

# **Governance Report 2020**

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**(1) A statement of the measures taken to complete the system of governance, how the company applies the principles stated in Chairman of Authority's Board of Directors' Decision no. (3/Chairman) of 2020 concerning Approval of Joint Stock Companies Governance Guide.**

**First:**

Ras Al Khaimah Co. For White Cement & Construction Materials takes great care of the issue related to applying the corporate governance & discipline & is fully committed to the provisions of applicable legislation, including the provisions of the Chairman of the Board of Directors of Securities & Commodities Authority (3/Chairman) of 2020 concerning Approval of Joint Stock Companies Governance Guide.

The Board of Directors is responsible towards the shareholders of the company & its customers for the proper & strict application of the principles of governance by achieving the required discipline in the management of the company in accordance with the international Standards & encourage the Board of Directors of the company to maintain a high level of transparency.

**Second:**

The Board of Directors of the Company & its Executive Management shall comply with the rules & procedures stipulated in the Article No. (14) Of SCA Decision No. (2) of 2001 regarding the system of trading, clearing, settlement, transfer of ownership & custody of securities, Decision No.(3) for the year 2000 regarding disclosure & transparency system & any new amendments or regulations that may be mentioned in this regard.

Accordingly, the company has provided the Abu Dhabi Securities Exchange with a list of the names of the chairman / members of the board of directors of the company as well as a list of the executive management & heads of departments. All those procedures are to ensure compliance with the rules set by the market to organize the selling & buying of the company's shares.

These measures aim to enhance the confidence of shareholders & investors with SCA, so the board of directors & employees of the company do not exploit the information they have before others to achieve material gains.

Therefore, the company is fully committed to all regulations & legislations issued by SCA & Abu Dhabi Securities Market.

**(2) A statement of the transactions of the members of the Board of Directors, & spouses & children thereof in the Company' securities during 2020**

During the financial year ended 31 December 2020, the Board of Directors, their spouses or their sons did not conduct any transactions on the Company's shares either by selling or buying, except for the following individuals according to the disclosure issued by Abu Dhabi Securities Exchange & the Kuwait Stock Exchange.

Name of insider	Position / Kinship	Owned shares as on 31/12/2020	Total sale	Total purchase
Dr. Ateeq Abdulaziz Jakka Al Mansoori	Chairman of the Board	-	-	-
Mr. Mohamed Sultan Al Qadi	Deputy Chairman	214,200	-	-
Dr. Mohamed Abdullatif Khalifa AL Shehhi	Member	-	-	-
Sheikh Nasser Rashid Al Molla	Member	53,550	-	-
Mr. Ahmed Omar Salem Al Kurbi	Member	85,680	-	-
Mr. Salem Abdulla Salem Al Housani	Member	70,068,773	-	-
Al Salem Co.		80,210,094	-	22,991,559
Investment portfolio of Mr. Salem Abdulla Al Housani		79,254,000	-	-
Eng. Ahmad Hamad Abdulla Al Subih	Member	2,895,636	-	-
Mr. Majid Omar Salem Al Kurbi	Son of a member	2,090,370	-	-
Mr. Hamed Ahmed Omar Salem Al Kurbi	Son of a member	930,627	-	-
Mr. Ahmed Abdulla Salem Al Housani	Son of a member	6,685,813	1,329,310	-
Mr. Mohammed Abdulla Salem Al Housani	Son of a member	36,414	-	-
Mr. Abdulla Salem Al Housani	Son of a member	3,004,005	1,049,342	4,000
Mr. Nawaf Abdullah Al Refae	Member	-	-	-
Mr. Abdullah Mohammed Hassan Al Housani	Member	-	-	-
<b>Total</b>		<b>245,529,162</b>	<b>2,378,652</b>	<b>22,995,559</b>

### (3) Information of the Board of Directors & the details related to the Chairman & members of the Board & their experiences & qualifications

In accordance with Article No.19 of the Articles of Association of the Company, the Company shall be managed by a Board of Directors consisting of nine members elected by the Ordinary General Assembly by secret accumulative ballot. In all cases, the majority of the members of the Board shall be UAE nationals. Accordingly, a new Board of Directors has been re-elected at the Annual General Assembly Meeting on Thursday, March 22, 2018.

The Board comprises of nine members, most of them are UAE nationals & are highly experienced & competent

#### (A) A statement of the formation of the Board of Directors

The special details of the members of the Board of Directors, their experiences & qualifications, the duration of their membership in the Board of Directors of the Company, & their positions in other PSC companies, & other control & government positions.

**Dr. Ateeq Abdulaziz Jakka Al Mansoori**

**Chairman of the Board**

**United Arab Emirates**

Category	Experience	Qualifications
Non-independent and non-executive	- Professor of Public Administration in the UAE University	- PhD in Public Administration from Warwick University, United Kingdom in 1993. - Master of Public Administration from the University of Southern California in 1987. - BA in Public Administration from UAE University.
Member since	Membership and positions in any other PSC company	Positions in any other important governmental, commercial or regulatory sites
2003	-	- Director of the UAE University Center for Public Politics and Leadership. - Member of the faculty of the UAE University. - Associate Deputy for Students Affairs at the University of the Emirates.

**Mr. Mohamed Sultan AlQadi**

**Deputy Chairman of the Board**

**United Arab Emirates**

Category	Experience	Qualifications
Executive	- General Manager of Etisalat Corporation in Ras Al Khaimah. - Chairman of Dantel (Zanzibar Telecommunications Company in Zanzibar). - Won the license of operating (Sudatel) Sudan Telecommunications Company in Sudan. - Member of the Board of Directors of the Arab Organization for Satellite Communications (Arab sat) for 15 years. - Representing UAE in the permanent committee of Telecommunications at the Arab League in Cairo.	- Graduated from the Royal College of Post and Telecommunications in 1975.
Member since	Membership and positions in any other PSC company	Positions in any other important governmental, commercial or regulatory sites
2004	- Chairman of the Board of Directors of Commercial International Bank. - Managing Director of RAK Properties formerly.	- Member of the Board of Trustees of the Higher Colleges of Technology.

