



Governance Report for the year 2022

1. Measures taken to complete the governance system during the year 2022:

The Board of Directors of "Sharjah Cement and Industrial Development Company" (PJSC) - (the Board) stresses the importance of what has been established in terms of renewed regulatory reference systems and directives, contained in the decision of the Chairman of the Board of Directors of the Securities and Commodities Authority No.: (3/R.M)) for the year 2020 regarding the adoption of the Governance Guide for Public Shareholding Companies and its amendments, (Governance Decision) in what constitutes and considers the Board of Directors one of the strategic assets in any company. Therefore, the effectiveness of the Board is an important element for the success of the company as a whole through its application of effective practices in the field of governance in a way that contributes to providing better protection for shareholders.

In addition, what is new in the "Governance Resolution" in terms of principles, provisions, and directives that establish the desired goals in terms of obligatory implementation of these regulatory controls, those directed to the company's board of directors to develop the necessary strategy and supervision, which obliges management to adhere to the principles of transparency, disclosure, accountability, responsibility, and justice in order to achieve the sound vision and enhance the validity of the company's decision-making mechanism. All of this leads to what preserves and protects the rights of all stakeholders in legislation and enhances the professional and ethical behavior pursued by the company. There is no doubt that this dispels the concerns of investors and gives confidence in the company and in the capital market in the country in general, in addition to contributing to attracting foreign or local investments.

In the context of continuous oversight efforts to measure the effectiveness of applying the corporate governance system, the Board of Directors confirms that it conducts a periodic review of the governance framework at the various levels of the company and makes the necessary adjustments to its elements, in accordance with the company's adoption of the following:

- a. The company's legal reference and regulatory directives adhere to the Securities and Commodities Authority's decision (No. 3/R.M) for the year 2020 regarding the adoption of the Governance Guide for Public Shareholding Companies and its amendments. The "Governance Decision" amending the Company's Articles of Association to comply with the Authority's aforementioned decision and its amendments, and the provisions of Federal Decree-Law No. (32) of 2021 regarding commercial companies.

b. The company's commitment to the directives of the Authority's Decision No. (3 / R.M) for the year 2020 regarding the adoption of the Governance Guide for



Public Shareholding Companies in the formation of the Board of Directors of the company, and its amendment by Resolution No. (8 / R.M) for the year 2021 amending Article (9) / item (3) of the “Authority Resolution” No. (3/R.M) for the year 2020 regarding the company’s commitment to include at least “one” female member in the formation of the Board of Directors, in whatever the case may be, whether by appointment, election, vacancy of a position, or increase in membership of the Board - . As a pivotal pillar in activating and achieving the directives of “the authority’s decisions regarding the formation of the company’s board of directors.

- c. At the level of the work of the Board during the year 2022, the full compliance of the Board of Directors of the company with the work mechanisms that take into account the principles and basic elements of governance, those that are specific and sponsor the mechanism for holding meetings of the Board and its permanent committees in accordance with the approved charter of the “Board” that regulates the work of the committees and follow-up on the recommendations of the reports submitted to the Board during the year in line with the required controls governing the work of the Internal Control Department, as the Board is a guarantor of the conformity of the objectives of the Authority’s decisions and the expectations and aspirations of shareholders by ensuring the effectiveness of the company’s management’s work, in a manner that secures the permanent control effort of the “Board” to measure the effectiveness of applying the company’s governance system.
- d. The Board’s keenness and commitment and the company’s obligations to comply with the applicable regulations and directives of the regulatory authorities in terms of disclosing periodic financial reports, material information, the ownership of insiders and their relatives, the dealings of related parties with the company and the benefits that may be enjoyed by members of the Board of Directors and the senior executive management and other disclosures required in Their time periods specified by the decisions of the Authority and/or the financial markets in the country and other relevant regulatory authorities, in a way that ensures transparency and fosters the general investment climate.
- e. The company's compliance with the periodic update of the regular disclosure of the company's insider register confirms the commitment to the directives of the UAE's regulatory authorities and the revision of the company's professional conduct regulations in terms of the confidentiality of information deposited with them by the company or its clients and the prohibition of leaking that essential internal information that affects and distinguishes some over others in dealing in the company's shares by the aim of enhancing investor confidence.
- f. Commitment to integrity and rational professional behavior as a policy pursued by the company in communicating with shareholders, employees and other stakeholders in order to ensure the establishment of transparency and fairness

through regulatory controls issued from time to time by the Authority regarding the proper application of those decisions, which oblige information to be presented transparently, impartially and in a timely manner.

- g. Continuous guidance of the company with what is decided by the Board regarding the fulfillment of all social, environmental and institutional responsibilities imposed by the legislative systems in the country, commitment of the company towards the environmental issues and adherence to the established controls. As well as participating in activities and community development events.

The Board's adoption of the above application frameworks confirms its core commitment - as one of the most important pillars of corporate governance for shareholders to obtain all their rights related to their shares as established by law and system.

2. Transactions of Board members, their spouses, and children in the company's securities during the year 2022 :

Name	Position/ Relationship	Total purchase	Total sale	Shares owned on 31/12/2022
Mr. Othman Mohamed Sharif Zaman	Chairman of Board of Directors	Nil	Nil	998,870 shares
Dr. Saeed Abdullah Jumah Al-Mutawa	Vice Chairman	Nil	Nil	Nil
His Exc. / Abdul Rahman Mohammed Al Owais	member	Nil	Nil	Nil
Omar Ibrahim Abdullah Al-Mulla	member	Nil	Nil	Nil
Rashid Abdullah Muhammad Ali Burehaima	member	Nil	Nil	Nil
Khaled Mohammed Abdullah Al-Khayal	member	Nil	Nil	7,328,187
Nawaf Abdullah Muhammad Al-Rifai	member	Nil	Nil	6,430
Mohamed Ahmed Omar Al-Karbi	member	Nil	Nil	185.000
Al-Salem Company Ltd. "LLC" represented by Ahmed Salem Abdullah Al Hosani	member	Nil	Nil	32,484,350

