



Corporate Governance Report 2023

1. In the measures taken to complete the governance system during the year 2023:

The decisions of the Board of Directors of the Securities and Commodities Authority (SCA) represented by Resolution No. (3/Chairman) of 2020 regarding the adoption of the Governance Manual for Public Shareholding Companies and its amendments, (Corporate Governance Resolution) emphasize the importance of the commitment of joint stock companies under the harness of liability – those guidelines and regulatory controls to the corporate governance decision directed to companies, the Board of Directors is responsible for supervising the Company's management and business affairs and its commitment to implement those principles approved by the Authority and the legislative and regulatory frameworks included in the Corporate Governance Resolution and which must be reviewed by the Board from time to time and the consequent changes it deems necessary in accordance with the frameworks of principles approved by the Corporate Governance Resolution.

The Board of Directors of the Company confirms its permanent commitment to the Memorandum of Association and the Articles of Association of the Company, and the charters of the committees of the Board, which provides the best practice of the decision of the regulatory controls and principles approved by the governance decision, which enhances the value of shareholders' investments and secures the desired protection in the long term by adhering to the principles of transparency, disclosure, accountability, responsibility and justice in order to achieve the Board's sound and conducive strategy. To the validity of the sound decision-making mechanism in the company, enhancing the professional and ethical behavior of the company, and dispelling investors' concerns by establishing confidence in the company and in the capital market in the country in general, as well as contributing to attracting foreign or local investments.

In the context of the continuous supervisory efforts to measure the effectiveness of the implementation of 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 with the adoption of the following:

- The company's commitment to the legal reference and regulatory guidelines herewith the decision of the Securities and Commodities Authority (No: 3/Chairman) of 2020 regarding the adoption of the Governance Manual for Public Shareholding Companies and its amendments. "Corporate Governance Resolution" amending the Company's Articles of Association to meet the aforementioned SCA Resolution and its amendments, and the provisions of Federal Decree-Law No. (32) of 2021 regarding commercial companies.





- b) The company's commitment to the guidelines of the Authority's Resolution No. (3/Chairman) of 2020 regarding the adoption of the Governance Manual for Public Shareholding Companies in the formation of the company's board of directors, and its amendment by Resolution No. (8/Chairman) of 2021 amending Article (9) / item (3) of the "SCA Resolution" No. (3/Chairman) of 2020 regarding the company's commitment that the representation of women shall not be less than one "one" member in the formation of the Board of Directors in any of the circumstances, whether in appointment, election, vacancy of a position or increase of a member of the Board as a pivotal pillar in activating and achieving the directives of the Authority's decisions regarding the formation of the Board of Directors of the company.
- c) At the level of the work of the Board during the year 2023, the company's Board of Directors fully complied with the work mechanisms that take into account the principles and basic elements of governance at the level of its work, those specified and sponsoring the mechanism for holding meetings of the Board and its permanent committees emanating from it, and the approved "Board" charters regulating the work of the committees and following up on the recommendations of the reports submitted to the Board during the year in line with and the required controls governing the work of the Internal Control Department as the Board is a guarantor of the compatibility of the objectives of the Authority's decisions and the expectations and ambitions of shareholders by ensuring the effectiveness of the company's management work in a way that secures the permanent supervisory effort of the "Board" to measure the effectiveness of the application of the company's governance system.
- d) The Board's keenness and commitment and the Company are required to comply with the applicable regulations and directives of the regulatory authorities in terms of disclosure of periodic financial reports, material information, the ownership of insiders and their relatives, the transactions of related parties with the Company and the benefits that may be enjoyed by the members of the Board of Directors and the senior executive management and other disclosures required within the time periods specified in the decisions of the Authority and/or the financial markets in the State 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 insiders register, which confirms the commitment of the directives of the regulatory authorities in the country, the revision of the company's professional conduct regulations in terms of the confidentiality of the information deposited with them by the company or its customers, and the prohibition of leaking that essential internal information that affects and distinguishes some without others in dealing in the company's shares, which enhances investor confidence.





- f) Commitment to integrity and rational professional behavior as a policy adopted by the company in communicating with shareholders, employees and other stakeholders to ensure transparency and justice through the regulatory controls issued from time to time by the Authority regarding the proper application of those decisions, which oblige the presentation of information transparently, fairly and in a timely manner.
- g) Directing the company to continue what is decided by the Board regarding access to all social, environmental and institutional responsibilities required by the legislative systems in the country, and this is by focusing on the rules of accountability as prescribed in the Code of Professional Conduct Manual after creating the optimal work environment for the company's employees, as well as the optimal attention to the impact of the company's operations on the environment and accompanying the established controls. As well as participating in activities and community building events.

Extrapolating from what has been and continues to be adhered to by the "Board" as detailed above, it confirms the full commitment of the "Board" to the globally stable controls and systems adopted by the esteemed authority as the pillar and axis of corporate governance. –

2. Ownership and dealings of the members of the Board and their spouses and children in the company's securities during the year 2023:

Name	position	Stock on 31/12/2023	Total Transaction	Total Purchase
Othman Muhammad Sharif Zaman,	Chairman of the Board	998.870	None	None
D. Saeed Abdullah Al Mutawa,	Dy. Chairman of the Board	None	None	None
H. Excellency/ Abdul Rahman Mohammed Al Owais	Member	None	None	None
Omar Ibrahim Abdullah Al-Mulla,	Member	None	None	None
Rashid Abdullah Muhammad Ali Burehaima	Member	None	None	None
Mohammed Obaid Rashid Al Shamsi	Member	None	None	None
Nawaf Abdullah Mohammed Al-Rifai	Member	6.430	None	None
Muhammad Ahmed Omar Al-Karbi	Member	185.000	None	None
Ghaya Khaled Muhammad Abdullah Al-Khayal	Member	None	None	None





3. Composition of the Board of Directors:

Pursuant to Article (9) of the directives of the Chairman of the Authority's Board of Directors Resolution No. (3/Chairman) of 2020 regarding the adoption of the Governance Manual for Public Shareholding Companies and taking into account the subsequent amended resolutions, the current Board of Directors includes (9) nine appointed and elected members of the company's shareholders ("2023-2026" session) and their status have been confirmed in accordance with the guidelines of Article "9" mentioned above.

