CORPORATE GOVERNANCE REPORT 2025

Fuel Supplies Maldives Pvt Ltd



TABLE OF CONTENTS

Corporate Governance Report 2025

1.1 INTRODUCTION	4
1.2 BOARD OF DIRECTORS	4
1.3 PURPOSE OF THE COMPANY	5
1.4 THE BOARD CHARTER	5
1.5 TENURE	5
1.6 BOARD COMPOSITION AND DIVERSITY	6
1.7 PROCESS OF APPOINTMENT OF DIRECTORS	6
1.8 SEGREGATION OF DUTIES BETWEEN CHAIRPERSON AND THE MANAGING DIRECTOR	7
1.9 BOARD INDUCTION AND CONTINUING EDUCATION	7
1.10 EVALUATION OF THE BOARD	8
1.11 BOARD REMUNERATION	8
1.12 BOARD MEETINGS AND ATTENDANCE	9
1.13 BOARD PROCEEDS AND MAJOR DECSISION	9
1.14 NON-EXECUTIVE DIRECTORS MEETING	10
1.15 BOARD COMMITTEES	10
1. 16 CONFLICT OF INTEREST AND MATERIALLY SIGNIFICANT , RELATED PARTY TRANSACTION	14
1.17 GOOD GOVERNANCE, POLICIES AND PROCEDURES	15
1.18 COMPANY SECRETARY	15
1.19 MANAGEMENT REVIEW AND RESPONSIBILITIES	15
1.20 INTERNAL AND EXTERNAL AUDIT	16
1.21 INTERNAL CONTROL, RISK MANAGEMENT AND COMPLIANCE	16
1.22 SHARES, SHAREHOLDING AND SHAREHOLDER VOTING RIGHTS	17
1.23 SYSTEMS FOR RAISING CONCERNS	17
1.24 ANNUAL GENERAL MEETING	17
1.25 DIVIDEND	18
1.26 DETAILS OF NON-COMPLIANCE	18
1.27 GOING CONCERN DECLARATION AND FUTURE OUTLOOK	18

1.1 INTRODUCTION

The Corporate Governance Report for the year 2025 provides a comprehensive overview of the organization's commitment to ethical business practices and responsible governance. The report highlights key initiatives undertaken to enhance corporate governance structures, ensuring transparency, accountability, and stakeholder engagement.

The report provides insight into the company's compliance with the Code of Corporate Governance for STO Group of Companies.

1.2 BOARD OF DIRECTORS



Ali Nabeeh
Chairman



Fathimath Ashan
Managing Director



Mohamed Murad
Chief Operating Officer



Mohamed Shuaib Ahmed
Director



Aiminath Shamrath
Director



Hussain Ali
Director



Siyah Ahmed
Director

1.3 PURPOSE AND NATURE OF THE COMPANY

Fuel Supplies Maldives (FSM), established on 18 December 2000, operates as a subsidiary of State Trading Organization Plc (STO). The company was founded with the objective of streamlining nationwide fuel distribution, ensuring efficient and reliable access to fuel across the Maldives.

Prior to establishment of FSM, fuel distribution activities were carried out by STO, the country's primary fuel importer. Since then, FSM has developed a robust distribution network that has significantly improved nationwide fuel accessibility. Through the integration of modern technologies, the company has enhanced its fuel delivery and handling processes, setting new standards for operational efficiency and service reliability.

FSM remains committed to supporting national economic growth and development. In recognition of the critical nature of its operations, the company places strong emphasis on safety and the adoption of best practices to minimize environmental impact.

1.4 THE BOARD CHARTER

The Board Charter serves as a guiding framework for directors in fulfilling their corporate governance responsibilities and providing strategic leadership. It defines the board's roles, duties, organizational structure, and procedures, while emphasizing the significance of all aspects of board operations.

The Board's objectives encompass:

- Providing strategic direction for the organization.
- Establishing a policy-driven governance framework.
- Identifying operational risks and implementing mitigation strategies.
- Ensuring compliance with relevant laws and regulations.
- Monitoring financial performance.
- Recruiting, supervising, retaining, and assessing candidates for the managing director and executive management roles.
- Ensuring the adequacy of technology and information systems in use.
- Delivering essential reports to stakeholders.

