



## Corporate Governance Report Form for 2019

Since its establishment in 1959 by an Emiri decree issued by late His Highness Sheikh Rashid bin Saeed Al Maktoum (then ruler of Dubai), Dubai Refreshment (P.J.S.C) has performed its business under complete system of values, ethics, professional and institutional integrity adapting best practices, enabling it to expand and prosper to be the leading Company in the UAE in the field of bottling and distributing carbonated and non-carbonated beverages and drinking water. The Company has also committed to the highest standards of governance, where transparency, fairness, disclosure and accountability are essential to the work of the Company, management and the Board of Directors, and in fact, the commitment of Dubai Refreshment to exercise sound governance is consistent with the laws, regulations and decisions issued by Securities and Commodities Authority ("the Authority") so that:

### 1. Statement of procedures taken to complete the corporate governance system, during 2019, and method of implementing thereof.

By implementing the Authority's Board of Directors Chairman's Resolution No. (7 / R.M) for the year 2016 regarding the standards for institutional discipline and the governance of public joint stock companies, Dubai Refreshment has taken the following procedures:

- Amending the Company's articles of association to comply with the rules of governance and the companies law 2/2015.
- Appointing independent members to the Board of Directors so that at least one third of the members became independent members and the majority of the members are non-executive.
- Appointing an Audit Committee by the Board of Directors.
- Appointing the Nomination and Bonuses Committee by the Board of Directors.
- Appointing an internal control Company and compliance officer by the Board of Directors, in addition to working to update the Company's internal control system and working on the appointment a new director of Internal Control Department.
- Appointing the investor relations officer.
- Working to establish a Committee supervising the insiders' transactions, along with its terms of reference and mission.
- Periodically updating the electronic databases on the Company's website in order to provide the utmost transparency required to provide a safe environment for investors and shareholders to follow developments in the Company.
- Periodically Disclosing the financial statements of the Company, meetings of the Board of Directors and the General Assembly, in addition to adhering to all the rules regulating in this field.
- In addition, the Company continues to review its internal systems in order to introduce the procedures required by the aforementioned resolution for full and continuous compliance with the circulars issued by the Securities and Commodities Authority in terms of corporate governance rules.

### 2. Statement of ownership and transactions of Board of Directors members and their spouses, their children in the Company securities during 2019:

#### A. Work Policy:

Dubai Refreshment has a work policy governing the transactions of the members of the Board of Directors in the securities issued by the Company where the Company's articles of association have been amended and the contribution of citizens of GCC countries has been determined by a maximum of 49% and the contribution of citizens of the UAE at a percentage of not less than 51% of the Company's capital. Non-citizens of GCC and UAE have no right to own any shares in the Company's capital.

The members of the Board of Directors who have transactions related to shares issued by Dubai Refreshment are required to disclose their transactions on an annual basis, where disclosure is made





according to the form prepared for this which includes the nature of the transaction, whether selling or purchasing shares, as well as includes the date of the transaction and the amount of shares and price. With regard to the independent members of the Board of Directors, who have no transactions related to the Company's shares, they have signed an acknowledgment stating that there are no transactions on the shares issued by the Company in any way.

#	Name	Position / relationship	shares owned as at 31/12/2019	Total Sales process	Total purchases transactions
	Mr. Ahmad bin Eisa Al Serkal	Chairman of Board of Directors	None	None	None
	Mr. Ali Bin Humaid Al Owais	Vice Chairman of the Board	None	None	None
	Mr. Ibrahim Abdulrazzak Ustadi	Board member	None	None	None
	Mr. Mohamed Hadi Ahmed Abdulla Al Hussaini	Board member	None	None	None
	Mr. / Mohamed Abdulaziz Al Owais	Board member	13,704	None	None
	Mr. Ayoub Mohamed Amin Kazim	Board member	None	None	None
	Mr. Abdulla Mohamed Rashid Al-Huraiz	Board member	None	None	None
	Mrs. Hana Obaid Butti Al-Mulla	The wife of a Board member Mr. Abdulla Muhammad Rashid Al-Huraiz	283,050	None	None

During the year 2019, there were no transactions in the Company's shares by any of the members of the Board of Directors, their spouses, or their children. The employees shall have right to receive any benefits or grants from other parties in addition to those benefits and grants provided by the Company, in order to prevent any impact on the independence and objectivity of the employees.

### 3. Board of Directors Formation

#### A. Formation of the Board of Directors according to the categories of its members, their data, experiences and their qualifications they enjoy, and the duration of their membership in the Board of Directors:

The Board of Directors of Dubai Refreshment consists of seven members who have experience in the field of the Company's activity as well as experience in accounting, financial matters, banking operations and business administration. They further have the necessary experience to make prudent decisions.

The Board of Directors consists of non-executive members and independent members, whereby the formation of the Board of Directors takes into account the appropriate balance between members, so that at least one third of the members are independent members.