A. Statement of the formation of the Board of Directors :

Statement of the formation of the current Board of Directors:

	Name	Position	Category	Experience and qualifications	Membership beginning since
1-	Othman Moh. Shareif Zaman	Chairman of Board of Directors "	independent	<ul style="list-style-type: none"> Bachelor of Industrial Engineering An expert in financial and banking affairs. 	1996
2-	Dr. Saeed Abdullah AlMutawa	Vice Chairman	non-executive/ independent	<ul style="list-style-type: none"> Diploma in Business Admin. - Arizona, USA. Member of the National Board (2015-2019). Member of the International Parliament (2017-2019) Collaborating 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 Financial Committee of the Asian Parliament (2016-2018). 	2020





				<ul style="list-style-type: none"> 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 Board of the Government of Sharjah (1998-2008). Department of Finance - Government of Sharjah (1990-1998). Director of Financial Aid Department. (1996-1998). Head of the Government Accounts Department (1990-1994) 	
3-	HE. Abd Alrahman Moh. Al Owais	Member	independent	<ul style="list-style-type: none"> B.sc in Accounting, UAE University 	2017
4-	Omar Ibraheim Abdullah AlMulla	Member	non-executive/ independent	<ul style="list-style-type: none"> BA Management of Business - Higher Colleges of Technology. Master of Science in Banking and Finance - British University - Dubai 	2020
5-	Rashid Moh. Burihaima	Member	non-executive/ independent	<ul style="list-style-type: none"> Bachelor of Business Administration - Portland State University - USA 	2020
6-	Mohamed Obaid Rashed Alshamsi	Member	independent	<ul style="list-style-type: none"> Bachelor of Business Administration – Institute Supérieur de Gestion 	2023





7-	Nawaf Abdullah Al Refae	Member	independent	<ul style="list-style-type: none"> Bachelor of Business Administration - Marketing - Kuwait University 	2017
8-	Mohamed Ahmed Omar AlKarbi	Member	independent	<ul style="list-style-type: none"> Bachelor of Science in Civil Engineering "American University - Sharjah". Master's Degree in Business Administration, "UAE University, Abu Dhabi". 	2017
9-	Ghaya Khalid Moh. Al Khayyal	Member	non-executive	<ul style="list-style-type: none"> Bachelor of Quality Control & Strategy - Higher Colleges of Technology- Master In Business Admin. 	2023

*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-	Mr. 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-	H. 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-	Mr. 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-	Mr. Rashid Abdullah Mohammed Burehaima	*Director of Business and Partnerships - Sharjah Asset Management Company.





6-	Mohamed Obaid Rashid Alshamsi	Director- Social Security Fund Member-Investment Bank Member- AlQasimiyia University Board of Trustees
7-	Mr. Nawaf Abdullah Al-Rifai	Member of the Board of Directors of Ras Al Khaimah *Chairman of the Board of Directors of Kamco Investment Company - Dubai. *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-	Mr. /Mohamed Ahmed Omar Al-Karbi	* Member of the Board of Directors of Ras Al Khaimah Company for the Manufacture of White Cement and Construction Materials. (Member of the Audit Committee and Marketing Committee). Ras Al Khaimah *Member of the Board of Directors of the Arab Insurance Group (Chairman of the Risk and Audit Committee and Chairman of the Nominations and Remuneration Committee - Bahrain. * Member of the Board of Directors of Al Mushrif Cooperative Society - Abu Dhabi.
9-	Ghaya Khalid Abdulla AlKhayyal	--

B. Percentage of female representation on the Board of Directors for the year 2023:

The female component was represented in the current session of the Board (2023-2026) "one member" pursuant to the requirements of Resolution No. (8/Chairman) of 2021 amending Resolution No. (3/Chairman) of 2020 regarding the Governance Manual Binding Public Shareholding Companies Representation of women within the composition of the Board of Directors.

C. Statement of the remuneration & fees of the members of the Board of directors:

Determining the remuneration of the members of the Board of Directors of the company falls under the functions of the Nomination and Remuneration Committee based on the controls of Article "29" of the Authority's Resolution No. 3 (R.M.) of 2020 regarding the adoption of the Governance Manual for Public Shareholding Companies, as amended by the Authority's Chairman Resolution No. (2/Chairman) of 2024 and Article (57) of the Company's Articles of Association so that it does not exceed (10) % of the net profit for the ended fiscal year after deducting depreciation and reserves.





1. Total remuneration of the members of the Board of Directors paid for the year 2022:

No remuneration has been allocated to the members of the Board of Directors for the year 2022.

2. In its meeting No. 1/2024, the Board of Directors discussed the recommendation to the Annual General Assembly for the year 2023 **not to allocate a remuneration** to members of the Board for the year 2023.

