



RAPCO Investment PJSC
Ras Al Khaimah - United Arab Emirates
(“Company” or “RAPCO”)
Governance Report for 2023

1. Governance Practices in the Company:

As a public shareholding company listed on the Abu Dhabi Stock Exchange, the Company is guided by the Authority's Board Chairman Decision No. (3/R.M) for the year 2020 regarding the adoption of the Corporate Governance Manual for Public Joint Stock Companies, and it is committed to applying the best governance practices derived from the Company's value in recognition of its responsibilities towards its shareholders.

RAPCO has also developed a corporate governance system that covers the Company's management, shareholders, employees, clients and other stakeholders. We confirm our commitment to transparency and to objectivity, and we periodically review the Company's policies to ensure that they are in line with the governance system and the approved Governance Guide. In order to achieve this, the Company's board of directors has taken several steps that reinforce these principles, and in 2022, it amended its Articles of Association to reflect the updated legislations and laws.

The board of directors of RAPCO ("**Board of Directors**" or "**Board**") works closely through the Audit & Risk Committee, with external Auditors to issue transparent and reliable reports by adhering to International Financial Reporting Standards (IFRS). In addition, the Board of Directors, through its subcommittees, is also responsible for the internal control system and risk management to ensure compliance with laws, regulations and policies.

2. Ownership and transactions of Board members and their spouses and children in the Company's securities during 2023

The existing Board consists of five members and their current session as the Board members expires in April 2024. The following is the Board's composition according to the categories of its members and their details, experiences and qualifications:

No.	Name	Position	Shares held as on 31/12/2023	Total Sale	Total Purchase
1	Sheikh / Mohammed bin Humaid bin Abdullah bin Mohammed Al Qasimi	Chairman	0	-	-
2	HE/Mubarak Ali Mubarak Al Shamsi	Vice-Chairman	0	-	-
3	HE/ Aasha Ahmed Ali Alrahbi Alshehhi	Board Member	0	-	-
4	HE/ Abdulla Khalfan Mohammed Alshuraiqi	Board Member	943,241	-	-
5	HE Eng./ Mohammed Hassan Alshamsi	Board Member	63,800	-	-
6	HE/ Ammar Abdulla Khalfan Alshuraiqi	Son of Board Member Abdullah Khalfan	16,394	-	-

3. Board Formation:

A- Statement of the formation of the current Board of Directors:

S. No.	Name	Category (executive, non-executive, and independent)	Experiences and qualification	The period served as a Board member from the date of his/her first election	Their membership and positions at any other joint- stock companies	Their positions in any other important regulatory, government or commercial positions
1	Sheikh Mohammed bin Humaid bin Abdullah bin Mohammed Al Qasimi	Chairman- Independent - non-executive	Bachelor's degree in Financial Sciences - American University in Sharjah	Since 2018	Vice Chairman of the Arab Company for Animal Production	<ul style="list-style-type: none"> - Managing Director of Ras Al Khaimah Free Zone and Chairman of the Audit Committee - Chairman of RAK International Corporate Center - Chairman of Falcon Technologies International LLC - Chairman of Ras Al Khaimah Packaging Company LLC - Board of Directors of RAK AMI Hotels LLC
2	HE/ Mubarak Ali Mubarak Al Shamsi	Vice Chairman - Non-executive	Master of Business Administration - Diploma in Agriculture	Since 1997	-	<ul style="list-style-type: none"> - Former Acting President of the Northern Agricultural Region - Former Chairman of the Ras Al Khaimah Municipal Council - Former Director of Ras Al Khaimah Municipality - Former President of Ras Al Khaimah Municipality and a former member of the National Council
3	HE/ Abdullah Khalfan Mohammed Alshuraiqi Almehezi	Board Member – Non-executive	Higher Diploma in Agriculture. Training courses with United Nations for a period of 24 months in Egypt,	Since 1982	Former member of the Board of Directors of the Gulf Livestock Company PJSC	<ul style="list-style-type: none"> - Former Director of the Northern Agricultural Region for 20 years - Former National Council Member - Board Member of Majan Printing and Packaging Company LLC