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Name	Position	Type of membership	Experience	Qualifications	Period served as a Board Member as of the first date of election
Mr. Ahmad bin Eisa Al Serkal	Chairman of Board of Directors	Non-executive / independent	General Trading Real estate	Bachelor of Management Science Business Administration	18
Mr. Ali Bin Humaid Al Owais	Vice Chairman of the Board	Non-executive / independent	General maintenance Real estate management	Bachelor Business Administration	12
Mr. Ibrahim Abdulrazzak Ustadi	Board member	Non-executive / independent	Business Administration Financial Controller	Diploma of Accounting	16
Mr. Mohamed Hadi Ahmed Abdulla Al Hussaini	Board member	Non-executive / independent	Banking business administration	Master of International Business Administration	10
Mr. / Mohamed Abdulaziz Al Owais	Board member	Non-executive / independent	financial analysis Business Administration	Bachelor of Communications Engineering Financial Analyst	9
Mr. Ayoub Mohamed Amin Kazim	Board member	Non-executive / independent	Business Administration Energy sector	Ph.D in Mechanical Engineering	6
Mr. Abdulla Mohamed Rashid Al-Huraiz	Board member	Non-executive / independent	Accounting Business Administration	Bachelor of Accounting	6

Name	Membership in any other joint stock Company	Their positions in any other important regulatory, government or commercial positions
Mr. Ahmad bin Eisa Al Serkal	<ul style="list-style-type: none"> <li>Dubai Insurance Company (P.S.C.) - Board member</li> </ul>	None
Mr. Ali Bin Humaid Al Owais	<ul style="list-style-type: none"> <li>United Foods Company (P.S.C.) - Chairman of Board of Directors</li> <li>Emirates NBD - Board member</li> <li>Emirates Islamic Bank - Board member</li> <li>Dar Al Takaful - Board member</li> </ul>	None
Mr. Ibrahim Abdulrazzak Ustadi	None	None
Mr. Mohamed Hadi Ahmed Abdulla Al Hussaini	<ul style="list-style-type: none"> <li>Emirates Integrated Telecommunications Company - Chairman of Board of Directors</li> <li>Emaar Malls Group - Chairman of Board of Directors</li> <li>Emirates NBD - Board member</li> <li>Emirates Islamic Bank - Board member</li> </ul>	<ul style="list-style-type: none"> <li>Board member of Dubai Real Estate Corporation</li> <li>Board member of Emirates Investment Authority</li> </ul>





Mr. / Mohamed Abdulaziz Al Owais	<ul style="list-style-type: none"> <li>• United Foods Company (P.S.C.) – Board member</li> <li>• Emirates Refreshment (PJSC) - Chairman of the Board</li> </ul>	None
Mr. Ayoub Mohamed Amin Kazim	None	<ul style="list-style-type: none"> <li>• General Manager for institutional and governmental processes at TECOM Group in Dubai</li> </ul>
Mr. Abdulla Mohamed Rashid Al-Huraiz	<ul style="list-style-type: none"> <li>• Dubai Insurance Company (P.S.C.) - Board member</li> </ul>	<ul style="list-style-type: none"> <li>• Deputy General Manager - Financial Audit Authority - Dubai Government</li> </ul>

- B. The current Board of Directors was elected during the 2017 Annual General Assembly by acclamation, as the number of nominees was equal to the number of Board Members, and there was no female representation among the nominees and therefore the Board of Directors does not include any female representation.
- C. The Company's policy and in-laws do not allow any discrimination between men and women, and there are no restrictions that prevent women from nominating and holding any administrative, professional, leadership or membership positions by women of the Board of Directors, in line with international and national rules and regulations. In addition to the aforementioned, and since the applicable laws and the internal organizational Company's rules do not stipulate any a specific women's quota or the like, the Company and the Board of Directors do not interfere in the nomination or election of members of the Board of Directors in any way, which is exclusively for the shareholders.
- D. Remuneration Statement:
1. **Total remuneration of members of Board of Directors paid for the year 2018: AED 3,779,700**
  2. **The total remunerations of the members of Board of Directors, which are proposed for 2019, and will be presented in the Annual General Assembly meeting for approval: AED 4,200,000**
  3. **Details of the allowances for attending sessions of the committees emanating from the Board of Directors, which were received by the members of Board of Directors for 2019 fiscal year, according to the following schedule:**

Name	Allowances for attending sessions of the committees emanating from the Board of Directors		
	Name of the Committee	Allowance value	Number of meetings
Mr. Ibrahim Abdulrazzak Ustadi	Nomination and Bonuses Committee	10,000	1
Mr. Ayoub Mohamed Amin Kazim	Nomination and Bonuses Committee	10,000	1
Mr. Mohamed Hadi Ahmed Abdulla Al Hussaini	Nomination and Bonuses Committee	10,000	1
Mr. Mohamed Hadi Ahmed Abdulla Al Hussaini	Audit Committee	40,000	4
Mr. Mohamed Abdulaziz Al Owais	Audit Committee	30,000	3
Mr. Abdulla Mohamed Rashid Al-Huraiz	Audit Committee	40,000	4





4. With the exception of what was indicated in the above paragraph, no Board member received any additional allowances, salaries, or fees from the Company during the whole of the year 2019.