**Mr. Abdullah Mohammed Hassan Al Housani**

**Member of the Board of Directors**

**United Arab Emirates**

Category	Experience	Qualifications
Independent	- Banking experience up-to 30 years of which he held many positions in the management of local banks.	- BA in Accounting & Commerce from UAE University.
Member since	Membership and positions in any other PSC company	Positions in any other important governmental, commercial or regulatory sites
2018	- Board member of Gulf Cement Company. - Board member in Ajman Bank.	

**Sheikh Nasser Rashid Al Moalla**  
**Member of the Board of Directors**  
**United Arab Emirates**

Category	Experience	Qualifications
Independent	<ul style="list-style-type: none"> <li>- Awarded the best Emiratizations CEO in the banking sector in UAE in 2006.</li> <li>- Recipient of the Emiratization Award at the third honoring ceremony for private sector companies and institutions in the (GCC) countries and UAE and awarded by GCC Ministers of Labor in 2004.</li> </ul>	- BA from Tulane University of Louisiana, USA
Member since	Membership and positions in any other PSC company	Positions in any other important governmental, commercial or regulatory sites
2012	<ul style="list-style-type: none"> <li>- Vice Chairman of National Bank of Umm Al-Taiwan.</li> <li>- Vice Chairman of Sharjah Insurance Company.</li> </ul>	-

**Mr. Salem Abdulla Salem Al Housani**  
**Member of the Board of Directors**  
**United Arab Emirates**

Category	Experience	Qualifications
Non- Independent and non-executive	<ul style="list-style-type: none"> <li>- Long experience in business, investment and banking.</li> </ul>	<ul style="list-style-type: none"> <li>- Bachelor of Business Administration from Beirut Arab University in 1976</li> </ul>
Member since	Membership and positions in any other PSC company	Positions in any other important governmental, commercial or regulatory sites
2012	<ul style="list-style-type: none"> <li>- Vice Chairman of Gulf Medical Projects Company.</li> <li>- Member of the Board of Directors of Sharjah Insurance Company.</li> <li>- Chairman of Umm Al Quwain General Investment Company (formerly Umm Al Quwain Cement Industries).</li> <li>- Member of the Board of Directors of National Bank of Umm Al Quwain.</li> </ul>	<ul style="list-style-type: none"> <li>- Vice Chairman of the Board of Directors of Khatif Holding Company (Kuwait).</li> <li>- Chairman of Al Salem Company Limited (LLC).</li> </ul>

**Dr. Mohamed Abdullatif Khalifa AL Shehhi**  
**Member of the Board of Directors**  
**United Arab Emirates**

Category	Experience	Qualifications
Independent	<ul style="list-style-type: none"> <li>- Professor in Business Administration Faculty of Management and Economics, United Arab Emirates University - Al Ain.</li> <li>- Executive Director of Saud Bin Saqr Public Policy Research Institute.</li> <li>- Administrative Development Consultant in Al Ain Municipality.</li> <li>- General Manager of Dubai Real Estate College - Dubai.</li> <li>- General Manager of Sheikh Saqr Program for Government Excellence - Ras Al Khaimah.</li> <li>- General Manager of Human Resources Department - Ras Al Khaimah.</li> <li>- Secretary General of the Executive Council of the Emirate of Ras Al Khaimah.</li> </ul>	<ul style="list-style-type: none"> <li>- PhD in Business Administration from the University of Southern California, USA.</li> <li>- Master of Public Administration, University of Southern California, USA.</li> <li>- BA in Public Administration from UAE University.</li> </ul>
Member since	Membership and positions in any other PSC company	Positions in any other important governmental, commercial or regulatory sites
2015	-	<ul style="list-style-type: none"> <li>- Vice Chairman of the Emirates Society for Social Development - Ras Al Khaimah.</li> <li>- Member of the Board of Trustees of the American University - Ras Al Khaimah.</li> <li>- Member of the Board of Directors of Ras Al Khaimah Academy.</li> <li>- Member of the Federal Authority for Competitiveness and Statistics.</li> </ul>

**Mr. Ahmed Omar Salem Al Kurbi**  
**Member of the Board of Directors**  
**United Arab Emirates**

Category	Experience	Qualifications
Non-independent and non-executive	<ul style="list-style-type: none"> <li>- Filled several positions.</li> <li>- Filled many positions in the Ministry of Agriculture and Fisheries - Abu Dhabi from 1972 to 1986 such as: (Accountant of the Office Manager of the Minister), Acting Manager of Diwan Ministry in Abu Dhabi.</li> <li>- Former Air Force Administration Officer from 1987 to 1992.</li> </ul>	<ul style="list-style-type: none"> <li>- Bachelor of Business Administration and Accounting from UAE University in 1985.</li> </ul>
Member since	Membership and positions in any other PSC company	Positions in any other important governmental, commercial or regulatory sites
2009	<ul style="list-style-type: none"> <li>- Member of the Board of Directors of Umm Al Quwain Public Investment Company (formerly Umm Al Quwain Cement Industries).</li> <li>- Member of the Board of Directors of Ras Al Khaimah Poultry and Feed Company.</li> <li>- Member of the Board of Directors of Al-Dhabi Investment.</li> </ul>	<ul style="list-style-type: none"> <li>- Chairman of the Board of Directors of the Cooperative Society for Housing and Development (Dubai).</li> </ul>