			Jordan and Morocco. Training courses for 3 months in Syria and Tunisia.			- Founder and Board Member of Ras Al Khaimah Packaging Company LLC - Founder and President of the Ras Al Khaimah Agricultural Society, "the first agricultural institution in the UAE."
4	HE/ Aesha Ahmed Ali Alrahbi Alshehhi	Board Member – Independent - Non-executive	Bachelor of Business Administration and Economics – UAE University	Since 2022	-	- Deputy Director General, Ras Al Khaimah Customs Department
5	HE Eng./ Mohammed Hassan Mohammed Al-Shamsi Al-Awadhi	Board Member – Independent - Non-executive	Bachelor of Agriculture (majoring in animal production and food industries) - University of Riyadh	Member of the Board of Directors since 2018	Member of the Board of Directors of Al Khaleej Investment PJSC Vice Chairman of the Board of Directors of the Poultry Breeders Association	-Former Director of the Western Agricultural Zone - Former Director of Livestock Development - Former Director of the Agriculture and Gardens Department of the Ras Al Khaimah Department of Works

B –General Manager:

The Board appointed Mr. Raman Garg as the General Manager with effect from June 25, 2022. He has rich experience of more than three decades in strategic finance and business transformation. He is also the Chief Financial Officer of Al Hamra Group and a Board Member in listed company Gulf Pharmaceutical Industries Limited. He also served as the board member of Al Khaleej Investment PJSC. He is a Chartered Accountant from the Institute of Chartered Accountants of India, a Company Secretary from the Institute of Company Secretaries of India and a Cost Accountant from Costs and Works Accountant of India. He also holds a Bachelor's degree in Commerce from St. Xavier's College in Kolkata, India.

C- Statement of the percentage of female representation in the Board for the year 2023:

The percentage of female representation on the Board of Directors for 2023 is 20%. Ms. Aesha Ahmed Ali Alrahbi Alshehhi was appointed as a director on the Board of the Company with effect from January 01, 2022 and later confirmed by the General Assembly meeting held on April 11, 2022.

D- Statement of the reasons for the absence of any female candidate in the Board membership:

The Company has met the requirement for female representation on the Board of Directors by appointing Ms. Aesha Ahmed Ali Alrahbi Alshehhi with effect from January 01, 2022.

E- Remuneration to the members of the Board of Directors, Rewards, fee and allowances for attending Board of Directors committee (“Committee(s) meetings:

1. The total fees & remuneration of the members of the Board of Directors for the year 2022 amounted to AED 660,000 (Dirhams six hundred sixty thousand).
2. The Board's remunerations for the year 2023 will be presented and discussed as part of the agenda of the General Assembly for voting at its ensuing meeting.
3. A statement of the details of the allowances for attending the meetings of the committees emanating from the Board, which are payable to the members of the Board of directors for the fiscal year 2023 are as given in the following table:

S.No.	Name	Allowances for attending sessions of the committees emanating from the Board		
		Committee name	Allowance value AED	Meetings Nos
1	Sheikh / Mohammed bin Humaid bin Abdullah bin Mohammed Al Qasimi	Nomination and Remuneration Committee	-	-
		Audit Committee	-	-
		Technical Committee	60,000	1
2	HE/ Mubarak Ali Mubarak Al Shamsi	Nomination and Remuneration Committee	5,000	1
		Audit Committee	-	-
		Technical Committee	40,000	1
3	HE/ Abdullah Khalfan Mohammed Alshuraiqi Almehezezi	Nomination and Remuneration Committee	3,000	1
		Audit Committee	12,000	4
		Technical Committee	40,000	1
4	HE/ Aesha Ahmed Ali Alrahbi Alshehhi	Nomination and Remuneration Committee	3,000	1
		Audit Committee	12,000	4
		Technical Committee	-	-
5	HE Eng/ Mohammed Hassan Mohammed Al-Shamsi Al-Awadhi	Nomination and Remuneration Committee	-	-
		Audit Committee	15,000	3
		Technical Committee	-	-

There are no additional allowances or fees received by or payable to members of the Board of Directors other than the allowances for attending the meetings of the above-mentioned committees.

F- Board of Directors meetings held during the year 2023:

The Board meetings are held in the presence of the majority of members.