1.5 TENURE

In 2025, the Board underwent four significant changes. Mr. Ali Nabeeh was appointed as the Chairman of the Board on 1st January 2025. On the same date, Ms. Thooza Saeed was appointed to the Board. However, following her resignation, she was removed from the Board effective 26th January 2025. She later joined the Company as the Head of Human Resources.

On 26th January 2025, Mr. Siyah Ahmed was appointed to the Board, and on the same date, Mr. Mohamed Murad was appointed as an Executive Director.

1.6 BOARD COMPOSITION AND DIVERSITY

As per the Articles of Association, the Board of Directors is required to consist of a minimum of three (3) and a maximum of 7 members. In 2025, the Board comprised seven (7) directors, consisting of five (5) non-executive members and two (2) executive members, who also served as the Company's Managing Director and Chief Operating Officer. Throughout the year, the Board was represented by two (2) different female directors at various periods.

All members of the Board represent diverse professional backgrounds and possess varied qualifications. They hold managerial positions at STO.

Throughout 2025, each member is considered to have acted independently and in the best interest of the Company.

The following individuals served on the Board of Directors during the year 2025.

Name	Position in Board	Initial Appointment Date	Date of Change In Position	Resigned / Removed date
Ali Nabeeh	Chairman	01st Jan 2025	-	-
Fathimath Ashan	Managing Director	15th Dec 2024	-	-
Mohamed Shuaib Ahmed	Director	10th Jan 2021	-	-
Aminath Shamrath	Director	12th Apr 2023	-	-
Hussain Ali	Director	19th Jun 2023	-	05th Jan 2026
Siyah Ahmed	Director	26th Jan 2025	-	-
Mohamed Murad	Chief Operating Officer	26th Jan 2025	-	-
Thooza Saeed	Former Director	01st Jan 2025	-	26th Jan 2025

1.7 PROCESS OF APPOINTMENT OF DIRECTORS

Board nominations are exclusively made by the shareholders. In accordance with the Company's Articles of Association, the majority shareholder is authorized to appoint up to seven (7) board members, subject to the consent of the minority shareholder. All such appointments are formally submitted to the Company through shareholder resolutions.

When identifying and selecting new directors, the shareholders consider a range of factors, including relevant qualifications, professional skills, industry experience, and diversity, with particular attention to age and gender representation.

1.8 SEGREGATION OF DUTIES BETWEEN CHAIRPERSON AND THE MANAGING DIRECTOR

The positions of Chairperson of the Board of Directors and Managing Director of the Company are held by separate individuals, to ensure strong governance and an appropriate balance of authority. Their respective duties are defined in the Board Charters, which set out a clear distinction between their functions.

The Chairperson is responsible for providing leadership to the Board, presiding over meetings, setting and guiding the strategic agenda, delegating responsibilities, and ensuring that directors receive timely information to support effective decision-making. The Chairperson also oversees the Board's development needs, conducts annual evaluations, and maintains constructive engagement with shareholders.

In contrast, the Managing Director oversees the Company's Day-to-day operations. This includes providing strategic and operational leadership, ensuring regulatory compliance, defining organizational objectives, and ensuring optimal utilization of resources.

Both the Chairperson and the Managing Director have confirmed that they have no personal or familial relations with each other.

1.9 BOARD INDUCTION AND CONTINUING EDUCATION

The Company provides a comprehensive orientation program to ensure newly appointed directors gain a thorough understanding of the organization's operations and governance frameworks. Facilitated by the Company Secretariat, this program ensures that directors are well-informed about their roles and responsibilities within the organization.

In addition, the Company remains committed to supporting continuous professional development for all members of the Board. Ongoing initiatives are designed to ensure that directors maintain the necessary skills, knowledge, and abilities to address intricate challenges and make valuable contributions to governance and strategic decision-making of Company matters.

During 2025, directors participated in a broad range of training and development programs, including Directors Development Programs, 7 Habits of Highly Effective People, Leading Yourself: Embracing Agility for Highly Effective Self-Leadership, The Three-Dimensions of Leadership training, Clean Fuel Technology & Standards training and Digital transformation & AI Masterclass 2025.

1.10 EVALUATION OF THE BOARD

In line with its commitment to continuous improvement and transparent governance, the Board of Directors carried out a comprehensive internal performance evaluation for the year 2025, in accordance with the Board Directors Performance Evaluation Framework. The assessment was conducted in January 2025, utilizing an online evaluation platform to gather structured feedback from multiple stakeholders, including the Board collectively, individual directors, the Chairperson, the Managing Director, Board Committees, and the Company Secretary.