**Mr. Nawaf Abdullah Al Refaie**  
**Member of the Board of Directors**  
**State of Kuwait**

Category	Experience	Qualifications
Independent	<ul style="list-style-type: none"> <li>- 21 years of experience in investment and banks.</li> </ul>	<ul style="list-style-type: none"> <li>- BA of Business Administration Kuwait University.</li> </ul>
Member since	Membership and positions in any other PSC company	Positions in any other important governmental, commercial or regulatory sites
2015	<ul style="list-style-type: none"> <li>- Chairman of Al-Nawadi Holding Company - Kuwait.</li> <li>- Member of the Board of Directors of Sharjah Cement and Industrial Development Company.</li> <li>- Chairman of the Board of Directors of KAMCO Investment Company / DIFC - Dubai.</li> <li>- Member of the Board of Directors of Mashaer Holding Company - Kuwait.</li> </ul>	-

**Eng. Ahmad Hamad Abdulla Al Subih**  
**Member of the Board of Directors**  
**State of Kuwait**

Category	Experience	Qualifications
Non-independent and non-executive	<ul style="list-style-type: none"> <li>- Currently Secretary General of the Organization of Arab Towns (2016). - Civil engineer</li> <li>- Former General Manager of Kuwait Municipality from 2006 to 2016.</li> <li>- Director of Construction Department in Kuwait Municipality</li> <li>- Assistant Undersecretary for Construction Affairs in Kuwait Municipality.</li> <li>- Assistant Undersecretary for Urban Planning.</li> <li>- Chairman of Yarmouk Cooperative Society from 1994 to 1996.</li> <li>- Member of the Board of Directors of Kuwait Credit Bank from 2000 to 2006.</li> <li>- Member of the Board of Industry Authority from 2006 to 2015.</li> <li>- Member of the Board of Directors of Housing Authority from 2006 to 2015.</li> </ul>	<ul style="list-style-type: none"> <li>- Holds a degree in Civil Engineering from a US University in 1980.</li> </ul>
Member since	Membership and positions in any other PSC company	Positions in any other important governmental, commercial or regulatory sites
1995	-	<ul style="list-style-type: none"> <li>- Member of the Society of Engineers (State of Kuwait).</li> <li>- Member of Alumni Society (Kuwait).</li> <li>- Member of International Safety Association (State of Kuwait).</li> </ul>

**(B), (C) there is no females' representation in the Board of Directors for the year 2020, the candidacy for membership of the Board of Directors of the Company was opened from 07/03/2018 until 17/03/2018. The Company did not receive any nomination papers from any female individual.**

**(D) Remunerations of the Board of Directors' & Committees attendance allowances**

The remuneration of the directors is determined based on the provisions of Article (169) of the Companies Corporate Law No. (2) For the year 2015, which states that the company's system shows the method of calculating the remuneration of the members of the board of directors. This bonus should not exceed than 10% of the net profit of the ended fiscal year after deducting both depreciation & reserves.

The fines that may have been imposed on the Company due to the Board of Directors 'violations of the law or the Articles of Association of the Company during the ended financial year may be deducted from the Board of Directors' remunerations. The General Assembly may not deduct such fines if it is found that they are not due to default or error by the Board of Directors.

1. The total remunerations paid for the board of directors for the year 2020 was 1,200,000 AED.
2. The total remunerations of the Board members, which are proposed for 2021, and will be presented in the annual general assembly meeting for approval." Nothing till now".
3. Below table states name of the Committee members, committee name, allowance value, & Number of meetings.

Board member name	Committee name	Allowance	No. of meetings
- Dr. Mohamed Abdullatif Khalifa Al Shehhi	Audit Committee	40,000	4
- Dr. Mohamed Abdullatif Khalifa Al Shehhi	Nominations & remunerations	10,000	1
- Mr. Abdullah Mohammed Hassan Al Housani	Nominations & remunerations	5,000	1
- Mr. Mohamed Sultan AlQadi	Marketing and Sales Committee	10,000	1

4. Details of the allowances, salaries or additional fees that a member of the Board of Directors charged other than the fees for attending the committees & their reasons (additional fees for Mr. / Mohammed Sultan Al-Qadi in the amount of 250,000 dirhams for administrative fees commissioned
5. By the Board of Directors in daily follow-up with the executive management).

**(E) Number of Board meetings during 2020**

The Board held four meetings during the year ended 31 December 2020, as follows:

Meeting date	No. of attendees	Attendance by proxy	Absent members
29-02-2020	7	1	- Dr. Mohamed Abdullatif Khalifa Al Shehhi
21-06-2020	6	-	- Mr. Salem Abdulla Salem Al Housani - Eng. Ahmad Hamad Abdulla Al Subih - Mr. Ahmed Omar Salem Al Korbi
19-11-2020	9	-	-
26-12-2020	5	1	- Dr. Ateeq Abdul Aziz Jakka Al Mansoori - Sheikh Nasser bin Rashid bin Abdulaziz Al Mulla - Eng. Ahmad Hamad Abdulla Al Subih

**The number of personal attendance of the Chairman & members of the Board of Directors for the period from 1 January 2020 to 31 December 2020 & by the number of members attended by proxy.**

Name	Title	No. of attendance	Attendance by proxy
1) Dr. Ateeg Abdul Aziz Jakka Al Mansoori	Chairman	3	-
2) Mr. Mohammed Sultan Al-Qadi	Vice Chairman	4	-
3) Sheikh Nasser bin Rashid bin Abdulaziz Al Mualla	Board Member	3	-
4) Mr. Salem Abdullah Salem Al Hosani	Board Member	3	-
5) Mr. Ahmed Omar Salem Al-Korbi	Board Member	3	-
6) Mr. Ahmed Hamad Abdullah Al Subeeh	Board Member	2	-
7) Mr. Abdullah Mohammed Hassan Al Housani	Board Member	4	-
8) Dr. Mohammed Abdul Latif Khalifa Al Shehhi	Board Member	3	-
9) Mr. Nawaf Abdulla Mahmoud Al Rifai	Board Member	2	2

**(F) Number of the Board resolutions passed during the 2020 fiscal year, along with its meeting convention dates.**

One / on 19-11-2020.