S. No.	Date of meeting	Number of attendees	Number of attendees by proxy	Names of absent members
1	13-Mar-2023	5	None	-
2	12-May-2023	4	None	Sheikh / Mohammed bin Humaid bin Abdullah bin Mohammed Al Qasimi
3	20-Jul-2023	4	None	HE/ Mubarak Ali Alshamsi
4	09-Nov-2023	3	None	HE/ Mubarak Ali Alshamsi And HE/ Mohammed Hassan Alshamsi

G- There are no passing decisions issued by the Board of Directors during the fiscal year 2023.

H- A statement of the tasks and functions of the Board of Directors that a member of the board or executive management carried out during the year 2023 based on authorization from the Board, with specifying the period and validity of the delegation according to the following table:

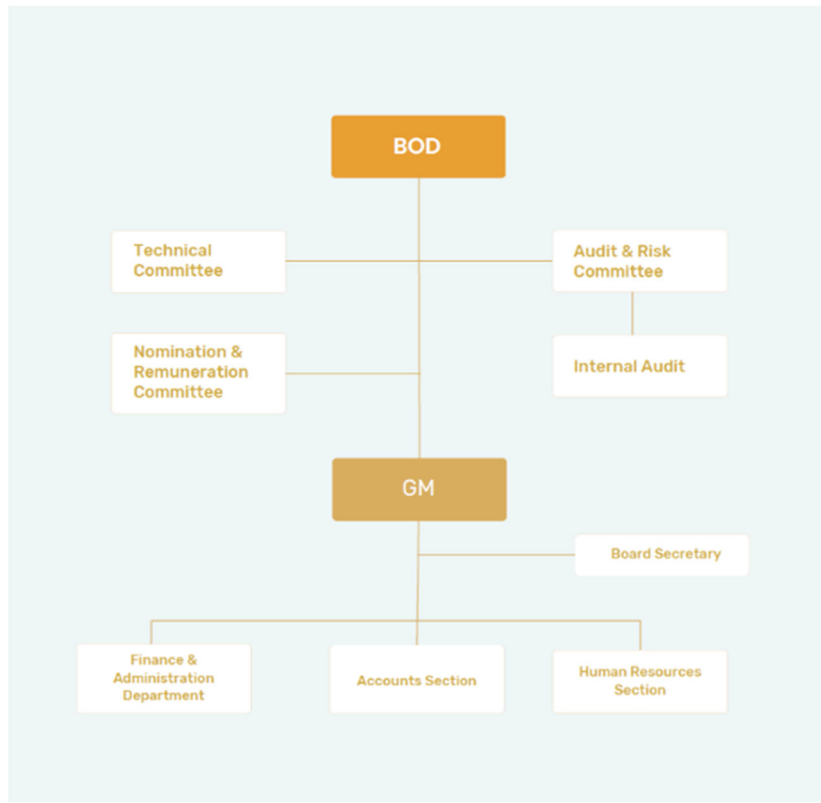
S.No.	Name of the authorized person	Power	The period of delegation
1	Sheikh / Mohammed bin Humaid bin Abdullah bin Mohammed Al Qasimi	Representation of the Company in the membership of the Board of Directors of RAK AMI Hotels LLC	Until the end of the current tenure of his directorship
2	Raman Garg	i) Power of attorney dated 27 th June, 2022, and ii) Board resolution dated 06 th June, 2022 authorizing for banking operations	Until his position as the General Manager or otherwise revocation of the authority by the Company

I- Dealings with related parties during 2023

There are no transactions with related parties during the year 2023.

J- The Company's Organizational Structure is below:-

Organization Chart



The Company is in the process of renaming the Technical Committee to an Investment Committee and reconstituting it after the completion of the election of the Board of Directors as proposed in the ensuing General Assembly Meeting.

K- Senior executives in the first and second grade for full or part of the Year

Ser.	Position	Appointment	Total salaries and allowances paid for 2023 (AED)	Total bonuses paid for 2023 (AED)	Any other cash / in-kind bonuses for 2023 or due in the future
1	General Manager	2022	40,000	None	None
2	Board Secretary and Senior Legal Counsel	2022	None	None	None
3	Head Accounts Section	2009	102,000	None	None
4	Internal Audit	2023	55,000	None	None

Note: Some departments and sections are directly managed by the same senior executive in top two grades.