3. Formation of the Board of Directors:



Pursuant to the regulation of Article (9) of the directives of the Chairman of the Authority's Board of Directors Decision No. (3/R.M) for the year 2020 regarding the adoption of the Governance Guide for Public Shareholding Companies and taking into account the subsequent decisions approved by (Decision No. (8 / R.M) for the year 2021 - and Resolution No. (6 / R.M) for the year 2022), the current Board of Directors includes (9) nine members who were appointed and elected from the company's shareholders (session 2020-2023 and their nature is emphasized in accordance with the guidelines of Article 9 mentioned above.

a. Statement of the formation of the current Board of Directors:

1- Othman Mohamed Sharif Zaman			
Position	Category	Experience and qualifications	Membership starting date
Chairman of Board of Directors	Independent	* Bachelor of Industrial Engineering * An expert in financial and banking affairs.	1996
2- Dr. Saeed Abdullah Al Mutawa			
Position	Category	Experience and qualifications	Membership starting date



Vice President	Non-Executive/ Independent	<ul style="list-style-type: none"> * PhD in Management - University of Salford - UK. * Master of Executive Business Administration - University of Sharjah - United Arab Emirates. * Bachelor of Business Administration - University of Arizona - United States of America. * Diploma in General Studies - Pima College, Arizona - USA. * Diploma in Business Administration - Pima College, Arizona - USA. * Member of the National Council (2015-2019). * Member of the International Parliament (2017-2019) * Associate lecturer at (University of Sharjah Center for Continuing Education and Community Service. (2018-2019). * Vice President of the Asian Parliamentary Union (2016-2018). * Chairman of the Finance Committee of the Asian Parliament (2016-2018). * Member of the Board of Directors of the Emirates Development Bank (2013-2016). * Director General of the Office of His Highness the Crown Prince - Sharjah (2008-2009). * Secretary General of the Executive Council of the Government of Sharjah (1998-2008). * Department of Finance - Government of Sharjah (1990-1998). * Director of the Financial Aid Department. (1996-1998). * Head of Government Accounts Department (1990-1994) 	2020
3- His Exc. / Abdul Rahman Mohammed Al Owais			
Position	Category	Experience and qualifications	Membership starting date
Member	Independent	* B.Sc in Accounting, UAE University	2017
4- Omar Ibrahim Abdullah Al-Mulla			



Position	Category	Experience and qualifications	Membership starting date
Member	Non-Executive/Independent	* BA management of Business - Higher Colleges of Technology. * Master of Science in Banking and Finance - British University - Dubai	2020
5- Rashid Abdullah Muhammad Ali Burehaima			
Position	Category	Experience and qualifications	Membership starting date
Member	Non-Executive/Independent	* Bachelor of Business Administration - Portland State University - USA	2020
6- Khaled Mohammed Abdullah Al-Khayyal			
Position	Category	Experience and qualifications	Membership starting date
Member	Non-Executive	* Bachelor of Accounting - Higher Colleges of Technology	2020
7- Nawaf Abdullah Muhammad Al-Refae			
Position	Category	Experience and qualifications	Membership starting date
Member	Independent	* Bachelor of Business Administration - Marketing - Kuwait University	2017
8- Mohamed Ahmed Omar Al-Karbi			
Position	Category	Experience and qualifications	Membership starting date
Member	Independent	* Bachelor of Science in Civil Engineering "American University - Sharjah". * Master's Degree in Business Administration, "UAE University, Abu Dhabi". * Holder of PMP certificate.	2017
9- Al-Salem Company Ltd. "LLC" represented by Ahmed Salem Abdullah Al Hosani			
Position	Category	Experience and qualifications	Membership starting date

Member	Non-Executive / non-Independent	* Master of Science in Business Administration, University of Wales * Bachelor of Business Administration, American University Dubai	2017
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Names and positions of members of the Board of Directors in other joint stock companies/government / commercial /other important bodies:

Ser.	Name	Statement of membership in other companies/position in important regulatory/governmental commercial firms
1-	Othman Mohamed Sharif Abdullah	* Member of the Board of Directors of Sharjah Islamic Bank
2-	Dr. Saeed Abdullah Al-Mutawa	* Member of the Board of Directors of the Sharjah Social Security Fund.
3-	His Excellency / Abdul Rahman Mohammed Nasser Al Owais	* Member of the Board of Ministers - Minister of Health, * Chairman of the Board of Directors of Sharjah Islamic Bank. * Member of the Board of Trustees of the "Sultan Bin Ali Al Owais Cultural Foundation
4-	Omar Ibrahim Abdullah Al-Mulla	* Chairman of the Board of Directors of the Sharjah Hamriyah Independent Energy Company. * Executive Director of the Investment and Business Partnerships Sector - Sharjah Asset Management Company. * Member of the Sports Marketing and Investment Committee - Sharjah Sports Board.
5-	Rashid Abdullah Mohammed Burehaima	* Director of Business and Partnerships - Sharjah Asset Management Company.
6-	Khaled Mohammed Abdullah Al-Khayal	* Member of the Board of Directors of Sharjah Insurance Company. (Previously). * Chairman of the Board of Trustees of Sharjah Charitable House Foundation * Member of the Board of Directors of Al Khayal Group for Trade and Investment. * Member of the Advisory Board of the Emirate of Sharjah (previously). * Member of the Board of the Emirates Insurance Association – (Previously).