**(G) The Duties & roles delegated by the Board of Directors to the Executive Management:**

Name	Designation	Authorization Extent	Validity of Authorization
Mr. Mohamed Ahmed Al Houti	Acting GM	<ul style="list-style-type: none"> <li>Authorizing the Acting Director General and one of the two (Sheikh Sultan bin Saqr Al Qasimi or Mr. Suman Kumar Ram Jatan Thakur) to sign all financial transactions "together" with a maximum of two million dirhams or the equivalent in foreign currencies.</li> <li>Signing unilaterally the transfer of any amounts from the accounts of the company and its subsidiaries to their accounts within the same bank or any other bank.</li> <li>Signing unilaterally on the documents of collection of customer dues through banks without a ceiling and exclusively for the account of the company without the right of leasing to others.</li> </ul>	3 Years
Sheikh Sultan Bin Saqr Bin Khaled Al Qasimi	MBF Director		
Mr. Suman Kumar	Finance Manager		

**In addition, the executive management shall:**

- 1) Execute & implement policies, plans & programs approved by the Board of Directors.
- 2) Discuss the company's estimated budgets with the executive directors & department managers before submitting them to the Board of Directors.
- 3) Submit periodic reports to the Board of Directors regarding the company's plans & programs.
- 4) Manage & supervise the daily business of the company.
- 5) Monitor the performance of managers & guidance in their field.
- 6) Supervise on the studies & plans made to raise the level of performance in the company.
- 7) Issue decrees & circulars tailored to ensure the smooth conduct of work in line with the powers granted to them.
- 8) Ensure that the proposed target is met in the approved budget for the fiscal year

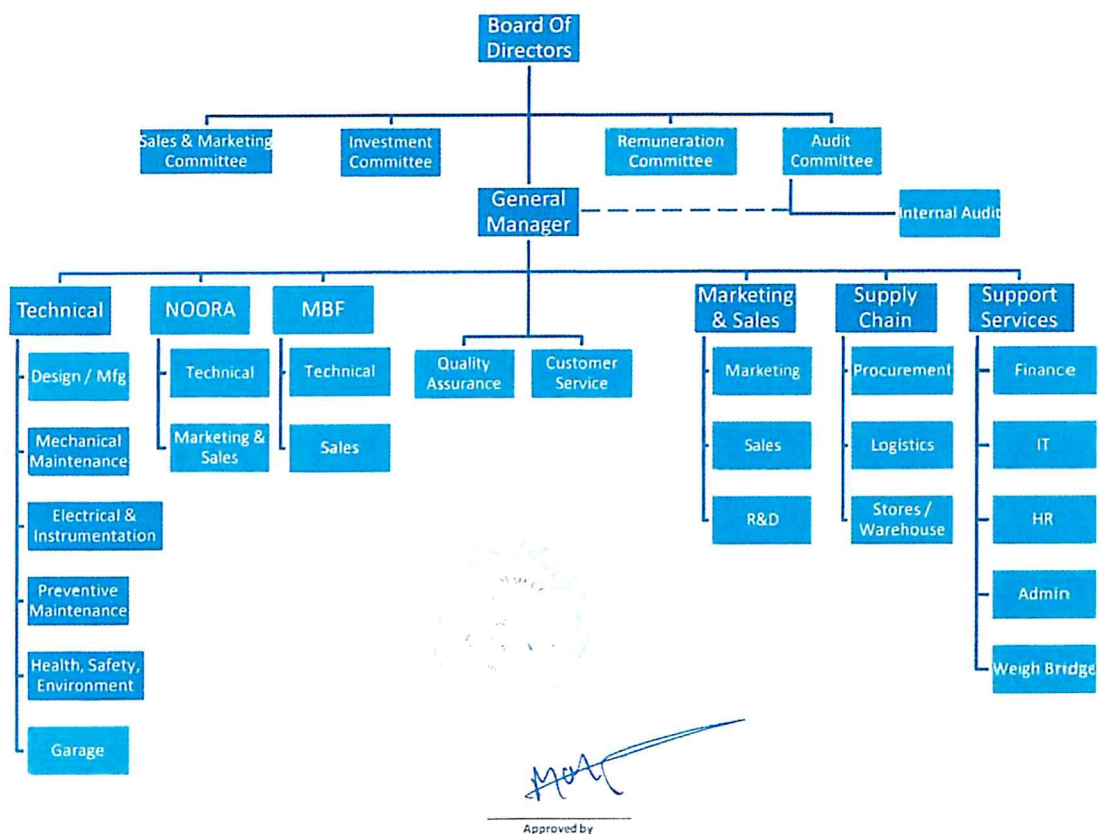
### (H) Transactions with related parties (stakeholders)

Article No. (33) of the Articles of Association of the Company states that it is prohibited for the concerned parties to exploit any of the information in their custody by virtue of their membership in the Board of Directors or their position in the Company for the interest of them or any other person, no matter it resulted in whatever dealing in the securities of the Company or other transactions, nor may any of them have a direct or indirect interest with any entity that carries out operations intended to affect the prices of shares issued by the company.