4. The Company's External Auditor:

A- An overview of the Company's External Auditor to the shareholders.

A- Crowe Mak - UAE is a member audit firm of Crowe Global, which is ranked eighth as the largest global accounting network and has more than 200 accounting and consulting firms in more than 130 countries where each member is independent and separate. This is the 5th year of the external auditor.

B-Fees and costs for the audit and other services provided by the external auditor:

Name of the Audit Office	Crowe Mak
Name of the Audit Partner	Khalid Mahmood
Number of years spent as the Company's external auditor	Five years
Number of years the partner Auditor has spent Auditing the Company's accounts	Two Years
Total audit fees for 2023	90,000 Dirhams
Total fees and costs of other private services other than the audit fees for 2023	None
Details and nature of other services provided by an external auditor other than the company's external auditor during the year 2023	None

C-Statement clarifying the qualified opinion that the Company's auditor has included in the interim and annual financial statements for the year 2023, if any.

There is no qualified opinion in the interim and annual financial statements for the year 2023.

5. The Audit and Risk Committee:

A- HE Mohammed Hassan Mohammed Alshamsi Alawadhi, Chairman of the Audit and Risk Committee, acknowledges his responsibility for the Committee's role in the Company, review its work mechanism and ensure its effectiveness.

B- Names of the Audit and Risk Committee members: -

- ❖ HE/ Mohammed Hassan Alshamsi Chairman
- ❖ HE Abdulla Khalfan Alshuraiqi Member
- ❖ HE/ Aaasha Ahmed Ali Alrahbi Alshehhi Member

C- The functions and tasks of the Audit and Risk Committee:

- Reviewing the company's financial and accounting policies and procedures.
- Monitor the integrity of the financial statements of the company, its quarterly and annual reports, and changes in accounting policies, compliance with accounting standards, listing and disclosure rules, and assumption of company continuity.
- To submit a recommendation to the Board of Directors regarding the selection, resignation or removal of the auditor.
- Establishing policies for contracting with the auditor.
- Meeting with the auditor without the presence of any of the persons of the senior executive management or his representative at least once a year.

- The nature and scope of the audit process and its effectiveness in accordance with the approved auditing standards.
- Reviewing and evaluating the company's internal control and risk management systems and ensuring its effectiveness.
- Discussing the internal control systems with the Board of Directors, making sure of their effectiveness and performance of their role, and considering the results of the main investigations in the matters of internal control assigned to it by the Board of Directors or carried out at the initiative of the Committee and the approval of the Board of Directors.
- Review the auditor's evaluation of the internal control procedures and ensure that there is coordination between the internal auditor and the external auditor.
- Study the internal control reports and follow up on the implementation of the corrective actions of the observations contained therein.
- Establishing controls that enable company employees to report any violations in secret.
- Monitor the company's compliance with the rules of professional conduct.
- Review the related parties' dealings with the company, ensure that there are no conflicts of interest, and recommend to the Board of Directors before concluding those transactions.
- Consider any other topics determined by the Board of Directors.

Audit and Risk Committee meetings for the year 2023:

S.No.	Date of meeting	Number of attendees	Absence
1	13-Mar-2023	3	None
2	12-May-2023	3	None
3	20-Jul-2023	3	None
4	09-Nov-2023	2	1

6. Nomination and Remuneration Committee:

A- HE Mubarak Ali Mubarak Alshamsi, Chairman of the Nomination and Remuneration Committee, acknowledge his responsibility for the Committee's role in the Company, review its work mechanism and ensure its effectiveness.

B- Names of the committee members:

- ❖ HE Mubarak Ali Mubarak Alshamsi Chairman
- ❖ HE Abdulla Khalfan Alshuraiqi Member
- ❖ HE Aasha Ahmed Ali Alrahbi Alshehhi Member

C- The functions and tasks of the Nomination and Remuneration committee:

- Setting a special policy for candidacy for membership in the Board of Directors and the Executive Management that aims to take into account gender diversification and
- Encourage women through incentive and training benefits and programs.
- Organize and follow-up procedures for running for membership in the Board of Directors in accordance with the laws in force and the provisions of this decision. Ensuring the independence of the independent members on an ongoing basis.
- Preparing the policy for granting rewards, benefits, incentives and salaries to the members of the company's board of directors and employees, and reviewing them annually, and the committee must verify that the rewards and benefits granted to the

senior executive management are reasonable and commensurate with the company's performance.