The evaluation findings provided meaningful insights into the Board's overall effectiveness, highlighting key strengths as well as opportunities for further enhancement. Recommendations arising from the assessment were thoroughly reviewed and considered for integration into upcoming governance initiatives and strategic planning efforts.

Additionally, in November 2023, the Company introduced a Board skill matrix as a strategic mechanism to promote a balanced composition with diverse and relevant expertise. This tool supports effective governance by ensuring that the Board's collective competencies align with the evolving needs of the Company, thereby reinforcing sound decision-making, effective leadership, and the achievement of organizational objectives.

1.11 BOARD REMUNERATION

Board remuneration is decided and enforced by the shareholders. As such, following are the board fee structure and the total board fees received to each director in 2025.

Board fee structure	Monthly board allowance for chairman and directors including executive members	MVR 5,000.00
	Sitting fee per board meeting	MVR 300.00
	Sitting fee per committee meeting	MVR 250.00

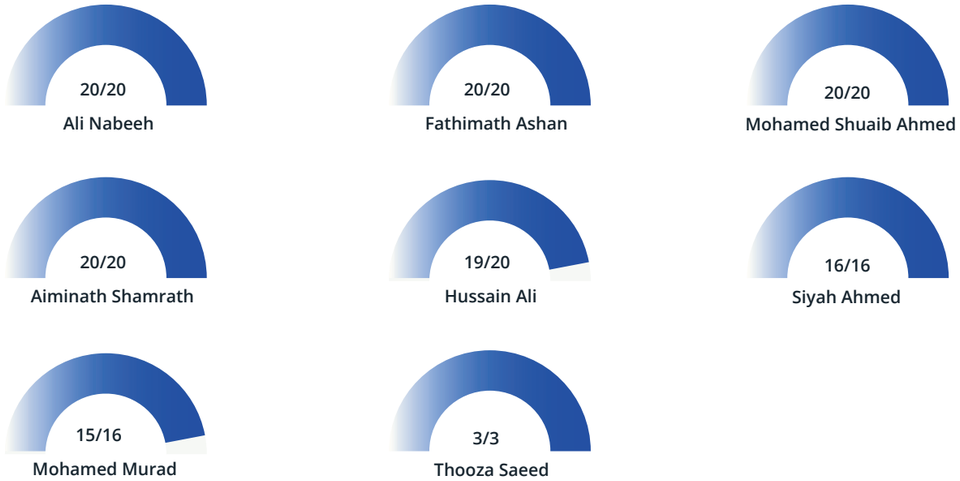
Due to salary disparities in the employment market, the Board of Directors has chosen not to disclose the individual remuneration package of top management and executive directors.

1.12 BOARD MEETINGS AND ATTENDANCE

Throughout the year, a total of 20 Board Meetings were held, demonstrating the Board of Directors' commitment to company matters and governance in 2025.

The Company Secretary, in coordination with the Chairperson and Managing Director, is responsible for preparing the agenda for each meeting. Directors were duly notified in accordance with the Articles of Association and had the opportunity to propose additional agenda items as needed.

The following table illustrates directors' attendance at board meetings.



1.13 BOARD PROCEEDS AND MAJOR DECISIONS

The Board is granted full access to all relevant Company information, ensuring transparency and enabling informed decision-making. Members of the Executive Team and functional managers are regularly invited to Board meetings to provide deeper insights into operational matters and strategic initiatives. Meeting agendas and supporting documents are circulated in advance via email, allowing directors sufficient time to review materials and prepare for discussions.

To maintain continuous visibility over the Company's performance, management submits regular updates, including budget reports, financial forecasts, quarterly financial statements, and monthly management accounts. These reports support effective oversight and facilitate timely, data-driven decisions.

In addition, the Head of Internal Audit presents audit findings to the Audit and Risk Committee and, when appropriate, directly to the Board. This process reinforces strong governance practices by ensuring transparency, accountability, and robust risk oversight.