3. Statement of allowances for attending committee sessions for the fiscal year 2023:

No allowances were paid for attending committee meetings or allocating additional salaries or fees to any member during the year 2023.

4. Details of the allowances or salaries received by the board member other than the committees' attendance allowances and their reasons for the year 2023:

The members of the Board of Directors did not receive any allowances for attending the meetings of the Board and/or its committees during the year 2023 according to the following statement:

	Name	Name of the committee	Value of the allowance	Number of meetings
1-	Dr. Saeed Abdullah AlMutawa	Audit and Compliance + Investment Committee	NA	"9" meetings
2-	Omar Ibrahim Almulla	Audit and Compliance Committee Remuneration & Nominations Committee and the Investment Committee	NA	"9" meetings
3-	Rashid Abdullah Burihaima	The Remuneration Nominations Committee and the Investment Committee	NA	"5" meetings
4-	Mohamed Obaid Rashid Alshamsi	Investment Committee	NA	"4" meetings
5-	Moh. Ahmed Omar Kurbi	Audit & Compliance Committee - Nomination & Remuneration Committee	NA	"5" meetings
6-	Ghaya Khalid Abdullah Khayaal	Nomination & Remuneration Committee+ Audit and Compliance Committee	NA	"3" meetings Nomination Committee did not hold meeting in 2023





Note: Former Board and Compliance Committee member Mr. Khaled Al-Khayyal attended the Audit Committee Meeting No. 1 held on 1 March 2023 prior to the formation of the new Board of Directors (2023-2026 session).

C. Number of Board Meetings during fiscal year 2023, dates of convening and attendance:

The Board of Directors of the company held (5) meetings during the year 2023, as follows:

	Name	2, March 2023	19, April 2023	8 May 2023	3 Aug. 2023	8 Nov. 2023
1	Othman Moh. Shareif Zaman	✓	✓	✓	✓	✓
2	Dr. Saeed Abd ullah Juma	✓	✓	✓	✓	✓
3	H.E. Abd Al rahman Moh. AlOwais	Apology	✓	Apology	✓	Apology
4	Omar Ibraheim Al mulla	✓	✓	✓	✓	✓
5	Rashid Abdullah Burihaima	✓	✓	✓	✓	✓
6	Mohamed Obaid Rashid Alshamsi	BOD member starting from April 23	✓	✓	✓	✓
7	Nawaf Abdullah AlRifai	✓	✓	Apology	✓	✓
8	Moh. Ahmed Omar Kurbi	✓	✓	✓	✓	✓
9	Ghaya Khalid Abdulla AlKhayyal	BOD member starting from April 23	✓	✓	✓	✓

Note: *Former Board Member Mr. Khaled Al Khayyal attended Board Meeting No. 1 held on 2 March 2023 prior to the formation of the new Board of Directors (2023-2026 session).

a. Board resolutions passed by circulation during the fiscal year 2023:

None

4. Board Committees:

*Audit and Compliance Committee:

a. Acknowledgment by the Chairman of the Audit Committee of responsibility for the Committee's system in the company:

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

b. The Audit and Compliance Committee consists of the following Board members:





c. Number of meetings held by the Committee during the year 2023, their dates and the personal attendance of members:

Ser.	Name	Meeting No. "1" March /2023	Meeting No."2" 4 May 2023	Meeting No. "3" 2 Aug.2023	Meeting No. "4" 7 Nov.2023
1-	Dr. Saeed Abdullah Al-Mutawa				✓
2-	Mr. Omar Ibrahim Al-Mulla				✓
3-	Mr. Mohamed Ahmed Al-Karbi				
4-	Ghaya Khalid Mohamed Al Khayal (Was not board member in 2020-2023 session)	-	✓	✓	✓

Note: Former Board and Compliance Committee Member, Mr. Khaled Al-Khayal attended the Audit Committee Meeting No. 1 held on 1 March 2023 prior to the formation of the new Board of Directors (2023-2026 session).

Responsibilities and tasks of the Committee in accordance with the guidelines of Article (61) of the Authority's decision regarding the Governance Manual 2020:

Resolution No. (3/Chairman) of 2020 issued by the Securities and Commodities Authority (SCA) "Regarding the Adoption of the Governance Manual for Public Shareholding Companies" affirmed the role and importance of the Audit Committee when requiring all its members to have knowledge and expertise 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 the most important standing committee emanating from the Board of Directors and supporting the Board in the responsibilities assigned to it by the company's shareholders, especially those related to financial and accounting policies and procedures in the company.

The resolution stressed that the tasks and duties of the Committee – but not limited to include:

❖ Monitor the integrity of the company's financial statements and reports "annual, semi-annually and quarterly" and review them as part of its normal business during the year and should focus in particular on the following:





- Any changes in accounting policies and practices.
- Highlight the areas subject to management's discretion.
- Material modifications resulting from the audit.
- Assuming the continuity of the company's work.
- Compliance with the accounting standards determined by the Authority.
- Comply with the rules of listing, disclosure and other legal requirements related to financial reporting.

❖ Coordinate with the company's board of directors, senior executive management, and the financial manager or manager in charge of the same tasks in the company in order to perform its duties.

❖ Consider any important and unusual items contained or to be included in such reports and accounts and shall pay due attention to any matters raised by the company's financial manager, the manager in the same duties, the compliance officer or the auditor.

❖ Recommend to the Board of Directors regarding the selection, resignation or dismissal of the auditor in the event that the Board of Directors does not approve the recommendations of the Audit Committee in this regard, the Board of Directors shall include in the governance report a statement explaining the recommendations of the Audit Committee and the reasons that led the Board of Directors not to take them into account.