- Reviewing the annual requirements for the appropriate skills for membership in the Board of Directors and preparing a description of the capabilities and qualifications required for membership of the Board of Directors.
- Determining the company's needs for competencies at the level of senior executive management and employees and the basis for their selection.
- Prepare the policy on human resources and training in the company, monitor its application, and review it annually.
- Any other topics specified by the Board of Directors.

D- Nomination and Remuneration Committee meetings for the year 2023:

S.No.	Date of meeting	Number of attendees	Absence
1	13-Mar-2023	3	None

7. The Supervision and Follow-up Committee of insiders' transactions:-

A- Mr. Raman Garg, Chairman of the Supervision and Follow-up Committee of insiders' transactions, acknowledges his responsibility for the Committee's role in the Company, review its work mechanism and ensure its effectiveness.

B- Names of the committee members:

1. Mr. Raman Garg Chairman in capacity as the General Manager
2. Mr. Surendra Mohta Member in capacity as the Board Secretary
3. Mr. Ahmed Adel Ahmed Member -Accounts Manager

C- The functions and tasks of the committee:

- Supervising insiders' dealings.
- Maintaining their record and submitting periodic statements and reports to the market.

D- A summary of the committee's work during 2023:

During the year 2023, the committee updated the record for insiders wherever required, circulated the rules for insiders' transactions, and placed them in the joint file for all Company employees. Also, insiders' suspension periods for trading in the Company's shares were announced, in addition to insiders confirming their possession of private data and internal information and their pledge to bear legal liability, if disclosed.

8. Other committees of the Board of Directors:

A- Technical Committee:

A- Sheikh Mohammed Bin Humaid Bin Abdulla Bin Mohammed Alqasemi, Chairman of the Technical Committee, acknowledge his responsibility for the Committee's system in the Company, review its work mechanism and ensure its effectiveness.

B- Names of the committee members:

- ❖ SH. Mohammed Bin Humaid Alqasemi Chairman
- ❖ HE/ Mubarak Ali Alshamsi Member
- ❖ HE/ Abdulla Khalfan Alshuraiqi Member
- ❖ Mr. Raman Garg Member

C- The functions and tasks of the committee:

The tasks of the technical committee are to follow-up and supervise liquidation of the poultry business assets, monetization of real estate and other investment decisions.

D- Technical Committee meetings for the year 2023:

Ser.	Date of meeting	No. of attendees
1	07Nov-2023	4

9. The Internal Control System:

A-The Audit & Risk Committee and Board of Directors recognizes its responsibility for the Company's Internal Control System and for its review of its work mechanism and for ensuring its effectiveness.

B- Director of the Internal Audit Department and his experiences:

Mr. Mohammed Azizi who is a MBA Finance and also a certified Internal Auditor and Enterprise Risk Specialist. He is an experienced internal auditor with over 13 years of experience in risk advisory, in past Mr. Azizi has been part of reputed organizations such as Saudi Aramco Group in KSA and Al Futtaim Group in Dubai.

C- Compliance Officer:

Mr. Surendra Mohta was appointed as the Company's Board Secretary and also in charge of Compliance Officer with effect from June 17, 2022.

Mr. Surendra Mohta is a Qualified Company Secretary from the Institute of Company Secretaries of India (ICSI, New Delhi) and also done Masters in Law from a reputed Indian University. He has an experience of over 20 years across various industries.

D-The major problems faced by the Company during the year 2023 and key development, if any:

Throughout 2023, the Company encountered no major problems; however, it grappled with ongoing challenges, particularly concerning transitioning from poultry operations to investment business. This transition necessitated the recruitment of resources for investments and financial analysis in lieu of the previous poultry ones.

Additionally, the rebranding of the Company introduced administrative tasks to officially change the name and activities on all relevant documentation.