**C. Meetings of Board of Directors for the year 2019**

The Board of Directors of Dubai Refreshment has held four meetings in 2019 with the following dates:

Name	21/02/2019	13/05/2019	16/09/2019	11/12/2019
Mr. Ahmad Bin Eisa Al Serkal	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Mr. Ali Bin Humaid Al Owais	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Mr. Ibrahim Abdulrazzak Ustadi	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Mr. Mohamed Hadi Ahmed Abdulla Al Hussaini	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Mr. Mohamed Abdulaziz Al Owais	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Mr. Ayoub Mohamed Amin Kazim	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Mr. Abdulla Mohamed Rashid Al-Huraiz	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

D. There are no decisions of the Board of Directors issued by circulation during year 2019.

**E. Tasks and powers authorized by the Board of Directors to the executive management:**

The Board of Directors exercised its powers to manage the Company directly through periodic monitoring of the Company's activities in the meetings of Board of Directors, and the Board of Directors did not delegate any of its powers to any of its members or to the executive management during the year 2019.

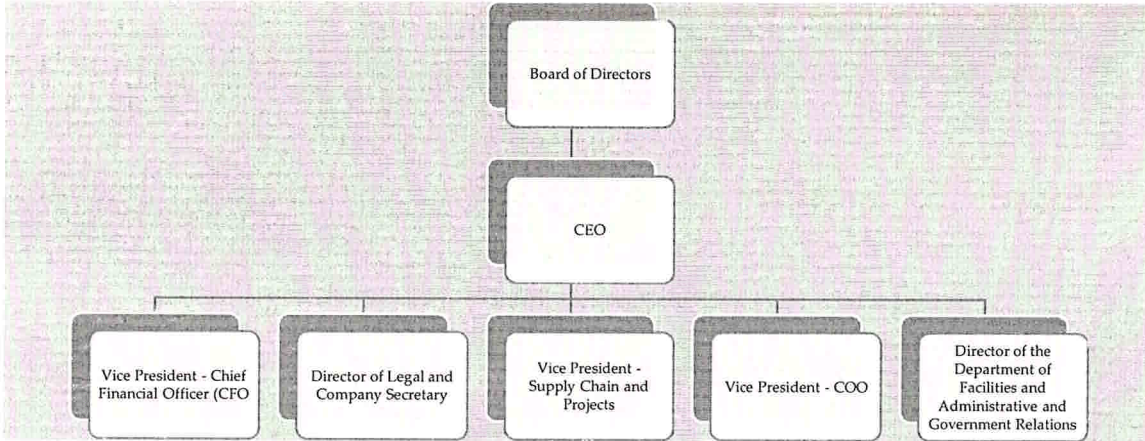
**F. A statement of the details of transactions made with the related parties (Stakeholders) during 2019**

#	Statement of the related party	Explanation of the relationship nature	Transaction type	Transaction value
	Oman Refreshment Company (Sultanate of Oman)	Commercial operations within the normal scope of the transaction	The operations of supplying the Company's products from Oman Refreshment Company	AED 733,000
	Oman Refreshment Company (Sultanate of Oman)	Commercial operations within the normal scope of the transaction	The operations of selling the Company's products in favor of Oman Refreshment Company	AED 2,640,000

**G. The Complete Organizational Structure of the Company:**

The Company is managed at the administrative and operational levels by the CEO, according to the instructions and objectives set by the Board of Directors, and a distinguished professional team of directors - deputy president and managers of departments, who practice their works as instructed by the CEO and the Board of Directors in this framework, assist him in his tasks according to the attached administrative structure. (A full copy of the Company's organizational structure is attached to this report).





H. **A detailed statement of the senior executives in the first and second grade, their jobs and dates of their appointment, along with a statement of the total salaries and bonuses paid to them, according to the following schedule:**

Position	Appointment date	Total salaries and allowances paid for 2019 (AED)	Total bonuses paid for 2019 (AED)	Any other cash / in-kind bonuses for 2019 or due in the future
CEO	01/08/2008	1,705,572		None
Vice President - CFO	03/01/2016	1,229,100		None
Vice President - Supply Chain and Projects	01/11/2001	956,098		None
Vice President - COO	01/07/2012	1,181,600		None
Director of the Department of Facilities and Administrative and Government Relations	10/12/2012	708,001		None
Director of Legal and Company Secretary	08/10/2013	505,524		None

No bonuses have been set for, and the report will be updated immediately if any bonuses are approved after the issuance of the report.

4. **External Auditor:**

A. **Overview of the Company auditor:**

By doing its works in the Middle East region, today, Deloitte in the UAE has five training offices in Dubai, Abu Dhabi, Fujairah, Ras Al Khaimah and Sharjah with 20 partners, 25 managers and more than 400 auditing experts. Deloitte is a full service Company in the United Arab Emirates, and it has developed practices that serve the leading companies and institutions in banking and financial services, real estate, entertainment and hospitality,





construction, public sector activities, trade, manufacturing, communications, aviation, retail trade, and energy sources.

"We understand the rich cultural diversity of the region, its languages and customs. As a result, we are the Company recognized by many major governments and institutions. Industrial concerns turn to unbiased professional advice. Our clients include many of the UAE's largest entities and clients in energy and resources, financial services institutions, real estate, construction, aviation, trade and manufacturing in public places and government sectors as well as references with established practices. Dubai also hosts our regional leadership for international tax services, risk consulting and practice consulting to fund companies serving clients throughout the Middle East."