In addition Article No. (34) of the Articles of Association of the Company states that the Company prohibited from any transactions with related parties except with those approved by the Board of Directors, & should not exceed 5% of the Company's capital, & to avail the approval of the General Assembly of the Company if they exceeded that percentage & the deals should be evaluated by a certified evaluator with SCA. The auditor of the company shall include in his report a list of the transactions of any conflict of interest that may arise & the financial transactions between the company & any of the related parties & the actions taken thereon.

1. The Board of Directors approved the cessation of all dealings with related parties from members of the Board of Directors & employees of the group at its meeting No. (149) held on March 22, 2014 except for companies & entities excluded in the decision of the Board of Directors.
2. The total transactions with related parties during the year 2020 were 5,028.13 dirhams.

### (I) The Organizational Structure of the company



**(J) A detailed statement of the company's senior executives:**

The following table provides a detailed breakdown of the company's senior employees' names, positions, & dates of appointments, as well as salaries & bonuses paid to them in 2020.

Position	Date of join	Total salaries & Allowances paid in 2020	Total remunerations Due for 2020
Acting General Manager	05/03/2013	694,234	120,000
Director of Technical Department	09/03/2015	339,621	9,500
Director of the Modern Block Factory	20/12/2004	493,464	11,363
Acting Director of Noora Factory	09/02/1991	258,064	5,040
Acting Customer Service Section	31/03/2009	166,919	3,720
Quality Assurance Manager	28/03/2016	257,616	4,920
Acting Director of Supply Chain	20/08/2019	249,971	-
Corporate Support Director	He's currently serving as Acting Director General.		
Acting Director of Marketing & Sales	16/10/2016	241,431	4,920
<b>Total</b>		<b>2,701,320</b>	<b>159,463</b>

**(4) The External Auditor**

**(A)** Grant Thornton was established in 1966 & is a global accounting organization on more than 130 countries and is recognized by Capital markets and regulatory agencies.

**(B)** A statement of the fees and costs of the audit or the services provided by the external auditor.

The General Assembly decided, in its meeting held on June 21, 2020, to appoint Messrs. /Grant Thornton (first year). Its annual fees have been determined in the amount of 260,000 dirhams for the tasks of auditing the accounts of the company for the year 2020 & their services include all professional services related to the review of quarterly as well as annual financial reports in accordance with international accounting standards & in accordance with Article (36) of the Authority's Chairman's Board Decision No. (3/Chairman) of 2020 concerning Approval of Joint Stock Companies Governance Guide

We would also like to inform that no other external auditor has provided any other services for the company.

Name of the audit office & partner auditor	:	
Number of years spent as an external auditor of the company	:	First year.
The number of years that the partner auditor spent auditing the company's accounts.	:	First year.
Total audit fees for 2020	:	260,000
Fees & charges for special services other than audit of the financial statements for 2020 (AED)	:	None
Details & nature of other services provided	:	None
Statement of other services that an external auditor other than the company accounts auditor provided during 2020 (if any). In the absence of another external auditor, this matter is explicitly stated.	:	None

**(C)** A statement clarifying the reservations made by the Company's auditor to be included in the interim & annual financial statements for the year 2020. In the absence of any reservations, this should be stated explicitly.

No qualified opinion for interim & annual financial statements 2020.

#### **(5) Audit Committee**

The Audit Committee was formed in accordance with the Corporate Governance Regulations & Rules. It consists of three members, two of whom are members of the Board of Directors & a member appointed by the Board with experience in Audit & Finance.

A) Dr. Mohamed Abdullatif Khalifa Al Shehhi, Audit Committee Chairman, acknowledges his responsibility for the committee system in the Company, review of its work mechanism & ensuring its effectiveness.

B) Members of the Audit Committee are:

Members of the Audit Committee for the period from 1 January 2020 to 31 December 2020

Name	No. of attendance	Position
1) Dr. Mohamed Abdullatif Khalifa Al Shehhi	4	Head of Audit Committee
2) Mr. Nawaf Abdullah Mahmoud Refae	-	Member of the Audit Committee
3) Mr. Ahmed Mohamed Mansour	4	Member of the Audit Committee Expert in Audit & Finance

#### **The functions of the Audit Committee are:**

- ❖ Develop a policy of contracting with the external auditor & submit a report to the Board of Directors.
- ❖ To verify the independency & objectivity of the external auditor & discuss the nature & scope of the audit process & its effectiveness in accordance with the approved auditing Standards.
- ❖ To verify the integrity of the financial statements of the company & its annual, half-annual & quarterly reports & to ascertain the following aspects:
  - 1- Any changes in accounting policies & practices.
  - 2- Substantial adjustments resulting from the audit.
  - 3- Review the assumption of continuity of the company.
  - 4- Ensure that the financial statements are prepared in accordance with International Accounting Standards.
  - 5- Highlight the areas that are under the discretion of the management.
  - 6- Adhere to the rules of corporate listing with SCA, disclosure & other legal requirements related to the preparation of financial reports
- \* Coordination with the company's board of directors & executive management in order to perform its tasks.
- \* Meeting with the external auditor at least once a year.
- \* Consider any items that are important & unusual in the report of the external auditor or internal auditor.
- \* Review the Company's internal control & risk management systems.
- \* Ensure that there is coordination between the Internal Audit Department & the external auditor & ensure that the necessary resources are available to the internal control system & to review & control the effectiveness of internal control in the company.
- \* Review the company's financial policies & procedures.
- \* Reviewing the External Auditor's business plan & any essential queries that may be raised by them to management with regard to accounting records or internal control systems.
- \* Establish rules that enable the company's employees to report any potential violations in the financial reports, internal control or other matters within in a confidential manner, & conduct independent & fair investigations of such violations.
- \* Monitor the extent of which the company complies with professional codes of conduct.
- \* Ensure the implementation of the rules related to Audit Committee authorities & tasks.
- \* To report to the Board of Directors matters within its competence & to consider any other matters determined by the board.

