



دبي للمطربات (ش.م.ع.)
DUBAI REFRESHMENT (P.J.S.C)®

Dubai on 28 February 2019

P.O. Box 420, Dubai - UAE
Tel. : +971 4 802 5000
Fax: +971 4 802 5098
Email: info@pepsidrc.ae
Call Center: 800 73774
www.pepsidrc.com

Corporate Governance Report of 2018

Since being established in 1959 by virtue of an Amiri Decree issued by the late His Highness Sheikh Rashid bin Saeed Al Maktoum (Ex-Ruler of Dubai), Dubai Refreshment (P.J.S.C) has been operating following an integrated system of values, morals, ethics, professional and institutional integrity, and entire applicable leading practices empowering it to expand and prosper in the field of bottling and distribution of carbonated and non-carbonated Soft Drinks. The Company has adopted high standards of governance whereby the transparency, disclosure and accountability are at the core of the Board of Directors, the management's conduct and the company's business. The Company's commitment and compliance with good governance practices is in line with the applicable laws and regulations issued by SCA where The Company had and continue to abide by these regulations.

1. Statement on the procedures taken for completion of the Corporate Governance system of companies for the year of 2018 and determining methods of their application

In execution of the Resolution of the Chairman of Board of the Securities and Commodities Authority ("SCA") No. (7/R.M) of 2016 regarding the standards of institutional discipline and governance of public shareholding companies, Dubai Refreshment took the following procedures:

- Amendment of the Company's Statute so as to comply with governance regulations;
- Appointing independent members at the Board of Directors thus the Board includes a percentage of one third of independent members and the other majority of the members are non-executive;
- Appointing Audit Committee by the Board of Directors;
- Appointing Nominations and Bonuses Committee by the Board of Directors;
- Appointing internal audit management and compliance officer by the Board of Directors;
- Appointing Investors Relations Officer;
- Periodic update of electronic databases on the Company's website for the purpose of providing ultimate levels of transparency required for insuring safe work environment for investors and shareholders to update them on the latest developments of the Company;
- Periodic disclosure of the financial statements of the Company, Board meetings, and General Assembly, in addition to adhering and complying with regulating rules in this field.





In addition, the Company continues to review its internal systems in order to review and update them in compliance with rules and regulations of the aforementioned Resolution and other circulars issued by Securities and Commodities Authority on the proper rules of governance.

2. Board Members' transactions in the Company's securities during 2018

A) Policy of Work:

Dubai Refreshment has a work policy governing the Board Members' transactions in the Company's securities, where the Company's Articles of Association has been amended to limit the shareholding rate of the GCC nationals not to exceed a ratio of 49% and shareholding rate of the UAE nationals of not less than a ratio of 51% of the Company's share capital. Individuals of non-GCC and non-UAE nationals are not allowed to own any shares in the Company's capital.

The Board Members who have transactions relating to the shares issued by Dubai Refreshment are disclosing their transactions on an annual basis and such disclosure is made in accordance with the model prepared for this purpose containing the nature of transaction, whether sale or purchase of shares, also in addition to the date of transaction, number of shares and the price. In respect of the independent Board Members who do not have any transactions relating to the shares issued by the Company, they signed an acknowledgment stating the absence of any transactions on the shares issued by the Company.

S/N	Name	Position/Relationship	Shares Held as at 31/12/2018	Total Sale Transactions	Total Purchase Transactions
	Mr./ Ahmad Bin Eisa Alserkal		NONE		
	Mr. /Ali Bin Humaid Al Owais		NONE		
	Mr./ Ibrahim Abdulrazzak Ustadi		NONE		
	Mr. / Mohamed Hadi Ahmed Abdulla Al Hussaini		NONE		
	Mr. / Mohamed Abdulaziz Al Owais		NONE		
	Dr./ Ayoub Mohamed Amin Kazim		NONE		
	Mr./ Abdulla Mohamed Rashid Al-Huraiz		NONE		





During 2018, no transactions were made on the shares of the Company by any of the Board Members or their spouses or children. Employees are not entitled to receive any benefits or grants from other parties other than these provided by the Company, in order to prevent any influence on the independence and objectivity of the employees.