E- The number of reports issued by the Internal Audit Department to the Company's Board of Directors is one report.

10. No violations were committed during the year 2023.

11. The Company's cash and in-kind contributions made during the year 2023 in developing the local community and preserving the environment: -

As a result of the losses that the Company has been achieving, especially in the poultry sector during previous years up to the beginning of year 2023, the Company did not make any tangible contributions to the local community during the year 2023.

However, the Company celebrated the fifty-second National Day of the United Arab Emirates and extended its gratitude and appreciation to the employees.

12. General Information:

A. Statement of the Company's share price in the market at the end of each month during the fiscal year 2023

Month	Close price	Highest price	Lowest price
January	1.550	1.750	1.400
February	2.500	2.630	1.440
March	2.280	2.600	1.900
April	2.260	2.520	1.920
May	1.790	2.280	1.770
June	1.880	1.930	1.650
July	1.820	1.920	1.660
August	1.790	1.870	1.440
September	1.810	1.840	1.540
October	1.640	1.640	1.640
November	1.640	1.640	1.430
December	1.410	1.640	1.310

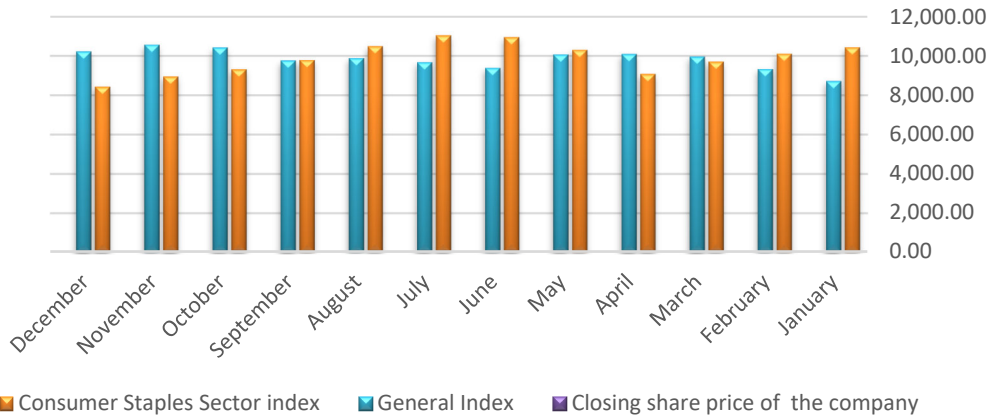
A statement of the company's share price in the market at the end of each month during the year 2023



B. Statement of the Company comparative performance with the general market index and sector index to which the Company belongs during 2023.

Month End	Consumer Staples Sector Index	General Index	Closing share price of Company
January	8,781.86	9,811.56	1.550
February	8,962.34	9,844.81	2.500
March	9,024.61	9,430.25	2.280
April	9,889.46	9,789.17	2.260
May	10,225.64	9,406.57	1.790
June	10,458.14	9,550.40	1.880
July	10,809.73	9,787.13	1.820
August	10,510.42	9,810.21	1.790
September	9,738.02	9,785.32	1.810
October	9,262.90	9,343.88	1.640
November	10,590.92	9,559.57	1.640
December	10,053.10	9,577.85	1.410

The Comparative Performance of the Company's stock with the General Market index and the Consumer Goods Sector index



C. Statement of the shareholders ownership distribution as on 31/12/2023

S. No.	Shareholders classification	Percentage of owned shares			
		Individuals	Companies	Government	Total
1	UAE Local	6,449,569	71,068,594	5,166,733	82,684,896
2	Gulf	11,896,944	163,388	0	12,060,332
3	Arab	165,924	0	0	165,924
4	Foreign	128,848	0	0	128,848
	Total	18,641,285	71,231,982	5,166,733	95,040,000

D. Statement of shareholders owning 5% or more of the Company's capital as on 31/12/2023:

S. No.	Name of the Shareholder	Number of owned shares	Percentage of owned shares of the Company's capital
1	Falcon Investment Company FZ L.L.C	41,769,806	44%
2	Al Hamra Group LLC	21,250,412	22%
3	Ras Al-Khaimah Government	5,166,733	5%