Throughout the year, the Board made several significant decisions, including:

- Review and approval of Financial Statement 2024 and Management Letter 2024
- Review and approval of Annual Report 2024
- Review and approval of External Auditors for the year 2025
- Review and approval of Budget 2026
- Review and approval of Thilafushi Boatyard Quay wall Project
- Review and approval of Villimale' Fuel Station Project
- Review and approval of MIV Fuel Shed Project
- Review and approval of Acquisition of Dh. Kudahuvadhoo Argo Shed

1.14 NON-EXECUTIVE DIRECTORS MEETING

In accordance with the Board Charters and the Governance Code, the Non-Executive Directors held a separate meeting from the Executive members of the Board on 10th December 2025. The main aim of this meeting was to assess the effectiveness of information flow between management and the Board, with particular emphasis on the quality, relevance, and timeliness of communications provided to support informed decision-making.

1.15 BOARD COMMITTEES

The Board depends on the assistance provided by its committees, including the Audit and Risk Committee, the Nomination and Remuneration Committee, and the Governance & Sustainability Committee. Each year, the Board appoints the Chairpersons and members of these committees and undertakes a review of their performance to ensure continued effectiveness.

The Nomination and Remuneration Committee is required to meet at least four times per year, while the Audit and Risk Committee convene at least quarterly. All other committees are expected to meet at least once annually. Meeting agendas and durations are determined by the respective Chairpersons in consultation with the Company Secretary. Each committee operates under a Board-approved charter that clearly outlines its mandate, duties, and responsibilities.

To improve operational efficiency, the Nomination and Remuneration Committee functions as a combined committee, reflecting the overlap in director responsibilities across these areas.

All recommendations made by the committees must be reviewed and approved by the Board before implementation by management.

1.15.1 AUDIT AND RISK COMMITTEE

Focus Area:

Financial Oversight and Risk Management

Composition:

The Committee was established in accordance with the requirements of the Governance Code and is composed of three members, including at least one member with the requisite financial expertise or relevant professional experience.

In 2025, Ms. Aiminath Shamrath served as the Chairperson of the Audit and Risk Committee. Following the removal of the committee member Mr. Ahmed Niushad on 31st December 2024, Mr. Hussain Ali assumed his role as a member of the committee.

Primary Responsibilities:

- The accuracy and integrity of the financial statements and the company's financial reporting processes.
- The qualifications and independence of the independent auditor.
- The performance of the company's internal audit function and the independent auditors.
- The company's compliance with legal and regulatory requirements.

  Ensuring the implementation of effective control systems that are reasonably designed to:

  i. Safeguard assets and income of the company

  ii. Maintain compliance with the company's ethical standards and policies. Plans and procedures

Meetings and Attendance:

In 2025, the Committee held 16 meetings. The Chief Internal Auditor, External Auditors and Chief Financial Officer made presentations to the meetings where required throughout the year.



Aiminath Shamrath
Chairperson
Non-Executive Director



Mohamed Shuaib Ahmed
Committee Member
Non-Executive Director



Hussain Ali
Committee Member
Non-Executive Director

Major Activities:

- Reviewed Internal Audit Reports
- Discussed on the External Auditor appointment and fees
- Reviewed Management Letter and Auditor recommendations
- Reviewed the financial statements of the Company before submitting to Board approval for finalization
- Reviewed the budget for 2026
- Review of PID/POD
- Review of Whistblower Cases

1.15.2 NOMINATION AND REMUNERATION COMMITTEE

Focus Area:

Shaping the leadership and compensation framework of the organization.

Composition:

The Committee was formed in adherence to the Governance Code, comprising 3 members.

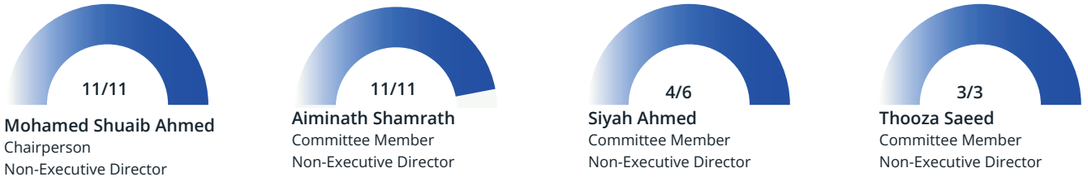
In 2025, two changes were made to the Committee's composition. Following the removal of Ms. Mariyam Nuzla on 31 December 2024, Mr. Mohamed Shuaib Ahmed was appointed as the Committee Chairperson of the NR committee. Additionally, Ms. Thooza Saeed was appointed as a committee member effective 1 January 2025. However, upon her resignation on 26 January 2025, she was subsequently removed from the Committee and Mr. Siyah Ahmed was appointed as a member for the committee.