7-	Nawaf Abdullah Al-Refae	<ul style="list-style-type: none"> * Member of the Board of Directors of Mashaer Holding Company - Kuwait. * Chairman and CEO of Al-Nawadi Holding Company - Kuwait * Member of the Board of Directors of the Kuwaiti Syrian Holding Company - Kuwait.
8-	Mohamed Ahmed Omar Al-Karbi	<ul style="list-style-type: none"> * Member of the Board of Directors of the Al Mushrif Cooperative Society - Abu Dhabi
9-	Ahmed Salem Abdullah Al Hosani Representative of Al Salem Company Limited (LLC)	<ul style="list-style-type: none"> * Managing Director of Sharjah Insurance Company * Member of the Board of Directors of Umm Al Quwain General Investments Company. * Member of the Board of Directors of Al-Salem Company Ltd. * Member of the Board of Directors of the Coast Equity Company.

b. Percentage of female representation in the Board of Directors for the year 2022:

There is no representation of females in the current Board composition (2020-2023), bearing in mind that all necessary measures have been taken to comply with Resolution No. (8 / R.M) for the year 2021 amending resolution No. (3 / R.M) for the year 2020 regarding the Governance Guide Obligating of public shareholding companies to make it mandatory for women to be represented in the composition of the board of directors and disclose it properly.

c. Reasons for females not running for candidacy for board membership:

The absence of a female member within the composition of the current Board of Directors (2020-2023) session is due to the fact that no female member submitted a candidacy for membership for the Board in its current session. The company affirms its commitment and adoption of the directions of the gender diversity policy in the company's board of directors and works to urge and encourage the female component who meet the legal conditions for candidacy for board membership in / or before the next session of the board, pursuant to Authority Decision No. (3 / R.M) of 2020 Amendment 2021 in the matter of governance.

d. Board member's Remuneration:

Determining the remuneration of the company's board of directors falls under the tasks of the existing Nominations and Remunerations Committee, which is based on the directives and controls of Article "29" of the Authority's Decision No. 3/2020 and Article No. 57 of the Articles of Association for the company so that it does not exceed (10)% of the net profit for the ending fiscal year after deducting depreciation and reserves.



1. The total remuneration of the members of the Board of Directors for the year 2021: No remuneration has been allocated to the members of the Board of Directors of the company for the year 2021.
2. The Board of Directors will discuss the recommendation of the Annual General Assembly for the year 2022, **not to allocate** remuneration for the members of the Board for the year 2022.
3. Statement of allowances for attending committee sessions for the fiscal year 2022: No allowances were paid for attending committee meetings, or additional salaries or fees were allocated to any member during the year 2022.

Details of allowances or salaries received by a member of the Board of Directors other than allowances for attending committees for the year 2022:

The members of the Board of Directors did not receive any fees for attending the meetings of the Board and/or its committees during the year 2022, according to the following statement:

	Name	Name of the committee	Value of the allowance	Number of meetings
1-	Dr. Saeed Abdullah Al Mutawa	Audit and Compliance + Investment Committee	Nil	"7" meetings
2-	Omar Ibrahim AlMulla	Audit and Compliance Committee The Remuneration Nominations Committee and the Investment Committee	Nil	"7" meetings
3-	Rashid Abdullah Burehaima	The Remuneration Nominations Committee and the Investment Committee	Nil	"4" meetings
4-	Khalid Mohd. Abdullah Khayyal	Nomination & Remuneration Committee+ Audit and Compliance Committee	Nil	"6" meetings
5-	Mohd. Ahmed Omar Al-Kurbi	Audit and Compliance Committee and Nomination and Remuneration Committee	Nil	"7" meetings
6-	Ahmed Salim Abdullah	Nomination and Remuneration Committee	Nil	The Nomination Committee didn't hold a meeting in 2022



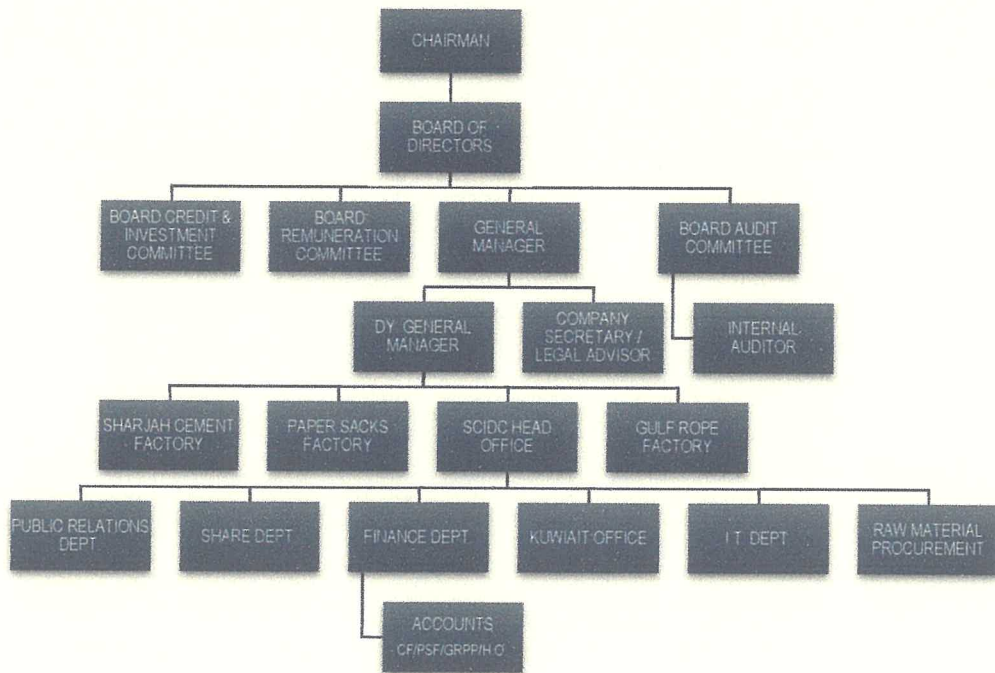
company's interests, as well as to enable the company's board of directors to implement control in terms of the consistency of what the management is doing, executive objectives, plans and policies set by him.