3. Formation of the Company's Board of Directors:

A) **Formation of the Board of Directors as per their categories, information, experiences, qualifications and their term of membership in the Board:**

The Board consists of seven (7) members having an experience in the field of the Company's business, accounting, and entire related financial issues, banking transactions and Business Administration as well as they have experience necessary to make prudent and wise resolutions.

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

Name	Position	Type of Membership	Experiences	Qualifications	Period served as a Board Member as of the first date of election
Mr./ Ahmad Bin Eisa Alserkal	Chairman	Non-Executive /Independent	General Trade/ Real Estate	Bachelor of Administrative Sciences and Business Administration	17
Mr. /Ali Bin Humaid Al Owais	Vice Chairman	Non-Executive /Independent	General Maintenance/ Real Estate Management	Bachelor of Business Administration	11
Mr./ Ibrahim Abdulrazzak Ustadi	Board Member	Non-Executive /Independent	Business Administration Financial Auditor	Accounting Diploma	15
Mr. / Mohamed Hadi Ahmed Abdulla Al Hussaini	Board Member	Non-Executive /Independent	Banking/ Business Administration	Master in International Business Administration	9
Mr. / Mohamed Abdulaziz Al Owais	Board Member	Non-Executive /Independent	Financial Analysis/ Business Administration	Bachelor of communications Engineering/ Financial Analyst	8
Dr./ Ayoub Mohamed	Board	Non-Executive	Business	PhD in Mechanical Engineering	5





Amin Kazim	Member	/Independent	Administration/ Energy Sector		
Mr./ Abdulla Mohamed Rashid Al- Huraiz	Board Member	Non-Executive /Independent	Accounting/ Business Administration	Bachelor of Accounting	5

As for the membership of the Board members in other Public Joint Stock Companies or in other important supervisory and governmental or commercial bodies positions are as follow:

Name	Membership at any other Joint Stock Company	Their positions at in crucial supervisory and governmental or commercial bodies
Mr./ Ahmad Bin Eisa Alserkal	<ul style="list-style-type: none"> Dubai Insurance Company – Board Member 	NONE
Mr. /Ali Bin Humaid Al Owais	<ul style="list-style-type: none"> United Foods Company - Chairman. Emirates NBD- Board Member. Emirates Islamic Bank- Board Member. Dar Al Takaful - Board Member. 	NONE
Mr./ Ibrahim Abdulrazzak Ustadi	NONE	NONE
Mr. / Mohamed Hadi Ahmed Abdulla Al Hussaini	<ul style="list-style-type: none"> Emirates Integrated Telecommunications Company PJSC – Chairman of the Board Emaar Malls Group –Chairman of the Board Emirates NBD- Board Member. Emirates Islamic Bank- Board Member. 	Board Member at Dubai Real Estate Institution
Mr: / Mohamed Abdulaziz Al Owais	<ul style="list-style-type: none"> United Foods Company – Board Member Emirates Refreshments Company – Chairman of the Board. 	NONE
Dr./ Ayoub Mohamed Amin Kazim	NONE	NONE
Mr./ Abdulla Mohamed Rashid Al- Huraiz	<ul style="list-style-type: none"> Dubai Insurance Company (PJSC) – Board Member 	Deputy General Manager of Financial Supervisory Department – Government of Dubai





As per the applicable laws and regulations, the CEO shall - in collaboration with the executive administration - execute his tasks as per the applicable principles and the assignment and authorization of the Board while being responsible before such Board regarding the implementation of the Company's policies as per the schemes adapted by the latter.

B) The current Board of the Company was incontestably elected at the General Assembly of 2017, knowing that the number of candidates was equal to the number of members of the Board without having any woman/member of the Board.

C) In addition to the fact that women have no quota in the Board, it is known that the bylaws and the policies of the Company do not allow any bias or discrimination between men and women, confirming the fact that there are no restrictions preventing the nomination of women to any position either administrative or professional, or leading posts or even membership of the Board of Directors in compliance with the national and international standards. In addition to the aforementioned, and since applicable laws and the internal regulating rules of the Company do not include any provisions for women quota, thus the Company and its Board of Directors do not interfere at the process of nominating or electing any Board Member by any means, and that is the exclusive right of the shareholders to elect whoever they wish to.