C) The following table shows the dates of the Audit Committee's meetings in 2020:

Serial number	Meeting number	Meeting Date	Number of attendees
1)	(01-84)	19-02-2020	2
2)	(02-85)	01-07-2020	2
3)	(03-86)	12-08-2020	2
4)	(04-87)	04-11-2020	2

#### **(6) Nominations & Remuneration Committee**

The main tasks of the Nomination & Remuneration Committee are to ensure the independency of the independent members on an ongoing basis & to review the annual incentive plan, & the remunerations, nominate the board members & their remuneration, & all the main tasks mentioned in Article (47) of SCA no. (3/Chairman) of 2020 concerning Approval of Joint Stock Companies Governance Guide

Dr. Mohammed Abdullatif Khalifa Al Shehhi Nomination & Remuneration Committee Chairman, acknowledges his responsibility for the committee system in the Company, his review of its work mechanism & ensuring its effectiveness.

A. The following table shows the formation of the Nomination & Remuneration Committee & the number of times the Committee held meetings in 2020:

- Members of the Nomination & Remuneration Committee for the period from 1 January 2020 to 31 December 2020:

Name	Title	No of meetings attended
1. Dr. Mohammed Abdullatif Khalifa Al Shehhi	Head	1
2. Mr. Ahmed Hamad Abdullah Al Subaih	Member	-
3. Mr. Abdullah Mohammed Hassan Al Housani	Member	1

The Nominations & Remuneration Committee shall assume the following functions, responsibilities & responsibilities:

1. To ensure independence of the independent members on an ongoing basis. If the committee finds that one of the members has lost the conditions of independence, it must submit the matter to the board of directors of the company & the board of directors shall notify the member by sending him a registered letter on his fixed address registered with the company. The member has to reply to them within fifteen days from the date of the notification. The Board of Directors shall issue a decision declaring the member independent or non-independent at the first meeting following the member's reply or the expiry of the period referred to in the preceding paragraph without a reply. It should be taken into consideration whether the loss of that title of the member would not result in a breach of the minimum number of independent members of the Board of Directors, in the composition of the Board. Without prejudice to the provisions of Article (102) of the Commercial Companies Law, if the decision of the Board to eliminate the reasons or reasons for the independency of the member affect the minimum percentage of independent members within the board, the board of directors of the company appoints a new independent member to replace that member, provided that the appointment decision has to be submitted in the first ordinary General Assembly Meeting of the Company to consider the validation of the decision of the Board.
2. Identify the company's needs of competencies at the level of senior executive management, & employees, & the basis of their selection.
3. Organize & follow - up the procedures for nominations to the Board of Directors membership in accordance with the applicable laws & regulations & the regulation of SCA.
4. Review the composition of the Board of Directors, & the Committees on an annual basis & issue recommendations to the Board of Directors, when necessary regarding the membership of the Committees.
5. Assist the Board in the annual evaluation of the Managing Director, & the General Manager.
6. Prepare the human resources & training policy of the company, & monitor their implementation & review them annually.

7. Review the professional development plans & succession plans within the company & discuss this with the Board & senior management.
8. Review & submit recommendations to the Council on employment contracts, retirement & termination from service arrangements, & any privileges of key members of senior management.
9. To prepare the policy for the granting of bonuses, benefits, incentives & salaries for the members of the Board of Directors of the Company & its employees, & to review them on an annual basis. The Committee shall verify that the bonuses & benefits granted to the Company's Executive Management are reasonable & appropriate to the performance of the Company.
10. Review & evaluate the efficiency of the Committee's charter on an annual basis & request the Board of Directors for the proposed changes.

C. The following table shows the dates of the Nominations & Remuneration Committee meetings during 2020:

Serial No.	Meeting No.	Meeting date	No. of members
1	(01-36)	26-02-2020	2

**(7) Insiders' Trading Follow-Up & Supervision Committee:**

- A) Mr. Mahmoud Mohammed Soliman Mohammed acknowledges his responsibility for the follow-up & supervision system on transactions of the insiders in the Company, review of its work mechanism & ensuring its effectiveness.
- B) The names of the members of the Follow-up & Supervision Committee on the dealings of the insiders:

Name	Title
Mr. Mahmoud Mohammed Soliman Mohammed	Head of Insiders Committee
Mr. Abdelwaheed Fatthalla	Member of Insiders Committee
Mr. Suman Ram Jatan Thakur Kumar	Member of Insiders Committee

- C) A summary of the Committee's work report during the year 2020.
  - Follow-up of the trading activity on the company's shares by the insiders.
  - Follow up on decisions and circulars issued by ADX and Kuwait Boursa regarding the ban periods and circulate them to insiders.
  - The ADX and Kuwait Boursa were updated with the data of the insiders on December 29, 2019, and there was no change to the list during 2020.
  - Keeping a record of insiders' transactions on the company's shares during the year 2020
  - Updated insider registry record in permanently & temporarily for internal company information.

**(8) Other committees:**

- (A) Mr. Muhammad Sultan Al-Qadi, Chairman of the Marketing & Sales Committee, acknowledges his responsibility for the committee system in the company & for reviewing its work mechanism & ensuring its effectiveness.
- (B) The names of the committees:
  - Marketing & Sales Committee
- (C) Details of previous committees (name, title, & duties):

Duties	Title	Name
Mohamed Sultan Al Qadi	Head of Marketing & Sales Committee	Approve the general strategy of marketing and sales as well as the estimated budget of sales in addition to policies, procedures and contracts related to sales.
Ahmed Mohamed Mansour	Member of Marketing & Sales Committee	
Nawaf Abdullah Al Refaie	Member of Marketing & Sales Committee	

(D) Committees meetings in 2020

The number of marketing & sales committee meetings is 2 meetings.