3. Manage the executive body of the company in accordance with the goals and business strategy approved by the Board to ensure compliance and activation of laws and regulations to ensure the implementation of the company's objectives within the framework of the approved "Authority Resolution" directives, the Abu Dhabi Securities Market and the applicable laws and in accordance with the expectations of the shareholders.
4. Carry out the implementation of plans and the development of current and future policies and strategies in accordance with the approved frameworks of the Board's strategy, which mainly aim at complying with laws, regulations, requirements of the regulatory authorities, internal policy, regulations and procedures established in a way that enhances the advancement of the company's business in carrying out its business.

h. Transactions that took place with related parties during the year 2022:

There were no transactions with related parties during the year 2022.

**i. SHARJAH CEMENT & INDUSTRIAL DEVELOPMENT CO.
ORGANIZATION CHART**



i. Detailed statement of the company's senior executives:

The senior management team in the executive management of the company and its branches consists of:

Position	Service years	Total salaries & allowances paid in 2022/AED	Total remunerations paid in 2022	Any other in-kind remunerations paid in 2022 or future expected
Gen. Manager	46	1,141,000	N/A
DGM	7	924,000	N/A
Legal Advisor/Company Secretary	17	559,596	N/A
Cement Factory works Manager	15	510,000	N/A
Gulf Rope works Manager	8	346,800	N/A
Paper sacks Factory works Manager	47	471,000	N/A

4-: External Auditor:

a. Brief on the company's Auditors:

Ernst & Young of the United Arab Emirates is one of the largest British companies and a global leader in the field of insurance, transactions, taxation, advisory services, accounting services and auditing in the UAE. Ernst & Young is affiliated to the global organization of member firms of Ernst & Young International Limited. Its professional service network extends globally to include all of Europe, the Middle East, India, Africa and Asia. Ernst & Young has been providing its specialized professional services in the Emirate of Dubai since 1967 and in the Emirate of Sharjah since 1975, through a team of qualified chartered accountants, methodology and quality control. "Ernst & Young" provides its specialized professional accounting and auditing services to "Sharjah Cement and Industrial Development Company" among many of the major public shareholding companies in the country because of its global professional reputation.

b. Statement of fees and costs for auditing or services for the year 2022:

The General Assembly, in its meeting held on April 30, 2020, approved the appointment of Messrs. / "Ernst & Young" as the company's external auditor for the fiscal year 2020, in exchange for fees of "375" thousand dirhams for their performance of work for the company's external audit until the end of the fiscal year on 12/31/2021, including, for example:

- Quarterly reviews (first, second and third quarters).
- Auditing the annual financial statements.
- Attending the meetings of the general assemblies, presenting its report and answering the questions posed by the shareholders of the general assembly.
- Evaluating the presentation of financial statements and ensure their validity.

- Ensure that the company maintains regular accounts in accordance with the rules.

During the year 2022, another external auditor was hired to perform some other services, according to the statement below:

Ernst & Young Partner Auditor: Mr. Ashraf Abu Sharkh	
The number of years Ernst & Young has spent as the company's external auditor	3 years
The number of years the partner auditor spent auditing the company's accounts	3 years
Total audit fees for the financial statements for the year 2022	AED 375,000 +5 % "Value Added Tax"
Fees and costs for special services other than auditing the financial statements for the year 2022	There is no
Details and nature of other services provided	There are no
Other services performed by an external auditor other than the company's auditor during 2022	Auditor Name: Baker Tilly "MKM " Certified Public Accountants Services provided: ICV for SCF MBC Audit Firm provided: ICV for Gulf Rope Factory

- c. Reservations made by the company's auditor included in the interim and annual financial statements for 2022:
There are no reservations by the company's auditor regarding the financial and/or annual statements of the company for the year 2022.

5. Audit and Compliance Committee:

- a. **Acknowledgment by the Chairman of the Audit Committee of the responsibility for the committee system in the company:**
Dr. Saeed Abdullah Al-Mutawa, in his capacity as Chairman of the Audit and Compliance Committee, acknowledges his responsibility for the committee system in the company and for reviewing its work mechanism and ensuring its effectiveness.
- b. **The Audit and Compliance Committee consists of the following members of the Board of Directors:**
- c. **The number of meetings held by the committee during the year 2021, their dates and the personal attendance of the members:**



Ser.	Name	Meeting No. "1" 7/3//2022	Meeting No. "2" 28/4/2022	Meeting No. "3" 28/7/2022	Meeting No. "4" 7/11/2022
1-	Dr. Saeed Abdullah Al-Mutawa	✓	✓	✓	✓
2-	Mr. Omar Ibrahim Al-Mulla	✓	✓	✓	✓
3-	Mr. Khaled Mohamed Al Khayal	✓	✓	✓	apology
4-	Mr. Mohamed Ahmed Al-Karbi	✓	✓	✓	✓

The responsibilities and tasks of the committee according to the directives of Article "61" of the Authority's decision regarding the Governance Guide 2020:

Resolution No. (3/R.M) for the year 2020 issued by the Securities and Commodities Authority "regarding the adoption of the Governance Guide for Public Shareholding Companies" emphasized the role and importance of the audit committee when it requires all of its members to have knowledge and know-how in financial and accounting matters and the previous experience of at least one of its members in The field of accounting or financial matters, as it is the most important permanent committee emanating from the Board of Directors and supporting the Board with the responsibilities entrusted to it by the company's shareholders, especially those related to the company's financial and accounting policies and procedures.