❖ Develop and implement the policy of contracting with the auditor, and submit a report to the Board of Directors in which it identifies the issues it deems important to take action on them and provide recommendations for the necessary steps to be taken.

❖ Ensure that the auditor meets the conditions contained in the laws, regulations and decisions in force and the company's articles of association, and follow up and monitor his independence.

❖ Meeting with the company's auditor without the presence of any senior executive management or its representative, at least once a year, and discussing the nature and scope of the audit process and its effectiveness in accordance with the approved auditing standards. Approving the additional work carried out by the external auditor for the company and the fees he charges for those works.

❖ Review and evaluate the company's internal audit and risk management systems.

❖ Ensure that the necessary resources are available for the internal audit function and review and monitor the effectiveness of that department.

❖ Any other matters determined by the Board of Directors.



Nomination and Remuneration Committee:

- H.E. Abdulrahman Mohammed Al Owais, in his capacity as Chairman of the Nomination and Remuneration Committee, acknowledges his responsibility for the Committee's system in the company and for reviewing its work mechanism and ensuring its effectiveness.
- The Nomination and Remuneration Committee shall consist of the following Board Members:
- Meetings and attendance statement:

	Members	Meetings in 2023	Attendance
1-	H.E. Abdulrahman Mohammed Al Owais	-	-
2-	Mr. Rashid Abdulla Bourhima	-	-
3-	Mr. Nawaf Abdullah Al Rifai	-	-
4-	Mr. Mohammed Ahmed Al-Karbi	-	-
5	Ms. Ghaya Khalid Mohammed Al-Khayal	-	-

According to the guidelines of Article 59 of SCA Resolution No. (3/Chairman) of 2020 regarding the adoption of the Governance Manual for Public Shareholding Companies, and its amendments, the tasks of the Nomination and Remuneration Committee are as follows:

- ❖ Develop a policy for candidacy for membership of the Board of Directors and the Executive Management aimed at taking into account gender diversity within the formation and encouraging women through incentive and training benefits and programs, and providing the Authority with these policies and any amendments thereto.
- ❖ Organizing and following up the procedures for nomination for membership of the Board of Directors in accordance with the laws and regulations in force and the provisions of this resolution
- ❖ Ensure the independence of independent members on an ongoing basis. Provided that it monitors the availability of the conditions of independence of the members, with the obligation - when the status of independence from the member is absent - to submit the matter to the Council to address the member to explain the justifications for the lack of independence from him and the member's response about that and in accordance with the regulatory guidelines that must be observed.
- ❖ Preparing the policy for granting bonuses, benefits, incentives and salaries for the members of the Board and its employees and reviewing them on an annual basis, and the Committee shall verify that the bonuses and benefits granted to the senior executive management are reasonable and commensurate with the company's performance.



- ❖ Annual review of the required skills requirements for Board membership and preparation of a description of the capabilities and qualifications required for Board membership, including determining the time that the member must devote to the work of the Board of Directors.
- ❖ Review the structure of the Board of Directors and provide clarification regarding changes that can be made.
- ❖ Identify the company's needs of competencies at the level of senior executive management and employees and the basis for their selection.
- ❖ Preparing the policy for human resources and training in the company and monitoring its application and reviewing it on an annual basis.
- ❖ In addition to any other topics determined by the Board of Directors.

C. No committee meeting took place in 2023.

Follow-up and Supervision Committee on Insider Dealings:

I. Acknowledgment from the person in charge of the follow-up system and supervision of insiders' transactions:

Mr. Alamuddin Jaafar Malik, as the "assignee" / authorized to follow up and supervise the transactions of insiders, acknowledges his responsibility for the system in force in the company regarding the follow-up and supervision of the transactions of insiders and for reviewing the mechanism of work and ensuring the effectiveness of this.

a. The assignment of Mr. Alamuddin Jaafar Malik was approved- Legal Counsel, Secretary for the Board of Directors and Company- by the Board of Directors Meeting No. "2"/2019 held on 25 May 2019. Follow up and supervise the insiders' transactions.

Among the tasks and competencies of the aforementioned, and on the basis of Article (33) of the Authority's decision regarding the Governance Manual, are:

- ❖ Establishing a special register of the names and data of insiders, including persons who can be considered indirect or temporary insiders and who are entitled or available to access the company's internal information before publishing it, provided that the record includes previous and subsequent disclosures of insiders.
- ❖ Managing, following up and supervising the transactions of insiders and their properties and maintaining their record.
- ❖ Submit periodic reports and updated lists of insiders at the beginning of each fiscal year to the regulatory authorities and any amendments thereto during the fiscal year in accordance with the regulatory guidelines in force.
- ❖ Undertaking full compliance with the necessary disclosures on the Abu Dhabi Securities Exchange website.





❖ Continue to remind insiders of the need for their obligations during the periods of prohibition of trading in the company's shares in accordance with the rules and regulations announced by the regulatory authorities to be followed.

❖ Continuous review of the policy adopted regarding insider trading and provide urgent recommendations regarding any amendments to the Board of Directors to work on their proper adoption.

❖ Prepare the official declarations signed by the informed parties and provide the regulatory authorities with them - upon request - and sensing the insider's knowledge that he possesses internal data and information related to the company and its customers and the legal implications of the insider's leakage of such information or data or giving advice on the basis of the information he possesses.