D) Statement of Remunerations

- Total remunerations of the Board Member reimbursed for year of 2017: 4,200,000 AED.
- Total remunerations of the Board Members proposed for year of 2018 and that are to be presented at the General Assembly meeting for approval: 3,779,700 AED.
- Allowances of attending the meetings of the committees related to the Board and received by its members for the fiscal year of 2018:

Allowances fixed for Board Members in consideration for attending the meetings of the committees emanating from the Board equal a sum of 10, 000 AED per each meeting.

#	Name	Allowances of attendance of committees' session related to the council		
		Name of Committee	Value of Allowance	Number of meetings
1.	Mr./ Ibrahim Abdulrazzak Ustadi	Nominations and Bonuses	20,000	2





2.	Dr./ Ayoub Mohamed Amin Kazim	Nominations and Bonuses	20,000	2
3.	Mr. / Mohamed Hadi Ahmed Abdulla Al Hussaini	Nominations and Bonuses	20,000	2
4.	Mr. / Mohamed Hadi Ahmed Abdulla Al Hussaini	Audit	40,000	4
5.	Mr. / Mohamed Abdulaziz Al Owais	Audit	10,000	1
6.	Mr./ Abdulla Mohamed Rashid Al-Huraiz	Audit	40,000	4

Meetings of the Board of Directors:

Board of Directors of Dubai Refreshment held 6 times within the year of 2018 on the below dates:

Names	12/2/2018	22/3/2018	7/5/2018	10/9/2018	10/12/2018
Mr./ Ahmad Bin Eisa AlSerkal	✓	✓	✓	✓	✓
Mr. /Ali Bin Humaid Al Owais	✓	✓	✓	✓	*
Mr./ Ibrahim Abdulrazzak Ustadi	✓	✓	✓	✓	✓
Mr. / Mohamed Hadi Ahmed Abdulla Al Hussaini	✓	✓	✓	✓	✓
Mr. / Mohamed Abdulaziz Al Owais	**				✓
Dr./ Ayoub Mohamed Amin Kazim	✓	✓	✓		✓
Mr./ Abdulla Mohamed Rashid Al-Huraiz	✓	✓	✓	✓	✓

* = Mr. Ali Al Owais was represented by Mr. Mohamed Al Owais through POA

**= Mr. Mohamed Al Owais was represented in the meeting by Mr. Ali Al Owais through POA





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

The Board of Directors has executed its entire powers and authorities in managing the Company and by monitoring the Company's performance through the periodic Board meetings, noting that during 2018 the Board has not delegated any of its powers and authorities.

F) Statement indicating the details of the transactions made between the concerned parties (Stakeholders)

During 2018, The Company has held commercial transactions with Oman Refreshment Company ("ORC"), where the transactions were supply and buy finished goods from and to ORC as part of the normal business dealings between companies without any preferential treatment. The details of the transactions are as follow:

Supply of finished goods to ORC during 2018 valued at AED 3,848,000

Supply of finished goods from ORC to The Company during 2018 valued at AED 1,037,000.

G) Company's Organizational Structure

The Company is managed, both administratively and professionally, by the CEO as per the instructions of and targets determined by the Board of Directors, with the assistance of professional team of managers – vice Presidents, and head of departments exercising their business at the instructions of the CEO and the Board of Directors, as per the attached regulating structure (Attachment no.1).

H) Detailed statement including the names of the senior CEO of the Company their appointment dates, total values of their salaries adding to the bonuses paid in the year of 2018:

Positon	Date of Appointm ent	Total of Salaries & Allowances paid in 2018 (in AED)	Total of Bonuses paid in 2018 (in AED)	Any in –kid/Cash Bonuses in 2018 or to be due in the future
CEO	1/8/2008	1,681,572	858,000	
Vice President - CFO	3/1/2016	1,229,100	226,800	
Vice President – Supply Chain and Projects	1/11/2001	916,730	165,600	
Vice President - COO	1/7/2012	1,107,660	384,000	





Director of Facilities & Administrative and Government Relations Department	10/12/201 2	646,332	77,633	
Director of Legal Department & Company Secretary	8/10/2013	505,524	68,647	

No additional cash or in-kind sums are to be due in the future in the year of 2018 as entire sums were paid for the mentioned employees.