Primary Responsibilities:

- Identifying qualified candidates for management positions.
- Conducting regular reviews of the company's remuneration policies and practices to ensure they remain competitive and in line with industry standards.
- Recommending adjustments to the management composition.
- Evaluating performance and remuneration of executive management.
- Ensuring alignment with the company's corporate objectives and values.
- Recommending adjustments to the management composition.
- Evaluating performance and remuneration of executive management.
- Ensuring alignment with the company's corporate objectives and values.

Meetings and Attendance:

In 2025, the Committee held 11 meetings. The Chief Financial Officer and General Manager of Human Resources made presentations to the meetings, during the year 2025.



Major Activities:

- Recruitment proposals were reviewed as required by the policies,
- Departmental and organizational structures were reviewed before submitting to Board for discussion,
- Reviewed candidates proposed to executive level new appointments.

1.15.3 GOVERNANCE & SUSTAINABILITY COMMITTEE

Focus Area:

Good governance.

Composition:

The Committee was formed in adherence to the Governance Code, comprising 3 members.

In 2025, the committee underwent two major changes. Following the removal of the Committee Chairperson Mr. Ahmed Niushad on 31st December 2024, Mr. Hussain Ali reassumed his role as the Chairperson of the Committee. On the same date, Ms. Mariyam Nuzla was removed from the Board, and Ms. Siyah Ahmed was appointed as a committee member effective 26 January 2025.

Primary Responsibilities:

- Reviewing and suggesting improvements to the company's corporate governance framework.
- Ensuring that governance structures and processes align with best practices.
- Overseeing the creation and implementation of a comprehensive Code of Conduct for directors, employees, and stakeholders.
- Regularly reviewing and updating the Code of Conduct as needed.

Meetings and Attendance:

In 2025, the Committee held 7 meetings.



Major Activities:

- Reviewed the proposed revisions to company policies.
- Reviewed the Governance Report for Annual Report 2024.
- Reviewed the Governance Compliance Report for submission to shareholders.

1.16 CONFLICT OF INTEREST AND MATERIALLY SIGNIFICANT, RELATED PARTY TRANSACTION

The Company has a Conflict-of-Interest Policy that has been approved by the Board. According to this policy, Directors declare any significant interests held by themselves or their immediate family members in any company, association, or other external affiliation. All disclosures are carefully reviewed and, where necessary, validated by the relevant authorities to ensure completeness and accuracy.

No significant or material related party transactions occurred during 2025.



1.17 GOOD GOVERNANCE, POLICIES AND PROCEDURES

Over the years, the Board has consistently reviewed and strengthened the Company's Corporate Governance framework to ensure it meets its responsibilities to stakeholders. These principles are fundamental in equipping the Board with the authority, structures, and processes necessary to effectively oversee, assess, and evaluate the Company's operations.

The Company adheres to the Corporate Governance Code of the STO Group of Companies and, where appropriate, adopts additional governance best practices and standards to enhance accountability and organizational integrity.

Furthermore, the Company is fully compliant with Group Policies established by its shareholders, including the Anti-bribery & Anti-corruption Policy, Conflict of Interest Policy, Blacklisting Policy, Vessel and Vehicle Management Policy, and Whistleblower Policy. In addition to this, the Company has implemented several internal policies to guide and regulate its operational processes and procedures.

1.18 COMPANY SECRETARY

The Company Secretary provides essential support to the Board and individual directors by offering guidance on the effective discharge of their duties in the best interests of the Company. She maintains up-to-date knowledge of Corporate Governance standards, regulatory requirements, and emerging best practices to ensure ongoing compliance and informed Board operations. In addition, she regularly supplies directors with the information and documentation required to facilitate sound decision-making.

The Board affirms its confidence in the capability, professionalism, and experience of the Company Secretary.

1.19 MANAGEMENT REVIEW AND RESPONSIBILITIES

The Company is committed to enhancing the welfare of its stakeholders, including customers, employees, and shareholders, by continuously improving its services and addressing the key concerns of all parties. This commitment is supported by a strategic focus on sustainable growth, the development of innovative products under strong and trusted brands, operational excellence, and the dedication of a highly engaged workforce.