❖ And to carry out any other tasks assigned to him from time to time."

C. Summary of report on the work of the Committee during the year 2023:

* In compliance with the regulatory guidelines issued by the Securities and Commodities Authority (SCA) 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 mentioned above has provided the Authority and the Abu Dhabi Securities Exchange with a list of the names of the company's insiders and a statement of whether they have any transactions in their capacity mentioned and according to the form prepared for that, during the year 2023.

4- 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.

B. The Investment Committee consists of the following members of the Board of Directors, and has held (5) meetings during the year 2023 in the presence of all its members:

Ser.	Name	Meeting No. "1" 1/3/2023	Meeting No. "2" 4/5/2023	Meeting No. "3" 5/6/2023	Meeting No. "4" 2/8/2023	Meeting No. "5" 7/11/2023
	Dr. Saeed Abdullah Al-Mutawa				✓	
	Mr. Omar Ibrahim Al-Mulla				✓	
	Rashid Moh. Burihaimah	✓	✓	✓	✓	
	Mr. Mohamed Ahmed Al-Karbi					
	Mr. Mohamed Obaid Al Shamsi					





Note: During the Board session (2020-2023), Mr. Mohammed Al-Karbi, member of the Investment Committee, attended the Investment Committee Meeting No. 1 on March 1, 2023 prior to the formation of the Board of Directors and the Investment Committee in its current session (2023-2026).

The Committee was entrusted with providing assistance and advice to the Board, reviewing proposals for real estate investments and large shares, making recommendations to the Board for approval, reviewing proposals for new works or major plant expansions and making recommendations to the Board for approval. Routine capital expenditures in factories are approved by the Board as part of the annual budget as well as management proposals for changes in credit policies.

F. Tasks and competencies of the Board of Directors entrusted to the Executive Management during the year 2023:

In its current session "2023-2026", the Board of Directors of the Company authorized the General Manager and the senior executive management team to carry out the following tasks and competencies in accordance with the approved plans and in compliance with the strategic directions of the Board in accordance with the framework of the obligations of the Board of Directors contained in Article 14 of the SCA Resolution No. (3/Chairman) of 2020 and its amendments regarding the Corporate Governance Manual:

1. Daily management of the company's operations in accordance with the operational plans and the guidance of the executive body in accordance with the company's strategic objectives approved by the Board of Directors.
2. Submit accurate periodic reports detailing the company's technical and financial conditions, its business, the procedures taken for risk management and the company's internal control system in a timely manner to enable the board to adopt its decisions correctly to achieve the interests of the company, as well as enabling the company's board of directors to implement control in terms of consistency of what the executive management does towards the objectives, plans and policies set by it (BOD).
3. Managing the executive body of the company in line with the objectives 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 "SCA Resolution" guidelines, the Abu Dhabi Securities Exchange and the laws in force and in accordance with the expectations of shareholders.
4. And undertake the implementation of plans and the development of current and future policies and strategies in accordance with the frameworks of the approved strategy of the BOD, which mainly aims to comply with the laws and regulations and the requirements of the regulatory authorities, internal policy, regulations and procedures set in order to enhance the advancement of the company's business in the conduct of its business.



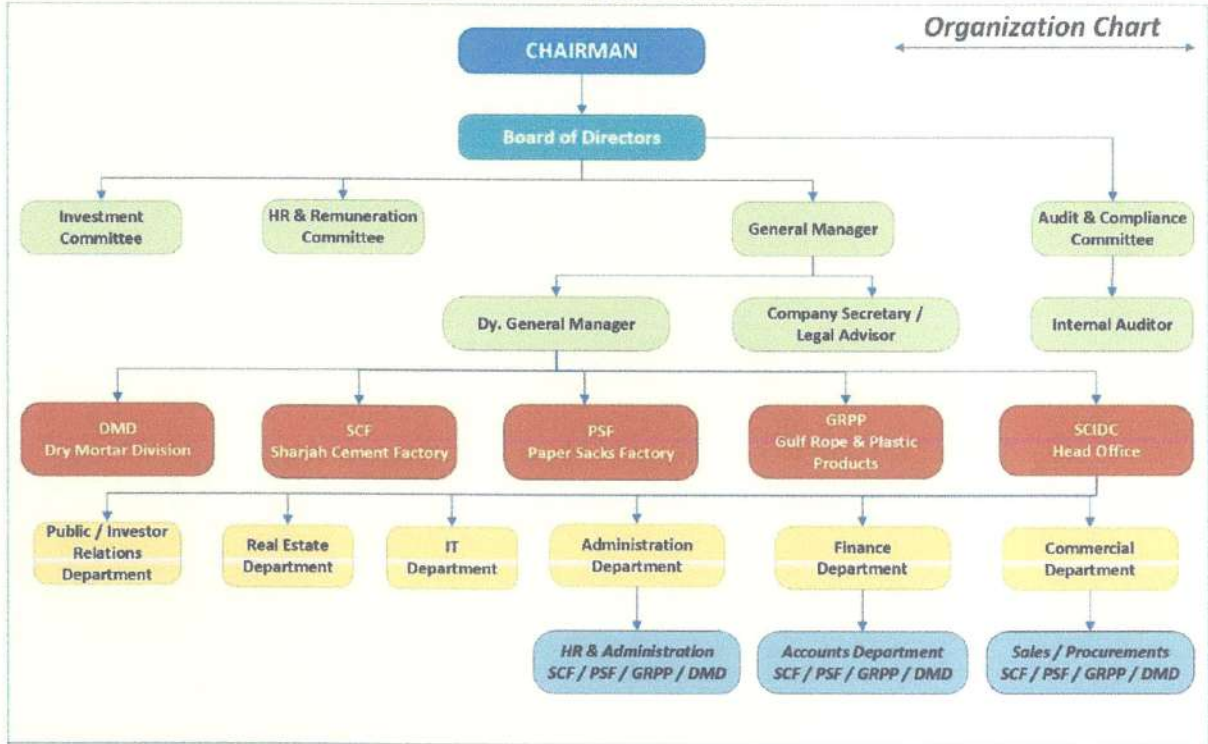


Transactions with related parties during the year 2023:

*There were no transactions done with related parties during the year 2023.