4. Fees of the external auditor:

A. Ernest & Young Co. has 21,000 employee distributed on 155 countries who are committed to perform according to highest values and quality. Moreover, the Company covers the countries of the Middle East and North Africa and provides its services in this region since 1923 and still works to cope with entire legal and commercial developments in the region throughout 93 years. Ernest & Young is operating at UAE since 1966 and it became one of the most influential professional companies in this region.

B. The General Assembly of Dubai Refreshment has appointed Ernest & Young Co. to be the external auditor of the Company as per recommendations of the Board of Directors for the purpose of performing financial auditing tasks, verifying the existence of all of the financial documents, auditing the payments, expenses, and revenues in addition to verifying the compliance of work performed by the financial administration in the Company with applicable laws and the international accounting standards. The General Assembly specified the fees of the auditor in the amount of AED 270,000.

Name of Audit Office	Ernst & Young
Number of years spent as an external auditor for the Company	8 years
Total fees of audit of the financial statements for year of 2018 in AED	270,000
Fees and expenses of the other special services other than audit of the financial statements	40,000
Details and nature of the other presented services	services related to the implementation of IFRS 15





It is worth noting that the Company has not depended in 2018 on the services of any other third party other than the appointed corporation for providing entire external auditing services.

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

Dubai Refreshment's Board of Directors has formed an audit committee and assigned three members for performing the tasks of the committee.

Name	Post	Type of membership
Mr./ Abdulla Mohamed Rashid Al-Huraiz	President of Committee	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 tasks of the Audit Committee are mainly as follow:

- reviewing the Company's financial control and risk management system,
- implementing the framework of appointing the external auditor reporting to the Board of Directors,
- following-up and control of the independence of the external auditor and extent of its objectivity,
- controlling the validity of the Company's financial statements and preliminary and annual reports,
- reviewing compliance with the disclosure requirements of Dubai Financial Market and the Securities and Commodities Authority,
- discussing the systems of internal control with the Management and ensuring that they perform their duties in establishing effective system for internal control.

The Committee assists also the Board of Directors to perform its regulatory responsibilities in order to ensure the integrity of the financial results and the independence and qualifications of the independent external auditor. The Committee has the authority to access any of the Company's





departments and its records and property in order to perform its responsibilities in addition to all authorities and powers according to the Resolution of the Chairman of Board of SCA No. 7/R.M of 2016.

Details of the meetings held by Audit Committee in 2018:

Names	12/2/2018	7/5/2018	12/8/2018	6/11/2018
Mr./ Abdulla Mohamed Rashid Al-Huraiz	✓	✓	✓	✓
Mr. / Mohamed Hadi Ahmed Abdulla Al Hussaini	✓	✓	✓	✓
Mr. / Mohamed Abdulaziz Al Owais				✓

6. Nomination and Bonuses Committee:

The Board of Directors of Dubai Refreshment has formed a Nomination and Bonuses Committee

Names	Post	Type of membership
Mr./ Ibrahim Abdulrazzak Ustadi	President of Committee	Non-executive /independent
Mr. / Mohamed Hadi Ahmed Abdulla Al Hussaini	Member	Non-executive /independent
Dr./ Ayoub Mohamed Amin Kazim	Member	Non-executive /independent

Details of the meetings of the Nomination and Bonuses Committee:

Names	12/2/2018	6/11/2018
Mr./ Ibrahim Abdulrazzak Ustadi	✓	✓
Mr. / Mohamed Hadi Ahmed Abdulla Al Hussaini	✓	✓
Dr./ Ayoub Mohamed Amin Kazim	✓	✓





The main tasks of the Nomination and Bonuses Committee are represented in the following:

- Verifying the independence of the independent members on regular and continuous basis.
- preparing and reviewing the policies of granting remunerations, benefits, incentives and salaries of the Company's Board of Directors and employees on an annual basis;
- ensuring that the remunerations and benefits granted to the Senior Executive Management of the Company are reasonable and consistent with the performance of the Company;
- identifying the needs of the Company from the competencies at the level of the Senior Executive Management and employees and the bases of their selection;
- preparing and controlling the application of the policy of human resources and training at the Company and reviewing the same on an annual basis;
- organizing and following up the procedures of nomination for the membership of the Board of Directors in accordance with the laws and regulations in force.