The decision stressed that among the tasks and duties of the committee - for example, but not limited to:

- Monitoring the integrity of the company's financial statements and its "annual, semi-annual and quarterly" reports and reviewing them as part of its normal work during the year, and it should focus in particular on the following:
 - (a) Any changes in accounting policies and practices.
 - (b) Highlighting aspects subject to management discretion.
 - (c) Substantial changes resulting from the audit.
 - (d) Assuming the continuity of the company's business.
 - (e) Compliance with the accounting standards decided by the Authority.
 - (f) Adhere to the listing and disclosure rules and other legal requirements related to the preparation of financial reports.
- Coordinating with the company's board of directors, the senior executive management, the financial manager or the manager carrying out the same tasks in the company in order to perform its duties.
- Considering any important and unusual items that are or should be included in those reports and accounts, and they must pay due attention



to any issues raised by the company's financial manager, the manager performing the same duties, the compliance officer, or the auditor.

- Submitting and raise recommendation to the Board of Directors regarding the appointment, resignation or dismissal of the auditor. In the event that the Board of Directors does not agree to the recommendations of the Audit Committee in this regard, the Board of Directors must include in the governance report a statement explaining the recommendations of the Audit Committee and the reasons that prompted the Board of Directors not to take them into consideration.
- Developing and implementing the policy of contracting with the auditor, and submitting a report to the Board of Directors specifying the issues that it deems important to take action on, along with providing its recommendations of the necessary steps to be taken.
- Ensuring that the auditor fulfills the conditions stipulated in the applicable laws, regulations, decisions, and the company's articles of association, and follows up and monitors his independence.
- Meeting with the company's auditor without the presence of any of the senior executive management or its representatives, at least once a year, and discussing with him the nature and scope of the audit process and its effectiveness in accordance with the approved auditing standards. And approving the additional work carried out by the external auditor for the benefit of the company and the fees he charges for those works.
- Reviewing and evaluating the company's internal audit and risk management systems.
- Ensuring the availability of the necessary resources for the internal audit function and reviewing and monitoring the effectiveness of that department.
- Any other matters determined by the Board of Directors.

6. Nominations and Remuneration Committee:

- a. Mr. Khaled Mohammed Abdullah Al-Khayyal, in his capacity as Chairman of the Nominations and Remunerations Committee, acknowledges his responsibility for the committee system in the company and for reviewing its work mechanism and ensuring its effectiveness.



- b. The Nominations and Remuneration Committee consists of the following members of the Board of Directors. The following is a list of meetings and attendance:

	Members	Meetings in 2022(N/A)	Attendance
1-	Mr Khaled Mohammed Al-Khayal	-	-
2-	Mr .Omar Ibrahim Abdullah Al-Mulla	-	-
3-	Mr .Rashid Abdullah Muhammad Ali	-	-
4-	Mr. Ahmed Salem Abdullah Al Hosani	-	-

- c. No committee meeting held during the year 2022:

In accordance with the directives of Article “59” of the Authority’s Decision No. (3/R.M) for the year 2020 regarding the adoption of the Governance Guide for Public Shareholding Companies, and its amendments, the tasks of the Nominations and Remuneration Committee is as follows:

- Developing policy for candidacy for the membership of the Board of Directors and Executive Management aimed at taking into account gender diversification within the formation and encouraging women through incentive and training benefits and programmers, and providing the Authority with these policies and any amendments thereto.
- Organizing and following up the procedures for nomination to the membership of the Board of Directors in accordance with the laws and regulations in force and the provisions of this resolution.
- Ensuring the independence of the independent members on an ongoing basis. Provided that it intends to monitor the availability of the conditions of independence among the members, with the obligation - when the member is no longer independent - to present the matter to the Board to address the member to clarify the justifications for the lack of independence from him and the member’s response about that and in accordance with the organizational directives that must be taken into account.
- Preparing the policy for awarding remunerations, benefits, incentives and salaries for the members and employees of the Board and reviewing it on an annual basis. The committee must verify that the remunerations and benefits granted to the senior executive management are reasonable and commensurate with the company's performance.



- Annual review of the required requirements of suitable skills for membership of the Board of Directors and preparation of a description of the capabilities and qualifications required for membership of the Board of Directors, including determining the time that the member should devote to the work of the Board of Directors.
- Reviewing the structure of the Board of Directors and making recommendations regarding changes that may be made.
- Determining the company's needs for competencies at the level of senior executive management and employees and the basis for their selection.
- Preparing the company's human resources and training policy, monitoring its implementation and reviewing it on an annual basis.
- In addition to any other issues determined by the Board of Directors.

7. Committee for Follow-up and Supervision of Insider Dealings:

- a. An acknowledgment from the person charged with responsibility for the system of follow-up and supervision of insider transactions:
Mr. Alameldin Gaafar Malik, in his capacity as the "designate" and authorized person for follow-up and supervision of the insiders' dealings, acknowledges his responsibility for the system adopted in the company regarding the follow-up and supervision of the dealings of the insiders and for his review of the work mechanism and ensuring the effectiveness of that.
- b. Mr. Alameldin Gaafar Malik - Legal Adviser and Secretary of the Board of Directors and the company was approved by the Board of Directors in meeting No. "2"/2019 held on May 25, 2019. to follow up and supervise the insiders' dealings.

Among the duties and competences of the aforementioned, and on the basis of Article "33" of the Authority's decision regarding controls of governance:

- Create a register of the names and data of insiders, including persons who may be considered insiders indirectly or temporarily, and who have the right or access to the internal information of the company before it is published, provided that the register includes the previous and subsequent disclosures of the insiders.
- Management, follow-up and supervision of insider transactions and their ownership, and keeping their records.