1.20 INTERNAL AND EXTERNAL AUDIT

The Company maintains an independent Internal Audit function, designed to provide objective and unbiased assurance across all areas of the business. The Internal Auditor reports functionally to the Chairperson of the Audit and Risk Management Committee and administratively to the Managing Director. Through systematic evaluation, the Internal Audit function assesses the effectiveness of management practices, governance frameworks, and internal control systems, and recommends enhancements where necessary.

External Auditors are appointed annually by shareholders at the Annual General Meeting. For the year 2025, Deloitte was appointed as the External Auditor. The Audit and Risk Management Committee conducts periodic reviews of the External Auditor's performance to ensure continued independence, quality, and compliance with expected standards. The Company prepares its Financial Statements in accordance with International Financial Reporting Standards (IFRS), ensuring reasonable assurance regarding accuracy, reliability, and transparency.

Both the Board and management value the independent perspectives provided by both internal and external auditors. They remain committed to addressing audit findings and implementing recommended improvements to strengthen controls and enhance organizational performance

1.21 INTERNAL CONTROL, RISK MANAGEMENT AND COMPLIANCE

The Company's internal control and risk management frameworks are designed to ensure the achievement of key objectives, including operational efficiency, compliance with applicable laws and regulations, and the accuracy and reliability of financial reporting. The control environment—shaped by established policies, procedures, manuals, codes of conduct, and IT-enabled controls—guides both individual and collective behavior across the organization. This environment is reinforced by a clear organizational structure that allocates responsibilities and authority in alignment with the Company's core values.

The Board of Directors retains ultimate responsibility for overseeing the effectiveness of the internal control system. Day-to-day maintenance of internal controls is delegated to the Managing Director, while the Audit and Risk Committee supports the Board by reviewing the adequacy of key manuals, policies, and accounting principles that underpin the Company's control framework.

Delegation of authority documents, policies, procedures, codes of conduct, and the employee handbook clearly define the limits of responsibility and decision-making authority. Together with applicable laws and regulations, these guidelines form a comprehensive environmental control structure.
The Board remains satisfied with the adequacy of existing internal controls in place.

1.22 SHARES, SHAREHOLDING AND SHAREHOLDER VOTING RIGHTS

The Company has two ordinary shareholders, with STO holding 99% of the shares and Allied holding 0.01%. A total of 35,000,000 authorized shares have been issued by the Company. Each share provides its holder with an equal proportion of the Company's assets and earnings and carries identical dividend rights.

In accordance with the Articles of Association, each share carries one voting right. Voting is ordinarily conducted by a show of hands, where each member present is entitled to one vote. However, if shareholders representing at least 10% of the shareholding, or their proxies, request a poll, voting is then conducted based on the number of shares represented.

1.23 SYSTEMS FOR RAISING CONCERNS

Appropriate mechanisms are in place to enable employees, management, and other stakeholders to raise concern confidentially or openly—regarding any suspected non-compliance, fraud, or misconduct within the organization. Dedicated whistleblowing channels and reporting portals allow stakeholders to submit their concerns directly to the designated officers and the Board of Directors, ensuring transparency, accountability, and timely escalation of issues.

1.24 ANNUAL GENERAL MEETING

The decision-making rights of shareholders are exercised at the General Meetings. The Annual General Meeting of the company is held during the first half of the year.



1.25 DIVIDEND

The dividend was declared as follows:
State Trading Organization Plc: MVR 2,411,875.60
Allied Insurance Company of the Maldives Pvt Ltd: MVR 73.10

1.26 DETAILS OF NON-COMPLIANCE

No penalty has been imposed by any regulator or authority due to a non-compliance issues. Issues noted regarding compliance with regulatory and other statutory requirements are being addressed immediately and effectively.

1.27 GOING CONCERN DECLARATION AND FUTURE OUTLOOK

The Board is confident that its current composition, together with the capabilities of the Management team—provides a well-balanced mix of expertise, experience, and leadership required to support the Company in achieving its strategic and operational objectives.

As a result, the Board maintains a strong sense of optimism regarding the Company's future outlook. The Board remains committed to advancing the Company's long-term vision and affirms that the organization is well-positioned to move forward with confidence in executing its operations, implementing planned initiatives, and achieving its projected performance goals.