7. Committee for follow-up and supervision of transactions of insiders:

The Company is currently forming the follow-up and Supervision Committee to supervise and oversee the transactions and deals of the insiders as per the rule imposed by virtue of the decree of the chairman of Securities and Commodities Authority passed under no. (7/R.M/2016), and will inform the financial markets upon its completion; The company is working to complete the formation of the committee in addition to its statute to be approved by the Board of Directors in preparation for its implementation and execution.

8. The Board of Directors did not form any other committee

9. Internal Control System:

A) The Board of Directors of Dubai Refreshment acknowledges its responsibility for setting the Company's internal control system, in addition to assuming the responsibility of its review and effectiveness. The main tasks of the Company's Internal Control are the management of risks in the Company, and applying the governance rules accurately for ensuring the compatibility with laws, rules, and requirements of Dubai Financial Market and the Securities and Commodities Authority.

B) The Board of Directors did not appoint internal auditor in 2018 and is currently assessing its options whether to recruit or to appoint convenient staff member for this task. The Company will submit a proposal in this context to the Board of Directors to appoint one or more employees in the





said committee in the near future. The former director of internal control, Mr. Noman Nasir and the member of the Committee have submitted their resignation from the Company on 15 July 2017 (Noman Nasir) and 31 August 2017 (Ravi Sethia) for personal reasons.

C) In addition to his functions as legal director, Mr. Karem Mahmoud has been appointed Compliance Officer by the Board of Directors On October 8, 2013. the nominated officer is admitted as fully qualified lawyer at Beirut Bar Association in Lebanon.

D) During the year of 2018, the Internal Control Department did not ascertain or verify any significant problems in the Company as the daily work, the administrative and practical measures are taken by the Company in compliance with all of the applicable laws and regulations which led to a well-controlled environment.

10. Violations committed within the fiscal year of 2018, illustration of their reasons, ways of future prevention and control:

The company has complied with the applicable rules and regulations related to the financial markets and disclosures requirements, in addition to other applicable laws, hence the company has registered no significant violations during 2018.

11. Contributions of the Company in the year of 2018

during 2018, the Company performed its entire social duties and obligations towards the local communities in Dubai and the northern Emirates as it contributes to several activities on various levels including humanitarian, social, and environmental activities in support of its beliefs on the necessity to contribute to the improvement of the local and expatriate communities' lifestyle and to increase their capabilities; below are some of the activities the Company organized or contributed in their organization:-

Activity	Type of Contribution (In Cash or In Kind)
Al Noor Training Center for Persons with Disabilities	20000 AED
Rashid Center for the determined ones (Umrah Trip)	5000 AED
Specialist Center for children with disabilities (Wheelchairs)	4000 AED
Français International Kermesse school charity	68 cases of Aquafina Water





Dubai Educational Zone	20 cases of Aquafina Water
Al Noor Center for the disabled Fun Fair FOC	130 cases of Aquafina Water
Ajman specialist hospital Event	30 cases of Aquafina Water
DSC Walk for the determined	100 cases of Aquafina Water
Autism Bikers Friday Market	30 cases of Aquafina Water
Dubai Sports Council positive soul Event	95 cases of Aquafina Water
Labour Day - Dubai Ambulance and Civil defense emergency respondents Event	50 cases of Aquafina Water
FOC Water for Month of Ramadan @ DRC Dxb & Shj Staff Accommodations	150 cases of Aquafina Water
DRC Mosque in DIB	30 cases of Aquafina Water
Ramadan Charity al Hanoub public kitchen	958 cases of Aquafina Water 224 cases of Top Fruit Juice
Emarati Women Day	10 cases of Aquafina Water 2 cases of Top Fruit Juice
Dubai International Food Safety Conference 2018	180 cases of Aquafina Water
Community Fun Run Partnership	83 cases of Aquafina Water
Millenium School Charity Carnival	250 cases of Aquafina Water
FOC for church sports fund raiser	7 cases of Aquafina Water
PI Dubai British School Charity FOC	15 cases of Aquafina Water
Greek Orthodox Church FOC	17 cases of Aquafina Water
Blood donation from the employees to the DHA	
Providing water needs for ASGC company labors	
Organizing a full day with patients of neuro diseases section of Rashid Hospital	
Organizing annual employees' day and distributing awards to best employees	
Organizing Iftar sessions for employees in Dubai, Sharjah and northern emirates	