- Submission of periodic reports and updated lists of insiders names at the beginning of each fiscal year to the regulatory authorities and any amendments to them during the fiscal year in accordance with the applicable regulatory directives.
 - Full compliance with the necessary disclosures on the Abu Dhabi Securities Exchange website.
 - Continuing to remind the insiders of the necessity of their obligations during periods of prohibition of trading in the company's shares in accordance with the announced rules and regulations issued by the regulatory authorities that must be followed.
 - Continuous review of the adopted policy regarding insider trading and submitting urgent recommendations regarding any amendments to the Board of Directors to work on their approval in accordance with the rules.
 - Preparing the official declarations signed by the insiders and providing them to the regulatory authorities - upon request - and sensing the knowledge of the insider that he possesses internal data and information related to the company and its customers and the legal implications of the insider leaking this information or data or giving advice on the basis of the information he possesses.
 - Performing any other tasks assigned to him from time to time.
- c. Report on the work of the committee during the year 2022:
- In compliance with the regulatory directives issued by the Securities and Commodities Authority under the periodic circulars that require the disclosure of the names of the company's insiders periodically and at the end of each quarter, the abovementioned has provided the Authority and the Abu Dhabi Securities Exchange with a list that includes the names of the company's insiders and an indication of whether there have been transactions with them in their aforementioned capacity in accordance with the proper form prepared for that, during the year 2022.

8. **Investment Committee:**

A. Dr. Saeed Abdullah Al-Mutawa, Chairman of the Investment Committee, acknowledges his responsibility for the committee's system in the company and for reviewing its work mechanism and ensuring its effectiveness.



Mr. Kartik Sejpal: Director of the Internal Control Department, a graduate of the Institute of Chartered Accountants of India in 2012. He has professional experience of more than 10 years in the field of auditing and financial management.

- C. The Director of Internal Control was also entrusted with the duties of the compliance officer in terms of the company's and employees' compliance with the rules and regulations, while submitting periodic reports to the Board of Directors.
- D. In accordance with the Authority's decision No. 3/R.M for the year 2020 regarding the Governance Guide, and pursuant to the directives of Articles (66 and 67) of the Governance Guide, and following the mechanism used in the matter of implementing regulations, adopting appropriate procedures regarding risk management, internal auditing, periodic verification of the company's compliance with the approved mechanism, and monitoring of the company's internal policies and periodic reporting to each of the Board and the Audit Committee in accordance with the applicable directives regarding the implementation of the provisions of the above articles. **The company did not face any problems in the year 2022.**
- E. The Internal Control Department issued (4) interim/quarterly reports for the year 2022 on audit work. The committee conducts examination and makes recommendations to the Board of Directors.

10. Violations committed during the year 2022:

No financial violations were detected during the year 2022.

11. The cash and in-kind contributions that the company made during the year 2022 for development of the local community and the environment:

Sharjah Cement and Industrial Development Company, within the framework of its responsibilities towards the community, has maintained the consolidation of the principles approved by the governance controls, its compliance by contributing to the support of the local community of the United Arab Emirates by taking into account the societal and other environmental aspects in the field of the company's activities in consistency with the legislative systems governing that, which contributes accordingly to compliance in its daily operations, the company takes decisions that always take into account the required legislation in the country in terms of the company's social and environmental responsibility alike. The company's contributions always come in support of the local community of the United Arab Emirates with its charitable and community institutions, and sponsoring many activities of social and sports institutions, schools and public benefit associations alike, including: Donations / cash contributions of the company in charitable and social activities:

Entity Name	Amount (AED)
Khorfakkan Club for the Disabled	50,000
Sharjah City for Humanitarian Services	200,000
Municipality of Al-Bataeh area	20,000
Emirates Society for the Visually Impaired	25,000
WAPA	18,000
Expert Center for Education of the Disabled	20,000
UAE Down Syndrome Association	15,000
Rashid Center	15,000
Sudanese Social Center	25,000
Al-Salam Rehabilitation Center	20,000
Sheikh Mohammed Center	15,000
Al-Tareq Center for autism	15,000
West Asian Disabled Sports Federation	20,000
Sarah Center for Speech and Hearing Rehabilitation	15,000
Emirates Blind Association	20,000
Private Day Care Charity	15,000
Total	508,000

The company also works hard in the matter of the environment and its full compliance remains in place towards its responsibilities in this regard by working to preserve the company's work environment and its surroundings in terms of adopting, following and applying the best environmental specifications and conditions and continuous coordination with the concerned authorities.



12. General Information:

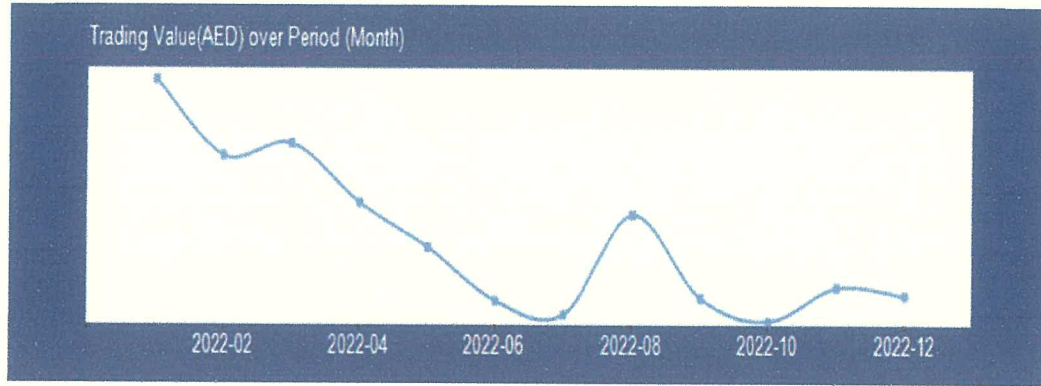
A. A statement of the company's share price in the market (closing price, highest and lowest end price of each month) during the year 2022:

SCIDC TRADES (REGULAR MARKET)