**B. Statement of fees and costs for the audit or services provided by the external auditor, according to the following schedule:**

Name of the audit office and <b>name of partner auditor</b>	Deloitte & Touche (Middle East) - Partner auditor: Julia Kassab
Number of years he served as the Company external auditor	1
Total audit fees for 2019 in (AED)	274,500
Fees and costs of other private services other than auditing the financial statements for 2019 (AED), if any, and in case of absence of any other fees, this shall be expressly stated.	10,000
Details and nature of the other services (if any). If there are no other services, this matter shall be stated expressly.	audit of undistributed profits before 2015, according to the letter issued by the Securities and Commodities Authority
Statement of other services that <b>an external auditor</b> other than the Company's account auditor provided during 2019 (if any). In the absence of another external auditor, this matter is explicitly stated.	<b>None</b>

C. Statement of the qualified opinion of the company's external auditor: the external auditor did not have any reservation in their qualified opinions in any of the interim or the annual financial statements in 2018

**5. Audit Committee**

**A. The Audit Committee Chairman's acknowledgment of his responsibility for the Committee system at the Company, review of its work mechanism and ensuring its effectiveness.**

"Mr. Abdulla Al Huraiz, Audit Committee Chairman, acknowledges his responsibility for the committee's policies, reviewing them and ensuring committee's effectiveness."

**B. Names of the Audit Committee members, Committee's work and missions assigned to it:**

Name	Position	Quality of Membership
Mr. Abdulla Mohamed Rashid Al-Huraiz	Audit Committee Chairman	Non-executive / Independent
Mr. Mohamed Hadi Ahmed Abdulla Al Hussaini	Member	Non-executive / Independent
Mr. / Mohamed Abdulaziz Al Owais	Member	Non-executive / Independent

The main task of the Audit Committee is to review the financial control of the Company and the risk management system; to develop and implement a contracting policy with the external auditor; to submit the necessary reports to the Board of Directors in which it determines the issues it considers necessary to take action on; to follow up and monitor the independence of the external auditor and the extent of his objectivity; to monitor the integrity of the financial statements of the Company and its interim and annual reports, to review compliance with disclosure





requirements for the Dubai Financial Market and the Securities and Commodities Authority, as well as to discuss internal control systems with management and ensure that it performs its duties in establishing an effective internal control system. The Committee also provides support and assistance to the Board of Directors to complete its oversight responsibilities in order to ensure the independence of the financial results and the independence and qualifications of the independent external auditor. The Committee also has the power to review the Company's departments, its records in order to ensure they abide by their responsibilities, in addition to all the authority and powers according to the decision of the Chairman of the Board of Directors of the Securities and Commodities Authority (7/R.M) of 2016.

**C. Number and dates of meetings of the Audit Committee in 2019**

Name	21/02/2019	12/05/2019	28/07/2019	12/11/2019
Mr. Abdulla Mohamed Rashid Al-Huraiz	✓	✓	✓	✓
Mr. Mohamed Hadi Ahmed Abdulla Al Hussaini	✓	✓	✓	✓
Mr. Mohamed Abdulaziz Al Owais	✓	✓		✓

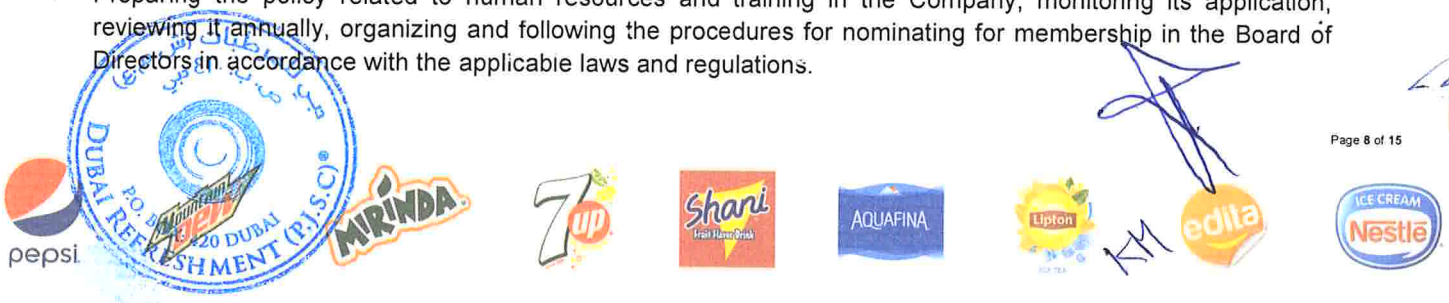
**6. Nomination and Bonuses Committee:**

- A. Acknowledgment by the Chairman of the Nomination and Bonuses Committee of his responsibility for the committee system in the Company and for his review of its work mechanism and ensuring its effectiveness. "Mr. Ibrahim Abdulrazzak Ustadi, Chairman of the Nomination and Bonuses Committee, acknowledges his responsibility for the committee's policies, reviewing them and ensuring committee's effectiveness."
- B. **Names of members of the Nomination and Bonuses Committee, Committee's work and missions assigned to it**