5. The organizational structure and executive management of the company:

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



A detailed statement of the company's senior executives:

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

Position	Service years	Total salaries & allowances paid in 2023/AED	Total remunerations paid in 2023	Any other in kind remunerations paid in 2023 or future expected
Gen. Manager	46	1,141,000	N/A	-
DGM	N/A	N/A	N/A	-
Legal Advisor/Company Secretary	18	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

6. External Auditor:

A. Brief summary about the company's auditors:

Ernst & Young in the UAE is one of the largest UK limited companies, as a global leader in **auditing & accounting**, taxation, advisory services. Ernst & Young in the UAE is affiliated with the Global Organization of Member Companies of Ernst & Young International Limited. Its network of professional services extends globally to all of Europe, the Middle East, India, Africa and Asia. Ernst & Young has been providing specialized professional services in both Dubai since 1967 and in the Emirate of Sharjah since 1975, through a team of qualified chartered accountants. The company's office in the UAE is located within the integrated "Middle East Office" system in terms of training, methodology and quality control. Ernst & Young provides professional accounting and auditing services to Sharjah Cement and Industrial Development Company among many major public shareholding companies in the country. It has a global professional reputation.

B. Statement of fees and costs related to auditing or services for the year 2023:

In its meeting held on 13 April 2023, the General Assembly approved the reappointment of Ernst & Young as the Company's External Auditor for the fiscal year 2023 for a fee of AED 375,000 for their performance of the Company's external audit until the end of the fiscal year on 31/12/2023, including, for example:

- ❖ Interim reviews (first, second and third quarters).
 - ❖ Audit of annual financial statements.
 - ❖ Attend the meetings of the general assemblies, read its report and answer the questions posed by the shareholders of the Assembly.
 - ❖ Evaluation of the presentation of financial statements and ensuring their correctness.
 - ❖ Confirm that the company maintains regular accounts in accordance with the rules.
- * During the year 2023, another external auditor/consultants were was hired to perform some services according to the statement below:.

Ernst & Young Partner Auditor: Ms. Maryam Ibrahim	
The number of years Ernst & Young has spent as the company's external auditor	4 years





The number of years the partner auditor spent auditing the company's accounts	1 year
Total audit fees for the financial statements for the year 2023	<u>AED 375,000 +5 % VAT</u>
Fees and costs for special services other than auditing the financial statements for the year 2023	N/A
Details and nature of other services provided by the company's auditor: • Auditing undistributed profits and submitting them to the Adx: AED 55.352	• Auditing undistributed profits and submitting them to the "Abu Dhabi Securities Market"
Other services performed by an external auditor other than the company's auditor during 2023	Name of the auditor and details of the services provided: 1. Aswar Management Consulting - Dubai: Internal audit services 2. Bakerley Tilly Middle East: (ICV) certificate for Sharjah Cement Factory (ICV) certificate for Gulf Rope Factory 3. Premier Brain Global - Dubai: Evaluating the tax impact on companies 4. Al Warqa Survey Engineering for Auditing & Assessing SCF stock.

C. Reservations included in the interim and annual financial statements by the company's auditor for the year 2023:

There are no reservations by the Company's auditor regarding the interim and annual financial statements of the company for the year 2023.

7. Internal Control System:

A. The Board of Directors acknowledges its responsibility for the company's internal control system, its review and effectiveness after auditing, reviewing, discussing periodic reports of the work mechanism and ensuring its effectiveness. The Board is responsible for supervising the internal control system in the company and continuously reviewing its effectiveness and efficiency in accordance with the directives of the regulatory authorities, and the formation of an audit committee and the internal control department is a clear response to the responsibilities included in the Authority's decision





in implementation of the guidelines of the Authority's decision regarding the Governance Manual 2020 which is properly applied to the Board of Directors of the company, that confirms the establishment of a permanent internal control system for the company aimed at developing and assessing the means and procedures of risk management in the company and verifying and ensuring employee compliance in applying of governance rules and provisions, laws, regulations and decisions in force that governs its work and the detailed internal policies and procedures of what the company's internal control system should be.

B. In accordance with the approved working mechanism in terms of approving the recommendations of the "Nomination Committee" of the Board, an internal control management team consisting of a manager and assistants with high qualifications and rich experience in this field was appointed in January 2017 / headed by:

*Mr. Kartik Sigeb: As "Director of Internal Control Department", graduated in the Institute of Chartered Accountants of India in 2012. He has more than 10 years of professional experience in the field of auditing and financial management.

C. The Director of Internal Control was also assigned the duties of the compliance officer to monitor the company and employees' compliance with the directives of the laws and regulations and submitting periodic reports to the Board of Directors.