E. Statement of how shareholders are distributed according to the volume of shares as on 31/12/2023

S. No	Share(s) ownership	Number of shareholders	Number of owned shares	Percentage of owned shares of the capital
1	Less than 50,000	1774	6,099,099	6%
2	From 50,000 to less than 500,000	96	10,007,028	11%
3	From 500,000 to less than 5,000,000	7	10,746,922	11%
4	More than 5,000,000	3	68,186,951	72%

F. Measures taken regarding the controls of investor relationships.

The Company has appointed an Investor Relationships Officer with competence and long experience and he has financial background and administrative knowledge of all procedures related to investor relations and events that have passed through the Company.

Name of investor relationships officer	Telephone No.	Mobile No.	Email
Ahmed Adel Ahmed Hassan	07-243 4477	+971 56 828 0866	ahmed.a@rapcoinvestment.ae

The link of investor relationships page on the Company's website

<https://rapcoinvestment.ae/shareholder-services.html>

The Company has, in its website, set aside a space for investor relationships containing all requirements in accordance with the instructions of the Authority and the market, the site is on the following link:

<https://rapcoinvestment.ae/disclosures.html>

G. There were Five Special Resolutions presented in the General assembly held during 2023.

H. Board Secretary:

- The present Secretary of the Board of Directors is Mr. Surendra Mohta.
- The duties as Secretary of the Board of Directors are summarized as follows:
 - Documenting the meetings of the Board of Directors and its Committees and preparing the minutes and decisions issued by them in accordance with the controls established in the decision of the Chairman of the Board of Directors of the Authority No. (3/ R.M) for the year 2020 regarding the adoption of the Governance Guide for Public Shareholding Companies and its amendments.
 - Reporting the decisions of the Board of Directors and its Committees to the executive management of the Company and submitting reports on their implementation.
 - Coordination between members of the Board of Directors and executives.

I. Statement of major events and important disclosures that the Company encountered during 2023.

The Company's decision to change its activity and move to investments instead of the poultry sector contributed significantly to reducing the Company's losses during the year 2023 and moving it to profitability during the second half of the same year.

The Company paid all unclaimed dividends to the Securities And Commodities Authority amounting to AED 23.319 Million.

J. The General Assembly of the Company was held on April 25, 2023 and the said meeting passed the following resolutions:

1. Approved the report of the Board of Directors on the Company's activities and its financial position for the fiscal year ending on 31st December 2022.
2. Approved the auditor's report for the financial year ending on 31st December, 2022.
3. Approved the Company's balance sheet and profit and loss account for the fiscal year ended on 31st December, 2022.
4. Approved the board of directors' proposal for not distributing dividends to the shareholders for the financial year ended on 31 December 2022.
5. The fees of the members of the Board of Directors was approved amounting to 300,000 Dirhams for the year 2022.

6. Discharged the members of the Board of Directors for the fiscal year ended on 31st December, 2022.
7. Discharged the auditors for the fiscal year ended on 31st December, 2022.
8. Appointed Messrs. Crowe Mak as an external auditor for the Company's accounts for the year 2023 with a fee of 90,000 dirhams.
9. Special Resolutions- Amended the name of the Company from Ras Al Khaimah Poultry and Feeding Co Public JSC to RAPCO Investment Company Public JSC and amend the Articles of Association to implement the change in name.
10. Special Resolutions – Amended the Company’s articles of association to be in line with the new name and amendments to the Companies Act and the Governance Guide 2020 and its amendments.
11. Special Resolution – Approving the transfer of the Voluntary Reserve amounting to AED 19,547,271 (nineteen million five hundred forty seven thousand and two hundred seventy one dirhams) as on 31 December 2022, to the Retained Earnings for distribution to the shareholders in the future.

K. Emiratization percentage in the Company:

Year	2023	2022	2021
Emiratization percentage	6%	1%	2%

- L. The Company did not present any innovative projects or initiatives during the year 2023.**

Signature of the Board Chairman



Signature of Audit and Risk Committee Chairman



Signature of Nomination and Remuneration Committee Chairman




Date: 20 March 2024

Company Official Seal