Name	Position	Quality of membership
Mr. Ibrahim Abdulrazzak Ustadi	Chairman of the Committee	Non-executive / independent
Mr. Mohamed Hadi Ahmed Abdulla Al Hussaini	Member	Non-executive / independent
Mr. Ayoub Mohamed Amin Kazim	Member	Non-executive / independent

The missions of the Nomination and Bonuses Committee are:

- Ensuring the independence of the independent members on an ongoing basis. Preparing the policy for granting remuneration, benefits, incentives, and salaries to the members of the Company's Board of Directors and employees and reviewing them annually.
- Verifying that the remuneration and benefits granted to the senior executive management of the Company are reasonable and proportionate to the performance of the Company,
- Determining the Company's needs for competencies at the level of senior executive management and employees and the basis for their selection,
- Preparing the policy related to human resources and training in the Company, monitoring its application, reviewing it annually, organizing and following the procedures for nominating for membership in the Board of Directors in accordance with the applicable laws and regulations.







**C. A statement of the number of meetings held by the Committee during the year 2019 and their dates, with an indication of the number of personal attendance times for all Committee members.**

Name	21/02/2019
Mr. Ibrahim Abdulrazzak Ustadi	✓
Mr. Mohamed Hadi Ahmed Abdulla Al Hussaini	✓
Mr. Ayoub Mohamed Amin Kazim	✓

**7. Committee to follow up and supervision on the insiders' transactions**

The Company shall form a committee to follow up and supervise the insiders' transactions according to the rules imposed on the basis of the decision of the Chairman of the Board of Directors of the Securities and Commodities Authority (7 / R.M.) of year 2016, or by assigning one of the Company's departments or one of the internal committees to do so, and the Authority will be informed of this upon completion. The Company is working on completing the formation of the committee in addition to formulating its terms of reference and presenting it to the Board of Directors in preparation for approval and implementation of its contents. Notwithstanding this, the Company, through the decision of the Board of Directors, periodically discloses the financial market on the insiders list of the Company, based on the form prepared for that by the financial market.

**8. No other Board of Directors committees were appointed during the year 2019**

**9. Internal control system:**

- A. The Board of Directors of Dubai Refreshment (P.J.S.C) acknowledges its responsibility for the Company's internal control system, its review, and its effectiveness. The work of the Company's internal control department mainly consists in managing the risks in the Company and applying the governance rules therein in a manner that ensures compliance with laws and rules, as well as compatibility with the requirements of the Dubai Financial Market and the requirements of the Securities and Commodities Authority.
- B. No director of the Internal Control Department was appointed in 2019 due to the Company's evaluation of employment from abroad or the appointment of a staff member for this task. The Company is currently submitting a proposal in this framework to the Board of Directors to appoint one or more employees in the mentioned department after the approval of the Board of Directors in the near future. However, the Company has assigned PricewaterhouseCoopers (PwC) to undertake internal audit tasks until the current evaluation of the alternatives is completed. This is with the knowledge that both the former Director of Internal Control Mr. Noman Naseer and the Committee member submitted their resignations from the Company on July 15, 2017 (Noman Naseer) and on August 31, 2017 (Ravi Sethia) for special reasons.
- C. Also, Mr. Karem Mahmoud was appointed as a compliance officer by the Board of Directors since October 8, 2013, and he is a specialized lawyer affiliated with the Bar Association in Beirut, Lebanon, and in the Company, he holds the position of Director of Legal Affairs.
- D. PricewaterhouseCoopers (PwC) issued four periodic reports to the Audit Committee during the year 2019, which included a summary of its work in the audit in the various departments of the Company and did not find any problems or irregularities. A summary of the points mentioned in the internal audit reports revolves around the Company updating its business policies and procedures, in addition to some technical points that have been addressed, as the daily work and administrative and operational measures taken by the Company are compatible with all applicable laws and regulations that govern its work, and have led to a lack of major problems that the Internal Control Department needs to deal with.





**10. Details of the violations committed during the year 2019 and explain their causes, how to address them and avoid their recurrence in the future.**

No major violations were committed during the 2019 fiscal year, as the Company complied with all applicable laws and regulations.

**11. A statement of the cash and in-kind contributions made by the Company during the year 2019 in developing the local community and preserving the environment.**

During the year 2019, as in all previous years, the Company performed its social duties towards the local communities in the Emirate of Dubai and the Northern Emirates, where it contributed to many human, social and environmental activities, due to its belief in the value of the human being and the necessity of contributing to improving his life and the quality of his life. Below are some of the activities organized or contributed to by the Company throughout the year 2019:

Activity	The Nature of the Contribution (Cash or in Kind)
Sponsoring the activity of the Specialized Center for the Care of Children with Disabilities (wheelchairs)	AED 4000
Sponsoring the activity of Al-Rowad Center for people with disabilities	AED 3,000
Sponsoring the activities of cancer awareness	AED 3,000
Sponsoring the activity of the French School	41 juice cases
Sponsoring the charitable activity of French International School	90 juice cases
Sponsoring church activity in Jebel Ali	21 juice cases
Sponsoring positive spirit activity - Dubai Sports Council	472 juice cases
Sponsoring the activity of Dubai Educational Zone	20 juice cases
Sponsoring the activity of the Al Noor Center for people with special needs	AED 20,000 and 130 juice cases
Sponsoring the activity of Ajman Specialty General Hospital	30 juice cases
Sponsoring the activity of St. Francis' Church - Al Barsha	31 juice cases
Sponsoring the activity of GEM Wellington School	130 juice cases
Sponsoring the Beit Al Khair Society Iftar	50 juice cases
Rashid Center - Sponsoring the activity of Iftar cases for the holy month of Ramadan	67 juice cases
Sponsoring the activity of the Sharjah Charity International Association	113 juice cases
Sponsoring the activities of the Authority of the Islamic Endowments and Charitable Activities	125 juice cases
Supporting Iftar of Ramadan at the Rotana Centro Hotel - Al Barsha	30 juice cases
Supporting "Al Hanouf Kitchen" activity	1000 juice cases
Supporting Westminster School Iftar	12 juice cases
Supporting the activity of the sharing fridges in the holy month of Ramadan	3707 juice cases
Sponsoring a walkathon march activity on the occasion of World Psoriasis Day	42 juice cases
Sponsoring HES school activity in Autumn	42 juice cases





Sponsoring the people with special needs activity (PepsiCo)	8 juice cases
Sponsoring the activity of "Healthy Winter Food" (Civil Defense)	13 juice cases
Sponsoring the activity of the Greek Orthodox Church	21 juice cases
Sponsoring the Dubai Civil Defense activity	17 juice cases
Securing water for Company employees, in the holy month of Ramadan - Dubai and Sharjah	150 juice cases
Securing water for visitors to the mosque of Dubai Investment Park	30 juice cases
Sponsoring the activity of the Al Nour family for people with special needs.	AED 20,000 and 180 juice cases
Sponsoring the activity of the Specialized Center for the Care of Children with Special Needs	AED 4,000
Rashid Center for people with Special Needs	AED 5,000
A blood donation campaign in the Company for the Dubai Health Authority	
Securing water and snacks product for Dubai Creek construction site workers (7 August 2019)	1000 cases of water, soft drinks and snack products
Organizing a day with neurological patients at Rashid Hospital	Providing many products in kind
Organizing an annual honoring day for the Company's employees and distributing annual awards	Distributing in-kind awards to outstanding employees
Organizing Iftar campaigns during the holy month of Ramadan in Dubai and the Northern Emirates for Company employees	
Organizing a sports day for the Company's employees and providing material awards	Distributing in-kind cups and medals to the winners
Participating in the Olympic Games of companies that are organized in Dubai annually	
Providing training courses for university students and graduates from within the United Arab Emirates for periods ranging from one week to two months	

## 12. General Information:

A. A statement of the Company's share price on the market (closing price, highest price, and lowest price) at the end of each month during the fiscal year of 2019.

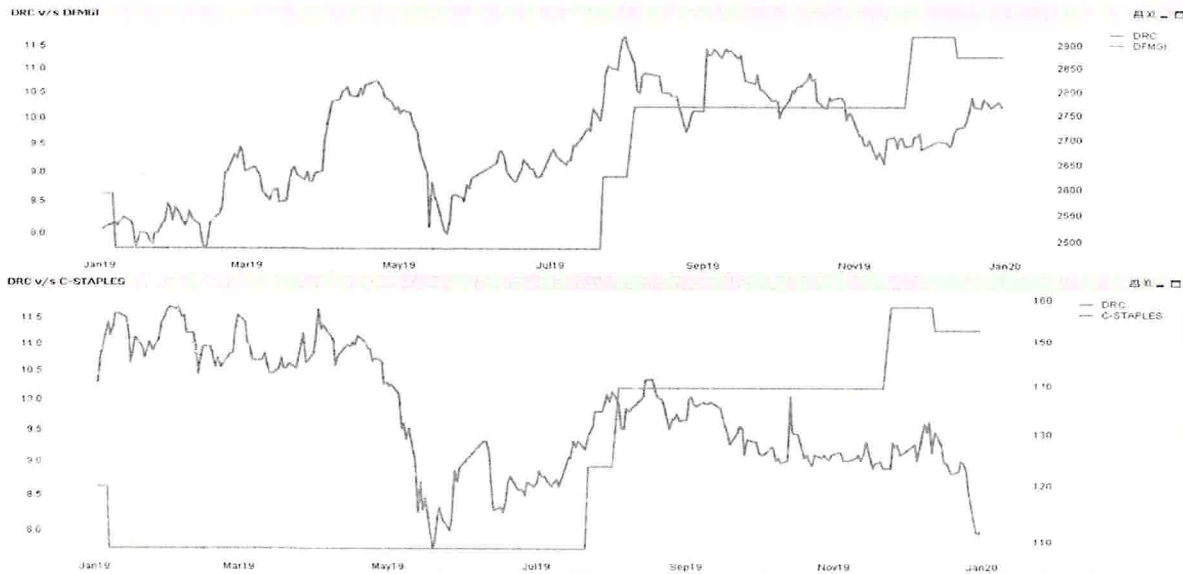
Month	Month High	Month Low	Month Close
Jan 2019	8.200	7.760	7.760
Feb 2019	No Trading	No Trading	7.760
Mar 2019	7.750	7.750	7.750
Apr 2019	No Trading	No Trading	7.750
May 2019	7.750	7.750	7.750
Jun 2019	No Trading	No Trading	7.750
Jul 2019	8.910	8.910	8.910