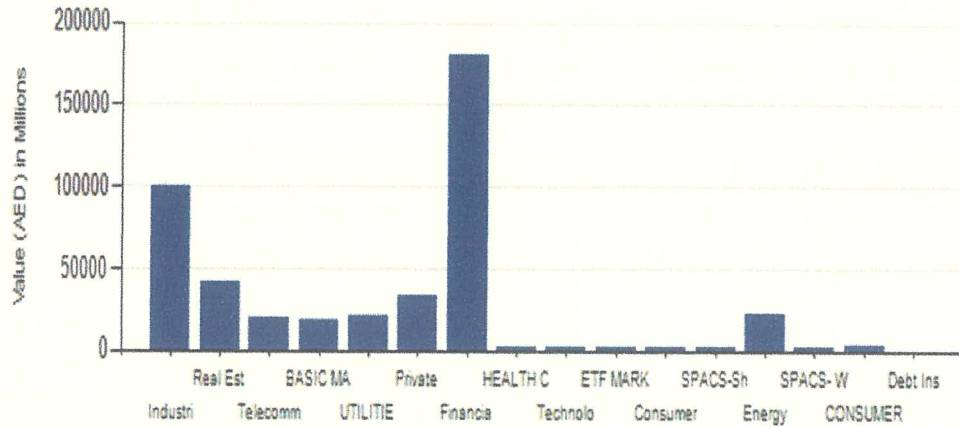
SCIDC Regular Trades During The Year 2022										
Year	Month	OPEN (AED)	CLOSE (AED)	HIGH (AED)	LOW (AED)	Value (AED)	VOLUME	TRADES	Change	% Change
2022	01	0.715	0.670	0.770	0.624	3,359,842.59	4,796,557	207	(0.097)	(12.65)
2022	02	0.678	0.637	0.729	0.625	2,317,255.17	3,585,329	139	(0.033)	(4.93)
2022	03	0.640	0.613	0.699	0.600	2,490,154.86	4,037,381	111	(0.024)	(3.77)
2022	04	0.620	0.655	0.660	0.601	1,676,003.83	2,672,100	97	0.042	6.85
2022	05	0.699	0.645	0.699	0.600	1,073,256.80	1,743,117	41	(0.010)	(1.53)
2022	06	0.645	0.633	0.645	0.577	344,306.66	561,722	31	(0.012)	(1.86)
2022	07	0.580	0.600	0.620	0.580	154,260.00	255,560	9	(0.033)	(5.21)
2022	08	0.550	0.605	0.659	0.548	1,515,278.21	2,520,704	47	0.005	0.83
2022	09	0.600	0.625	0.655	0.550	382,870.51	637,896	19	0.020	3.31
2022	10	0.621	0.590	0.628	0.560	60,850.27	100,961	17	(0.035)	(5.60)
2022	11	0.590	0.570	0.640	0.542	527,105.88	907,340	31	(0.020)	(3.39)
2022	12	0.620	0.615	0.630	0.520	416,021.53	698,456	34	0.045	7.89
						14,317,206.31	22,517,123	783		

Total	
Value (AED)	14,317,206.31
Volume	22,517,123
Trades	783





Value (AED) vs Sectors



B. Graph indicating sectors' performance in comparison with Adx General Index in 2022

Index Summary							
Index		High	Low	Prev. Close	Index Close	Change	Change %
FADX15	FADX 15(FADX15)	10,651.15	8,173.70		10,188.57		
FADFSI	FTSE ADX FINANCIALS INDEX(FADFSI)	18,211.46	4,913.64	12,016.26	17,669.13	5,652.87	47.04
FADCSI	FTSE ADX CONSUMER STAPLES INDEX(FADCSI)	11,292.10	4,991.96	10,702.33	8,418.17	(2,284.16)	(21.34)
FADREI	FTSE ADX REAL ESTATE INDEX(FADREI)	8,688.41	5,205.78	6,118.64	6,659.67	541.03	8.84
FADGII	FTSE ADX INDUSTRIALS INDEX(FADGII)	5,053.64	3,590.57	3,721.37	4,028.64	307.27	8.26