Organizing Sports open day for all company's employees in Dubai and distributing awards to winning teams	
Attending the corporate Olympic games held in Dubai 2018	
Providing internship opportunities to university students and fresh graduates for periods between weeks and months	

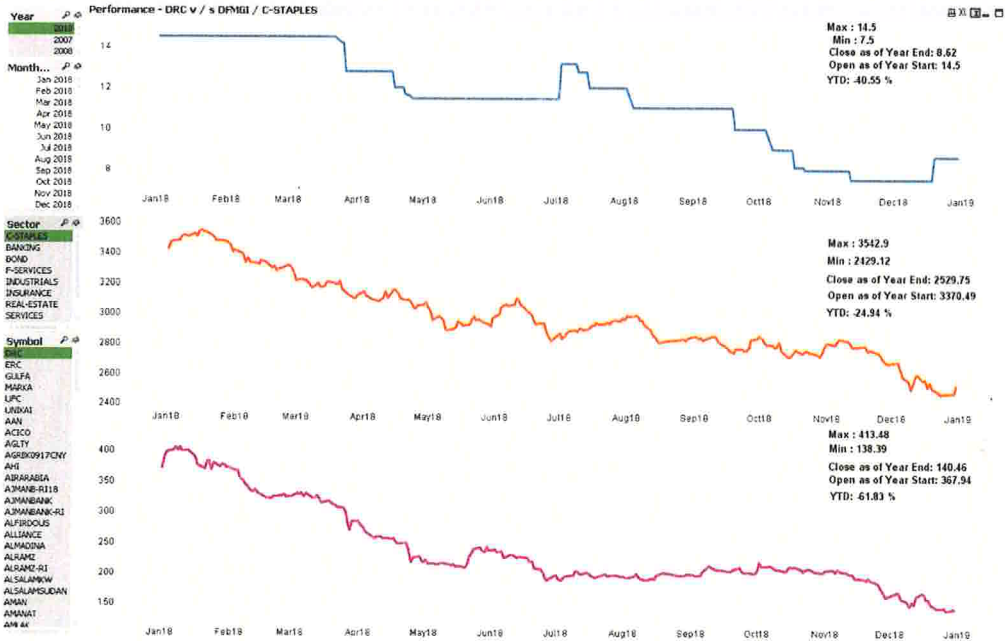
12. General Information

A) Statement indicating the rate of the Company's share (closing rate, Higher and Low rates) within the fiscal year of 2018 (Source: Dubai Financial Market)

MonthName الشهر	Month_High الشهر أعلى	Month_Low الشهر أقل	Month_Close الشهر إغلاق
Jan 2018	14.500	14.500	14.500
Feb 2018	14.500	14.500	14.500
Mar 2018	14.200	12.800	12.800
Apr 2018	12.500	11.500	11.500
May 2018	No Trading	No Trading	11.500
Jun 2018	No Trading	No Trading	11.500
Jul 2018	13.200	12.000	12.000
Aug 2018	11.050	11.050	11.050
Sep 2018	10.000	10.000	10.000
Oct 2018	11.500	7.660	8.000
Nov 2018	7.500	7.500	7.500
Dec 2018	8.620	7.500	8.620

B) Statement indicating the comparative performance of the Company's shares with the general market index and the index of the sector to which thye Company affilait (Source: Dubai Financial Market)





C) Statement of shares distribution as on December 31, 2018 (Last trading day the year) (Individuals –Companies –governments) classified as follows: Local, Gulf, Arab, Foreign (Source: Dubai Financial Market)

DRC shareholders structure By Client Type and Citizenship Category As on Settlement date 31/12/2018