Meeting date	Title	Number of Members attended	Name of Members attended
19-01-2020	Marketing & Sales Committee	2	- Mr. Mohamed Sultan Al Qadi - Mr. Ahmed Mohamed Mansour
09-11-2020	Marketing & Sales Committee	3	- Mr. Mohamed Sultan Al Qadi - Mr. Nawaf Abdullah Al Refae - Mr. Ahmed Mohamed Mansour

## (9) Internal Control System

### (A) The responsibility of the Board of Directors for the Internal Control System

The Board of Directors of the Company acknowledges its responsibility for the Company's internal control system & for reviewing the mechanism & effectiveness of the control system.

#### (1) Vision

In order to provide an independent evaluation of the business processes & internal Audit to the management, audit committee & board of directors of Ras Al Khaimah White Cement & Construction Materials Company PJSC & its subsidiaries & to provide the necessary guarantees to manage the risks that may impede the achievement of its tasks, objectives & objectives .

#### (2) Mission

For the purpose of carrying out audit work, independently reporting on the internal sections of Ras Al Khaimah White Cement & Construction Materials & related activities, & providing objective analysis & recommendations that add value to the Audit Committee / Board of Directors & Executive Management. All internal audit projects will be conducted in accordance with the Standards of Professional Practice for Internal Auditing issued by the (Institute of Internal Auditors).

#### (3) Objectives

The Internal Audit Department is an independent evaluation department that assesses the adequacy & effectiveness of the controls, regulations, policies & procedures of Ras Al Khaimah Company for White Cement & Construction Materials. The objectives of internal audit management are as follows:

- ❖ Review the operations / sub - operations of different departments of the company, & determine whether these processes are carried out in accordance with the objectives, policies & procedures of Ras Al Khaimah Company for White Cement & Construction Materials, & related regulations & legislation.
- ❖ Review the reliability & integrity of financial & operational information & the means used to identify, measure, classify & report on such information.
- ❖ Review & evaluate the efficiency in resource utilization.

#### (4) Independence

Independence is achieved through the organizational position of the Internal Audit Department & the objectivity of internal auditors.

Internal auditors shall be free from any types of conflicts, whether arising out of professional interests, personal relationships or any other interests within Ras Al Khaimah Company for White Cement & Construction Materials or related activities that may be audited.

Internal auditors should be far from of any influences that would restrict or modify the scope of their work or reflect on their ability to judge with respect to the content of internal audit reports.

#### (5) Ability to detect fraud

Management is clearly responsible for detecting & preventing fraud. The Internal Audit Department is well qualified to support management by assessing the effectiveness, & adequacy of internal audit procedures to prevent & detect fraud.

#### (6) Reporting

The Internal Audit Department submits reports on the departments to the Audit Committee / Board of Directors, & submits management reports to the General Manager.

The following is the approach used by the Internal Audit Department to report:

- Discussion of initial reports on the departments / owners of operations.
- Issue a final report including section comments to the Audit Committee, the General Manager, & the Operations Owners.

- Follow - up the audit duties, & present matters that have not been resolved to the subsequent Audit Committee meeting.

Other management responsibilities include:

- ❖ To play an active role & contribute to the identification of risks & the development of an audit coverage plan for Ras Al Khaimah Company for White Cement & Construction Materials, & their specific sections & operations, & then accept joint ownership to maintain & continuously update that responsibility.
- ❖ Inform the Internal Audit Department & the General Manager of any internal control matters, whether they exist or are likely to occur, such as obstacles, thefts, & fraud, embezzlement, unauthorized transactions, as well as accounting errors, doubtful debts, etc. A report on these important matters will be presented at the meetings of the Audit Committee / Board of Directors.

#### (7) Relations with external auditors

The independent external auditors for Ras Al Khaimah Company for White Cement & Construction Materials perform shall perform legal acts that represent their responsibility to stakeholders.

The Internal Audit Department of Ras Al Khaimah Company for White Cement & Construction Materials will coordinate its activities with the activities of the external auditors, in order to obtain maximum degree of auditing & avoid duplication of effort. The Internal Audit Department will track the comments & recommendations included in the reports of external auditors.

#### (8) Special assignments

The Internal Audit Department may from time to time accept requests from the General Manager, the Audit Committee, & the Board of Directors for special assignments. The terms of reference for these tasks will be agreed upon prior to these commitments.

#### Mechanism of the Internal Audit Functions

The following are the actions authorized by the Internal Audit Department:

- ✦ Implement a program of internal audit projects, if necessary, to achieve the objectives of the management.
- ✦ The full right to access all documents, records, employees, etc. of Ras Al Khaimah Company for White Cement & Construction Materials with very strict accountability for their secrecy during the internal audit process.
- ✦ Request support from the Audit Committee / Board of Directors to enable the internal audit team to perform their work properly.
- ✦ Asking for assistance when needed from persons, experts, auditors & administrators in the event of lack of skill sets & the need for competencies that may arise during the execution of the audit functions for several operations within Ras Al Khaimah Co. for White Cement & Construction Materials.
- ✦ Perform its functions in accordance with the risk-based internal audit plan.

The Internal Audit Manager deals with specific, redefined & sensitive matters, as well as matters that are considered to be highly confidential.

The scope of work of the Internal Audit Department is to provide internal audit services to Ras Al Khaimah White Co. for White Cement & Construction Materials, support the departments if necessary, & make corrective recommendations to the Audit Committee / Board of Directors.