Aug 2019	10.200	8.020	10.200
Sep 2019	No Trading	No Trading	10.200
Oct 2019	No Trading	No Trading	10.200
Nov 2019	11.700	11.700	11.700
Dec 2019	11.250	11.250	11.250

B. A statement of the Company's comparative performance with the general market index and the sector index to which the Company belongs during 2019.



C. A statement of the shares distribution as of 31/12/2019 (individuals, companies, governments) classified as follows: local, GCC and foreign.

Classification of Shareholder	Percentage of Shares Owned			
	Individuals	Companies	Government	Total
Local	68.6399	29.2976	0	97.9375
GCC	2.0525	0.0076	0	2.0601
Foreign	0.0025	0	0	0.0025
Total	70.6949	29.3052	0	100

D. A statement indicating the shareholders who own 5% or more of the Company's capital as on 31/12/2019 according to the following table:

Name	Number of Shares Owned on DECEMBER 31, 2019	Percentage of Shares Owned from the Company's Capital
Sheikh Ahmed bin Rashid Al Maktoum	17,999,550	19.9995
Mohamed & Obaid Almulla L.L.C.	8,963,550	9.9595





Jomaa Al-Majed Abdullah Muhairi	4,785,500	5.3172
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- E. A statement of shares distribution pursuant volume as on 31/12/2019 according to the following table  
(Source: Dubai Financial Market):

Category	Number of Shareholders	The Owned Amount of the Shares	The Percentage of Equity from the Capital
Less than 50,000	66	880,295	0.978
Between 50,000 and 500,000	79	13,089,684	14.544
Between 500,000 and 5,000,000	26	49,066,921	54.519
More than 5,000,000	2	26,963,100	29.959
Total	173	90,000,000	100.000

- F. The Company has complied with the requirements of the Authority in this relation of investor relations in general, an email has been allocated for investors to communicate through it with the Company in this regard. The Director of Legal and Company Secretary of the Board of Directors Mr. Karem Mahmoud has been assigned to carry out the tasks of the Investor Relations Officer, where he can be contacted at karem.mahmoud@pepsidrc.ae or at investor@pepsidrc.ae or by calling the number: +97148025000 and the number: +971501356949. As for the electronic link of the investor relations page, the Company is currently updating the page as part of a complete update of the Company's website, and the link for the investor relations page is: <http://www.pepsidrc.com/investors/index.htm>

- G. The annual general assembly for the year 2019 was held on 27/03/2019 at the Company's head office in Dubai Investment Park 2 in Dubai, where the following decisions were issued:

- Hearing and approving the report of Board of Directors Report on the activity of the Company and its financial position for the fiscal year ending 31/12/2018.
- Hearing and approving the auditor's report for the fiscal year ending 31/12/2018
- Discussing and approving the Company budget and profit and loss account for the fiscal year ending on 31/12/2018.
- Approving of the Board of Directors proposal to distribute 46.6% cash dividends of the capital value, at a value of AED 42 million, or AED 0.46 per share.
- Approving of the Board of Directors' remuneration for the year 2018, amounting to AED 3,779,700.
- Discharging the members of the Board of Directors for the fiscal year ending on 31/12/2018.
- Discharging the auditors for the fiscal year ending on 31/12/2018.
- Appointing auditors for 2019 and determine their fees their fees.

The Company has performed all the necessary tasks in an accurate way and consistent with the applicable laws and specifically the distribution of profits at the General Assembly meeting through the Dubai Financial Market, as well as the distribution of the remuneration of the members of the Board of Directors.

#### H. Board Secretary

Mr. Karem Mahmoud is appointed as Secretary of the Board of Directors of the Company, as he was appointed on 03/10/2013 in this position, in addition to the position of Director of Legal Affairs and the compliance officer in the Company. The Board Secretary has experience in the field of legal and regulatory affairs and compliance and he is a graduate of the Faculty of Law at Beirut Arab University in Lebanon, and a lawyer affiliated with the Beirut Bar Association in Lebanon. The Board Secretary responsibilities in year 2019 were administering the arrangement, organizing meetings and minutes of meetings of the Board of





Directors, and the committees emanating from the Board, And finalizing the necessary disclosures for the Board meetings, quarterly and annual financial statements. In addition, The Board Secretary prepared the Corporate Governance Report for the year 2019 in coordination with the internal departments of the Company and obtain the approval of the Authority and publish the report duly, in addition to preparing, arranging and following up the annual General Assembly for the year 2019 in terms of logistical, administrative, organizational and procedural aspects, and the completing of the necessary disclosures and coordination with The Company's departments in order to distribute the dividends within the legal timelines.