D. In accordance with the SCA's decision No. 3/R.M of 2020 regarding the Corporate Governance Manual and its amendments, and pursuant to the directives of Articles (66 and 67) of the Corporate Governance Manual, and following the mechanism followed regarding the application of regulations, adopting appropriate procedures regarding risk management and internal audit, periodically ensuring the company's compliance with the approved mechanism, following up the applicable systems regarding the company's internal policies, and submitting periodic reports to both the Board and the Audit Committee in accordance with the applicable guidelines regarding the application of the provisions of the above articles. The company did not face any problems in 2023.

E. The Internal Control Department issued (4) quarterly progress reports for the year 2023 on audit work to the committee who examines them and then recommend to the Board of Directors.

8. Violations committed during the year 2023:

❖ No financial irregularities were detected during the year 2023.

9. Cash and in-kind contributions made by the company during the year 2023 to the development of the local community and the environment:

Through its responsibility towards society, the company aims to create sustainable value for shareholders, employees, suppliers, customers and business partners of all kinds, from charitable and community institutions in which it operates, by always contributing to supporting the local community in the country by taking into account the social, environmental and economic axes in everything the company does, within the framework of its responsibilities towards society to consolidate and implement the





principles imposed by the regulations and legislation contained in the governance controls in terms of full compliance. By such contributions, it takes into account the societal and environmental aspects in the field of the company's activities, which contributes consequently to the company's adherence in its daily operations to take decisions that always take into account the requirements of legislation in the country in terms of social responsibility and environmental responsibility alike. The company's contributions always come in supporting the local community of the United Arab Emirates by sponsoring many events of social and sports institutions, schools and public benefit associations alike, including:

Cash donations / contributions to charitable and social work:

Name of organization	Year 2023 (Dirhams)
Khorfakkan Club for the disabled	75,500
Sharjah city of For humanitarian services	200,000
Emirates Association for the Visually Impaired	50,000
West Asian Sports Federation for the Disabled	20,000
Expert Center for Learning Difficulties	20,000
Rashid Centre	15,000
Sheikh Moh. Centre	30,000
ALTariq Autism Centre	15,000
Emirates Down Syndrome Association	5,000
Autism Club & Home	20,000
Al Salam Rehabilitation Center	20,000
West Asian Disabled Sports Federation	20,000
Private Day Care Charity Society	15,000
Al Bataeh Municipality Football Club	100,000
Sharjah International Charity Society	15,000
Ibtikar Advertising Agency	20,000
Al Wassila for Speech & Reh.	20,000
Palestinian Children's Fund	100,000
Emirates International Rehabilitation	15,000
Total	806,001





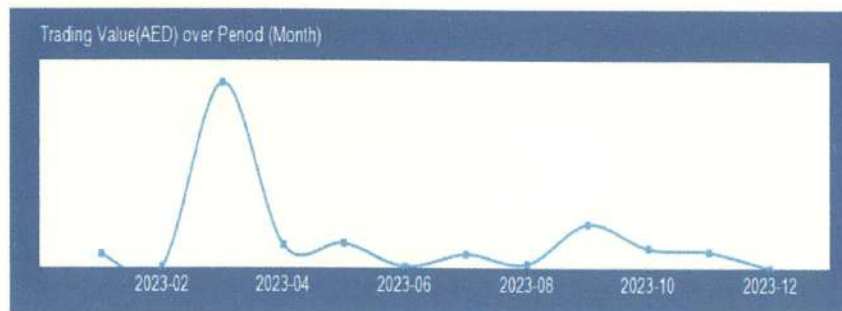
The company also works hard in the field of the environment and its full compliance remains in its responsibilities towards that by working to maintain the company's work environment and its surroundings in terms of adopting, following and applying the best environmental specifications and conditions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

10. General information:

I. A statement of the company's share price in the market (closing price, highest and lowest price at the end of each month during the fiscal year 2023:

SCIDC TRADES (REGULAR MARKET)

Regular Trades										
Year	Month	OPEN (AED)	CLOSE (AED)	HIGH (AED)	LOW (AED)	Value (AED)	VOLUME	TRADES	Change	% Change
2023	01	0.615	0.567	0.695	0.567	701,476.53	1,127,082	35	(0.048)	(7.80)
2023	02	0.600	0.615	0.620	0.573	89,263.23	149,132	16	0.048	8.47
2023	03	0.600	0.600	0.615	0.573	8,962,653.07	14,938,674	20	(0.015)	(2.44)
2023	04	0.579	0.680	0.707	0.570	1,150,245.44	1,806,824	65	0.080	13.33
2023	05	0.622	0.660	0.670	0.561	1,229,514.77	2,054,119	113	(0.020)	(2.94)
2023	06	0.660	0.649	0.660	0.585	97,440.73	163,518	25	(0.011)	(1.67)
2023	07	0.659	0.633	0.719	0.610	713,071.47	1,110,773	63	(0.016)	(2.47)
2023	08	0.649	0.610	0.668	0.585	229,574.98	375,727	32	(0.023)	(3.63)
2023	09	0.607	0.625	0.650	0.582	2,168,399.11	3,623,925	35	0.015	2.46
2023	10	0.590	0.576	0.644	0.531	988,359.17	1,647,127	21	(0.049)	(7.84)
2023	11	0.585	0.589	0.650	0.580	828,043.62	1,410,916	29	0.013	2.26
2023	12	0.590	0.592	0.648	0.585	27,459.81	44,354	20	0.003	0.51
						17,185,501.93	28,452,171	474		