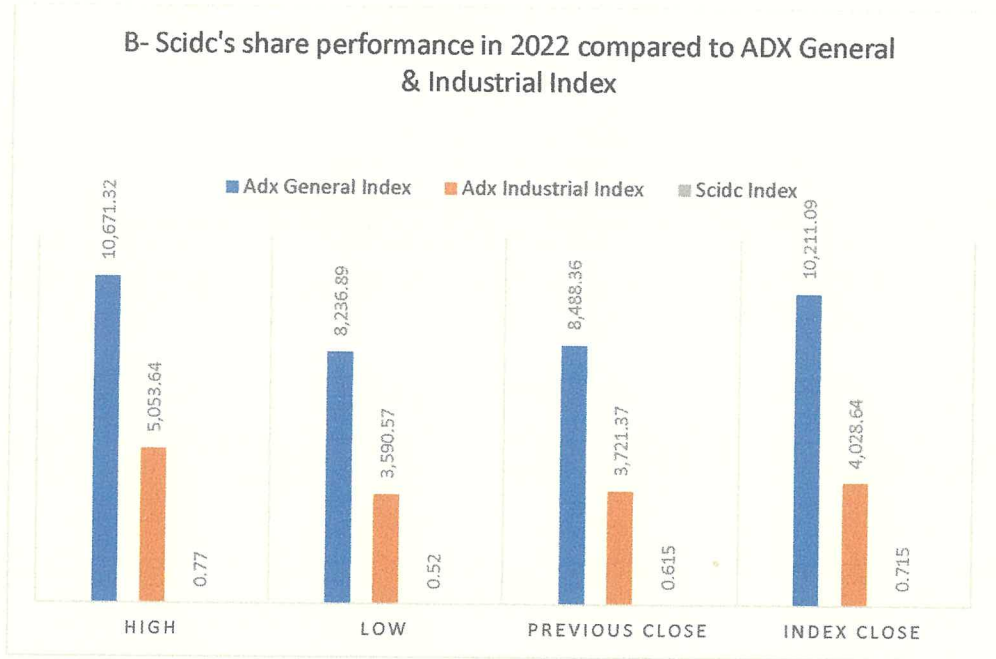


FADENI	FTSE ADX ENERGY INDEX(FADENI)	4,959.91	2,075.71	2,203.93	2,108.65	(95.28)	(4.32)
FADTELI	FTSE ADX TELECOMMUNICATIONS INDEX (FADTELI)	9,543.68	4,951.08	7,780.61	5,645.73	(2,134.88)	(27.44)
FADHCI	FTSE ADX HEALTH CARE INDEX(FADHCI)	5,169.97	3,160.24		3,538.61		
FADBMI	FTSE ADX BASIC MATERIALS INDEX(FADBMI)	7,941.18	4,866.31		5,797.34		
FADCDI	FTSE ADX CONSUMER DISCRETIONARY INDEX(FADCDI)	6,027.73	4,604.70		5,454.53		
FADUTI	FTSE ADX UTILITIES INDEX(FADUTI)	16,425.60	4,612.40		13,510.75		
FADGI	FTSE ADX GENERAL INDEX(FADGI)	10,671.32	8,236.89	8,488.36	10,211.09	1,722.73	20.30
FADGMI	FTSE ADX Growth Market Index (FADGMI)(FADGMI)	990.42	-		917.13		

SCIDC's share performance in 2022 compared to ADX General & Industrial Index

Rate	Adx General Index	Adx Industrial Index	SCIDC Index
High	10,671.32	5,053.64	0.770
Low	8,236.89	3,590.57	0.520
Previous Close	8,488.36	3,721.37	0.615
Index Close	10,211.09	4,028.64	0.715
Change	1,722.73	307.27	0.045





C. Distribution of shareholders' ownership as of December 31, 2022 (individuals, companies, governments) classified as follows: local, Arabs and foreigners.

Owned Shares				
Category	Individuals	Corporates	Government	Total
Local	77,763,180	260,114,300	145,220,419	483,097,899
Arabs	33,612,096	84,681,846	--	118,293,942
Foreigners	1,715,122	5,146,783	--	6,861,905
Total	113,090,398	349,942,929	145,220,419	608,253,746

D. The shareholders who own 5% or more of the company's capital as of December 31, 2022

	Name of the shareholder	Quantity	Ratio
1-	Sharjah Asset Management	89,924,624	14.78%
2-	Ahmed Omar Salim AlKurbi	62,096,759	10.20%
3-	Sharjah Social Security Fund	55,295,795	9.09%
4-	Salem Abdullah Salem Al Hosani	33,532,313	5.51%
5-	AL Salim Co. Ltd	32,484,350	5.34%

E. Shareholders tabled according to the size of ownership as on December 31, 2022

	Stock ownership	Number of shareholders	Quantity of Owned Shares	Percentage of Owned Shares from the capital
1-	Less than 50 thousand	1195	11,042,602	1.82%
2-	More than 50 thousand and less than 500 thousand	255	70,199,785	11.53%
3-	More than 500 thousand and less than 5 million	140	127,177,420	20.91%
4-	More than 5 million	16	399,833,940	65.74%
5-	Share Capital	1606	608,253,747	100.00%



F. Actions taken regarding investor relations controls:

The Executive Management works on reviewing the company's policy and strategy in the field of investment, periodic supervision of the policies applied by the company in light of economic changes, standing on decisions related to investments and development projects of the company, as well as approving policies and strategies for development projects. It is also reviewing several matters, including looking into the company's new investments, feasibility studies, financing methods related to it, and everything that would achieve the management's objectives in terms of advancing the company's policy by providing the necessary clarifications or taking the necessary immediate measures to implement the company's policies and achieve its objectives.

❖ Mr. Mutasim Siddiq Abu Alama - Head of Shares Department has been appointed to oversee the Investor Relations Department, whereby communication with him is through the following:

Phone No.	065695666
Fax No.	065683171
P.O. Box No.	2083 , Sharjah
Investor Relations Page link	www.sharjahcement.com
E-mail:	motasim@sharjahcementfactory.ae
Address	The headquarters of the company Sharjah Cement and Industrial Development - Al Marija area - Sharjah – UAE

G. Statement of the special resolutions presented to the General Assembly in 2022:

- At the company's General Assembly meeting held in April 2022, and by virtue of a special decision, the amendment of the company's articles of association was approved in accordance with the provisions of Federal Decree Law No. (32) of 2021 regarding commercial companies and the decision of the Chairman of the Securities and Commodities Authority No. (3/R.M).) for the year 2020 regarding approving the Governance Guide for Public Shareholding Companies and its amendments.

H. Board meeting's Rapporteur:

- Mr. Alameldin Gaafar Malik is the rapporteur of the Board of Directors meetings.
- He was appointed as Secretary of the Board of Directors in 2016



- I. Statement of the material events and important disclosures that the company encountered during the year 2022:
Non
- J. Deals carried out by the company with more than 5% of the company's capital during 2022:
Non.
- K. Statement of Emiratization percentage in the company by the end of the years: 2020, 2021, 2022:
- Emiratization percentage by the end of 2020: 11.75 %
 - Emiratization percentage by the end of 2021: 11.8 %
 - Emiratization percentage by the end of 2022: 17.24 %
- L. A statement of the innovative projects and initiatives undertaken by the company or being developed during the year 2022:
Non

Approval of the Corporate Governance Report for the year 2022

Signature	Signature
<p>Chairman of the Board of Directors</p> 	<p>Chairman of the Audit and Compliance Committee</p> 
Date: 2/3/2023	Date: 2/3/2023
<p>Signature Chairman of the Nomination & Remuneration Committee</p> 	<p>Signature Director of the Internal Control Department</p> 
Date: 2/3/2023	Date: 2/3/2023