**I. A detailed statement of the fundamental events and important disclosures that the Company encountered during the year 2019:**

During the year 2019, the Company witnessed good growth in the volume of sales, both at the level of the local market by more than 8% compared to the year 2018, and in exports which increased by around 23% compared to the year 2018. This growth achieved during the year 2019 comes after the Company was able to overcome the decline in the sales volume during the year 2018 after the implementation of the excise tax and VAT. In addition, during the year 2019, the Company signed an agreement to bottle and distribute Britvic products and distribute Tesseire and Robinson products in the United Arab Emirates, where the Company is working on diversifying its products portfolio in the market in order to enhance its revenues and achieve continuous and sustainable increases in shareholders' equity.

On 15/04/2019 the Committee for the Settlement of Tax Disputes ("the Committee") in Dubai, United Arab Emirates issued its decision regarding the two objections submitted by Dubai Refreshment (P.J.S.C) to the tax assessment and tax penalty issued by the Federal Tax Authority ("the Authority") at a value AED 17,077,872 and fines of AED 20,838,003.84 were applied to the Company's inventory of carbonated beverages on October 1, 2017. The committee decided in its aforementioned decision to reject the objection submitted on the tax assessment and also, in the objection to the tax fines, recalculated the tax fines and brought them down to AED 8,883,493.44 and obliged the Authority to return AED 11,927,510.4 to the Company. Accordingly, the Company submitted a judiciary challenge before the federal courts in Abu Dhabi of the said decision, and the competent court will considerate of the case according to the due process.

**J. Percentage of Emiratization in the Company at the end of 2017, 2018, and 2019**

Since its incorporation, the Company has adhered to the policy of developing the local community of Dubai and the Emirates in which the Company operates, either in terms of commitment to the social responsibility of the Company or in terms of developing the local human capabilities through its continuous commitment to the UAE labor law and the applicable laws, decisions, and circulars issued by the competent authorities; hence, The Company adopted a positive policy in the employment of competent national youth capable of bearing the burdens of responsibilities and the Company continues to promote this policy permanently. Noting that the Company's personnel includes many jobs that fall under the category of unskilled labor, the percentage of Emiratization within the administrative jobs (excluding the category of unskilled labors) reached 2.11% at the end of 2019, after being 1.5% at the end of 2018 and 1.45% at the end of 2017; after taking into account all the employees in the Company, including the unskilled labor, the total number of employees would then increase to register 1023 employees, hence the percentage of Emiratization registered 0.45% in 2017, 0.49% in 2018 and 0.68% in 2019. In order to highlight the Company's efforts to employ skilled local people in the Company, the percentage of local employees in the category of senior employees reached 5.7% at the end of 2019. At the date of this report, the Company is conducting interviews to fill vacancies in a number of available positions.

**K. Statement of the projects and innovative initiatives undertaken by the Company or being developed during the year 2019.**

- During the year 2019, the Company carried out many innovative projects in addition to the many initiatives as part of the Company policy to promote innovation and the Company's awareness of its social, environmental and cultural obligations, and the most important projects that the Company pursued or carried out during the year 2019 are as follows:

The completion of the solar power generation project by installing more than 11 thousand solar panels, which led to the generation of more than 4.5 million kilowatt-hours since the date of its placement into





service in the first quarter of the year 2019, which equals more than 30% of the Company's electric power needs, realizing savings of about two million dirhams for the Company.

- Introducing new packages by bottling and distributing new sizes in the market in order to diversify the consumers' options by providing smaller sizes or family packaging sizes for savings, thus enhancing the product and covering different consumers' needs.
- During 2019, the Company replaced its existing fleet of trucks with new Japanese "Hino" trucks that contain modern engine technology that reduces fuel consumption, in addition to the use of materials in the manufacture of truck cases that are lighter, safer and stiffer which led to savings in fuel consumption. That step comes in line with the Company's policy to reach an environmentally friendly industry in the medium and long term.
- During 2019, the Company also improved and developed the water systems used in the factory by modernizing industrial systems and those used in water purification and treatment, which led to achieving savings in the amount of wastewater. The Company also developed systems to recycle the wastewater and use it in the daily use as in irrigation and cleaning and selling the surplus to the public as it is used mainly for irrigation.
- As an appreciation of the measures taken by the Company to improve its factory and provide an environmentally friendly factory, the Department of Economic Development in Dubai honored the Company by awarding it the gold category of the Dubai Green Industrial Award for 2019, surpassing all international companies operating in Dubai.

**Signature of the  
Chairman of the Board  
of Directors  
Mr. Ahmad Bin Eisa Al  
Serkal**

Date: 24/02/2020

**Signature of Audit  
Committee Chairman  
Mr. Abdulla Mohamed  
Rashid Al-Huraiz**

Date: 24/02/2020

**Signature of  
Nomination and  
Remuneration  
Committee Chairman  
Mr. Ibrahim  
Abdulrazzak Ustadi**

Date: 24/02/2020

**Signature of Internal  
Control Department  
Director**

Date: 24/02/2020

**Company Official Seal**