrictions on the external auditor's access to requested materials.
  - Significant disagreements with the Management.
  - Material audit differences that the external auditor noted or proposed but for which the Company's financial statements were not adjusted.
  - Coordinate with the Board of Directors, Executive Management and Finance Director to meet with the External Auditors at each reporting period.
  - Review and approve plans, budget, staffing and organizational structure of the Internal Audit function and related Internal Audit activities.
- The Committee approved the annual Internal Audit Plan and reviewed all Internal Audit reports presented during the year, with particular focus on medium- and high-risk findings. The Committee assessed whether such findings indicated any significant violations or material weaknesses in internal controls.
- Review all reports submitted to the Committee by the Internal Audit Unit and Executive Managements responses to such reports.
- Evaluate the performance of the Internal Audit Department.
- On a regular basis, meet separately with the Internal Audit Director to discuss any matters that the Committee or Internal Audit believes should be discussed privately.
- Review the effectiveness of Internal Audit activities and compliance with the Resolution of the Chairman of Securities and Commodities Authority's Board of Directors' Decision No. (3/Chairman) of 2020 Concerning Approval of Joint Stock Companies Governance Guide.
- Provide the Internal Audit Director the right of direct access to the Chairman of the Committee and the Committee.
- Review the effectiveness of AFNIC's Internal Control systems, including information systems, and technology security and control.
- Ensure an annual review of Internal Control system is performed to determine the overall adequacy and effectiveness of AFNIC's Internal Control System.
- Discuss the Internal Control system with the Executive Management to ensure the latter's performance of its duties towards the development of an efficient Internal Control system.
- Discuss AFNIC's Policies and Procedures with the Executive Management to ensure the latter's performance of its duties towards the development of Policies and Procedures.
- Review with management and the Internal Audit Director the Charter, plans, activities, staffing, and organizational structure of the internal audit process.
- Investigate any potential violations resulting from fraud, conflict of interest, or the company's non-compliance with the rules of professional conduct in a confidential manner and take steps to conduct independent and fair investigations of those violations.
- Audit Committee ensured that each Related Party Transaction is reported properly in the Company's financial statements in accordance with the applicable international accounting standards.

**Capt. Salem Abdulla Abdulrahman Al Hammoudi**  
Chairman of the Audit Committee



## THE BOARD OF DIRECTORS STATEMENT

The Board of Directors of AFNIC reaffirms its firm commitment to maintaining the highest standards of compliance with the applicable laws and regulations of the United Arab Emirates. In fulfilling its responsibilities, the Board ensures full adherence to the Company's internal policies and procedures designed to meet the regulatory requirements of the Securities and Commodities Authority, the Central Bank of the UAE, and other relevant regulatory Authorities.

The Board also remains fully committed to strengthening the Company's corporate governance framework and overseeing the effectiveness of risk management, internal control systems, compliance functions, internal audit activities, financial reporting processes, and external audit arrangements. Through this oversight, the Board promotes a culture of transparency, accountability, and integrity across the organization.



Mr. Abdul Ghafour Hashem Bahrouzian  
Chairman of the Board of Directors



Mr. Humaid Mohammed Humaid A Yamahi  
Chairman of the Nomination & Remuneration Committee



Capt. Salem Abdulla Abdulrahman Al Hammoudi  
Chairman of the Audit Committee



Mr. Mohammad Sultan Abu Salem  
Manager Internal Audit