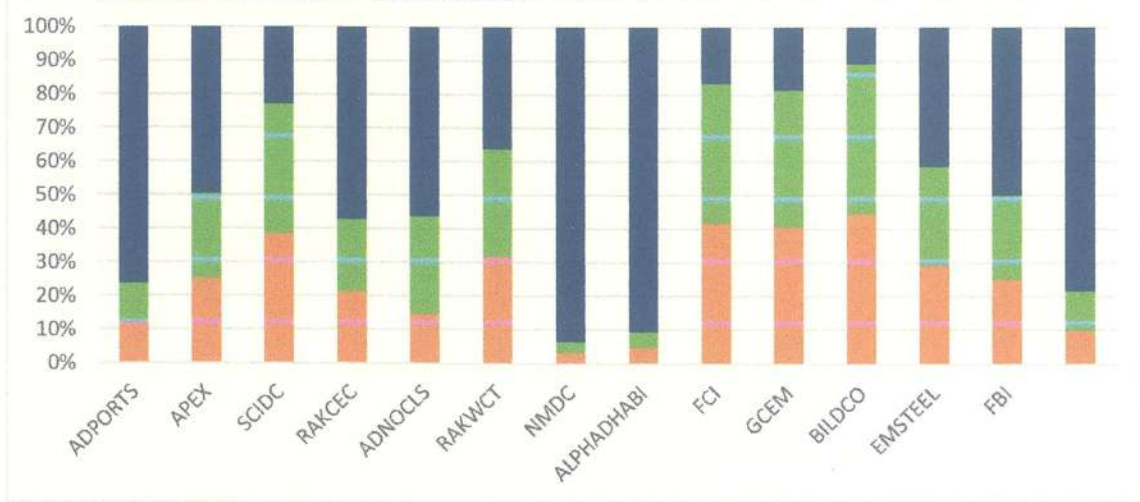


Total	
Value (AED)	17,185,501.93
Volume	28,452,171
Trades	474





B. Comparison of SCIDC' share performance with general market indices and industrial sector in 2023:



C- Distribution of shareholders' ownership as of December 31, 2023 (individuals, companies, governments) classified as follows: local, Arabs and foreigners.

Owned Shares				
Category	Individuals	Corporates	Government	Total
local	105.077.793	240.512.700	145,220,419	490.810.912
Arabs	33.850.106	76.383.310	-	110.233.416
Foreigner	2.268.794	4.940.625	-	7.209.419
Total	141.196.693	321.836.635	145,220,419	608,253,746

D. The shareholders who own 5% or more of the company's capital as of December 31, 2023

	Name of the shareholder	Quantity	Ratio	Nationality
1-	Sharjah Asset Management	98,924,624	14.78%	Emirates
2-	Ahmed Omar Salim AlKurbi	74,260,487	12,20%	Emirates
3-	Sharjah Social Security Fund	55,295,795	9,09 %	Emirates
4-	Salem Abdullah Salem Al Hosani	33,532,313	5.51%	Emirates
5-	AL Salim Co. Ltd	32,484,350	5.34%	Emirates





E. Shareholders tabled according to the size of ownership as on December 31, 2023- :

	Stock ownership	Number of shareholders	Quantity of owned shares	Percentage of owned Shares from the capital
1-	Less than 50 thousand	1329	62.966.163	10.36 %
2-	More than 50 thousand and less than 500 thousand	152	30.759.165	5.06 %
3-	More than 500 thousand and less than 5 million	90	117.656.649	19.35 %
4-	More than 5 million	15	396.871.770	62.25 %
5-	Share Capital	1586	608,253,747	<u>100%</u>

Actions taken regarding investor relations controls:

The practice of reviewing the company's policy and strategy in the field of investment and periodic supervision of the policies has been applied in the company in light of economic changes and standing on the decisions related to investments and development projects of the company as well as the adoption of policies and strategies for development projects and review of several matters, including consideration of the company's new investments, feasibility studies and related financing methods, and everything that would achieve the objectives of the management in terms of upgrading 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". The Department can be communicated with through the following means:

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 & Industrial Development Co. - Al Marija area - Sharjah – UAE





F. Statement of the special resolutions that were presented to the General Assembly in 2023:

None

G. Board of Directors Meetings' Rapporteur:

❖ Mr. Alameldin Gaafar Malik is the Rapporteur of the Board of Directors meetings.

❖ Appointed as Secretary of the Board of Directors in 2016

H. Statement of material events and important disclosures that the company encountered during the year 2023:

None

I. Transactions made by the company for more than 5% of the company's capital during 2023:

There is none.

J. Statement of the percentage of Emiratization in the company at the end of the years: 2021, 2022, 2023:

- Emiratization rate by the end of 2021: 11.8%
- Emiratization rate by the end of 2022: 17.24%
- Emiratization rate by the end of 2023: 19.67%

K. A statement of the innovative projects and initiatives undertaken by the company or being developed during Year 2023:

None





Adoption of the Corporate Governance Report 2023

Mr. Othman Mohamed Sharif Abdulla Zaman (Mar 22, 2024 14:02 GMT+4)

Signature:.....
Chairman of the Board

Date: 21/3/2024

Dr. Saeed Abdulla Jum'a AlMutawa (Mar 22, 2024 14:33 GMT+4)

Signature:.....
**Chairman of the Audit & Compliance
Committee**

Date: 21/3/2024

Signature:.....
**Chairman of the Nomination &
Remuneration Committee**

Date: 21/3/2024

Mr. Kartik Sejpal (Mar 23, 2024 08:39 GMT+4)

Signature:.....
Director of Internal Control Department

Date: 21/3/2024