The Internal Audit Department has to perform the following audit tasks:

- \* Conduct auditing on compliance of the company's various operations & activities & their compliance with the Company's policies & procedures, including ethical conduct & professional performance that would have a significant impact on the Company.
- \* Conduct financial auditing with respect to the reliability & integrity of the financial information & the means used to identify, measure, classify & report on such data & the means of protecting the (assets) &, where appropriate, to verify the existence of such assets.
- \* Conduct operational auditing regarding the reliability & integrity of operational information, & the means used to assess the efficiency of resources allocation & utilization.
- \* Conduct auditing on information system to undertake system & applications modifications, related sections, & operations & review IT department project.

**(B) The name & qualifications of the Internal Audit Manager**

The Internal Audit Department Manager is Mr. Mahmoud Mohamed Soliman, he was appointed on 3 January 2016. He holds the following certificates & experience:

- Bachelor of Commerce from Ain Shams University - Cairo in 2001.
- Certified Internal Auditor from the Institute of Certified Internal Auditors (IIA), USA.
- Certificate as compliance officer with an advanced level approved by the International Compliance Association in cooperation with the UAE Securities & Commodities Authority (SCA).
- Over 10 years' experience in finance & auditing.

**(C) The Internal Audit Manager also act as the Compliance Officer.**

**(D) How the Internal Audit Department deals with any major problem in the company**

The Internal Audit Department deals with the major problems by following the usual & usual practice in these cases, describing the problem accurately, including the supervisory gaps (if any) that led to them, the risks resulting from those gaps & the proposed procedures with the dependencies of the problem & addressing the regulatory gaps that may have led & report thereon to the Audit Committee for discussion with the Committee & the relevant parties & then Audit Committee will issue a report with proposed recommendations for submission to the Board of Directors to take the necessary action (the Company did not face any major problem during 2020).

**(E) Number of reports issued by the Internal Control Department to the Company's Board of Directors.**

(2) Reports.

**(10) Details of the violations committed during the financial year 2020 & state their reasons, & how to address them to avoid their recurrence in the future**

Ras Al Khaimah White Cement Co. & Construction Materials is keen on full & comprehensive compliance with the Commercial Companies Law & its amendments as well as the Securities & Commodities Authority regulations.

The Company did not commit any material violations in order to comply with the laws & regulations in force in UAE.

**(11) The company's contribution to local community development during the year 2020, Ras Al Khaimah Co. for White Cement & Construction Materials made the following contributions**

"None".

**(12) General Information:**

**A. The Company's share price on the Abu Dhabi Securities Market (highest / lowest / closing) during the fiscal year 2020:**

Month	Lowest price	Highest price	Closing price
01	0.85	0.93	0.81
02	0.81	0.85	0.81
03	0.62	0.93	0.62
04	0.66	0.69	0.60
06	0.63	0.66	0.61
07	0.80	0.80	0.63
08	0.76	0.80	0.76
11	0.83	0.87	0.72
12	0.71	0.79	0.65

**B. Comparative performance of the company's shares with the general market index & the industrial sector index during the year:**



**C. Distribution of the Company's shareholders' equity as at 31 December 2020:**

Shareholder category	Shareholding ratio			
	Individuals	Companies	Government	Total %
1) Local	24.07%	19.43%	9.85%	53.35%
2) GCC	25.49%	4.47%	-	29.96%
3) Arab countries	0.72%	-	-	0.72%
4) Other countries	0.13%	15.84%	-	15.97%
<b>Total</b>	<b>50.41%</b>	<b>39.74%</b>	<b>9.85%</b>	<b>100.00%</b>

**D. Shareholders own (5%) & more of the company's capital as at 31 December 2020:**

Shareholder name	No. of owned shares	Ratio %
1) Al Salem Co.	80,210,094	16.04%
2) FAB Private Bank (Suisse) SA	79,254,000	15.85%
3) Salem Abdulla Salem Al Housani	70,068,773	14.01%
4) Government of Ras Al Khaimah	45,649,163	9.13%
<b>Total</b>	<b>275,182,030</b>	<b>55.03%</b>

**E. The shareholders distribution according to the size of their ownership as at 31 December 2020:**

Share ownership	No. of shareholders	No. of owned shares	Ratio of owned shares to capital
1) Less than 50K	2,786	14,882,337	2.97%
2) From 50K to less than 500K	367	55,171,516	11.03%
3) From 500K to less than 5 Mio	70	103,471,484	20.69%
4) More than 5 Mio	11	326,631,663	65.31%
<b>Total</b>	<b>3,234</b>	<b>500,157,000</b>	<b>100.00%</b>

**F. Below are details of the measures taken regarding investor relations guidelines**

Mr. Abdelwaheed Fathalla is in charge of/ Investor Relations in the company. His contact details are as follows:

- ♦ Email : a.fathalla@rakwhitecement.ae
- ♦ Landline : +971 7 266 8888 (Ext. 227)
- ♦ Mobile phone : +971 50 736 3779
- ♦ Fax : +971 7 266 8866
- Investor Relations Web page at: (<http://www.rakwhitecement.ae/investor-relation/>)

**G. Below are the special resolutions that were presented in the general assembly held in 2020 & the actions taken thereon.**

"None".

**H. Rapporteur of Board of Directors.**

Name : Mr. Saeed Ismail Al Ali Appointment Date: 01/05/2010

**I. Below are list of the significant events that occurred during the year 2020.**

"None".

**J. Statement of deals equal to 5% or more of the company's capital executed during the year 2020.**

"None".

**K. Below is statement of Emiratization rate in the company by the end of /2020 (excluding labors for companies engaged in contracting):**

2018	2019	2020
5.88%	5.89%	7.29%

**L. Statement of innovative projects & initiatives carried out by the company or being developed during 2020.**

"None".