No	Symbol Code	Client Type	Desc.	Citizen Cat.	Buy Trade Value	Buy Trade Volume	Buy Trade Count	Sell Trade Value	Sell Trade Volume	Sell Trade Count	Owned qty count as on: 31/12/2018	Owned NINs count as on: 31/12/2018	Symbol Total Qty count as on: 31/12/2018	Owned % Of Symbol	Price as on: 31/12/2018	Owning Value
1	DRC	C	Company	GCC							6,808	3	90,000,000	0.0076	8.620	58,684,960
2	DRC	C	Company	UAE							22,375,087	13	90,000,000	24.8612	8.620	192,873,249,940
3	DRC	I	Individual	GCC							1,847,052	5	90,000,000	2.0523	8.620	15,921,588,240
4	DRC	I	Individual	OTHERS							2,283	5	90,000,000	0.0025	8.620	19,679,460
5	DRC	I	Individual	UAE							61,765,770	144	90,000,000	68.6286	8.620	532,420,937,400
6	DRC	N	Institution (SOLE PROPERTY)	UAE							4,003,000	1	90,000,000	4.4478	8.620	34,505,860,000

Classification of the Shareholder	Percentage of the possessed shares			
	Individuals	Companies	Governmental	Total
Local	68.6286	29.3090	0	97.9376
GCC	2.0523	0.0076	0	2.0599
Foreign	0.0025	0	0	0.0025
Total	70.6834	29.3166	0	100





D) Statement indicating the shareholders possessing 5% or more of the Company's capital (Source: Dubai Financial Market):

Name	Number of shares possessed 28/12/2018	Percentage of share possessed out of the company's capital
Sheikh Ahmed bin Rashed Al Maktoum	17,999,550	19.9995
Mohamed & Obaid Al Mulla	8,963,550	9.9595
Jomaa Al Majid Abdullah Muhairi	4,785,500	5.3172

E) Statement of shares distribution pursuant volume as of December 31, 2018 (Last day of trading in the year) (Source: Dubai Financial Market)

Category	Number of Shareholders	Quantity of possessed shares	Percentage of Property out of the capital
Between 50, 0000 & 500, 0000	80	13,111,596	15%
Between 500, 0000 & 5, 000, 0000	26	49,077,192	55%
More than 5, 000, 0000	2	26,963,100	30%
Less than 50, 000	63	848,112	1%
Total	171	90,000,000	100.00%

F) In implementation of the SCA's decrees, the Company has complied with the requirements of such authority in this field including entire procedures since an e-mail was specified for the investors for any further correspondences to be sent to the and by the Company, while it is worth noting that the Director of Legal & company Secretary in The Company Mr. Karem Mahmoud was assigned to occupy the post of Investors relations affairs and any investor can contact the Company on karem.mahmoud@pepsidrc.ae or on investor@pepsidrc.ae or via phone: +97148025000, and they can check the link of the investors relations affairs via the following URL <http://www.pepsidrc.com/investors/index.htm>.

G) The General Assembly held its meeting for year of 2018 on March 22, 2018 at the Head office of the Company located at Dubai Investment Park, Dubai, and the below decrees were passed:

1. Approve and authenticate the report of the Board of Directors issued with regard to the activities and financial positions of the Company for the fiscal year terminating on December 31, 2017.





2. Approve and authenticate the auditors' report for the fiscal year terminating on December 31, 2017.
3. Approve the certification of the Company's budget and profit and loss account for the fiscal year terminating on December 31, 2017.
4. Approve the Board of Directors' proposal to distribute 70% of the Company's capital as cash profits with the value of AED 63,000,000.
5. Issuance of directors' and external auditors' release from any liability for their work performed for the financial year terminating on December 31, 2017 (AD).
6. Approve of the proposal to distribute the remuneration of the members of the Board of Directors in accordance with the provisions of the Commercial Companies Law as proposed by the Board of Directors.
7. Approve the reappointment of the Company's external auditors for year of 2018 and specify 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) The Board of directors has also appointed the Board secretary Mr. Karem Mahmoud since his appointment as Director of Legal in The Company in 03/10/2013 and he is responsible of both functions in addition to being Compliance officer in The Company. Mr. Karem has established experience in both legal function and regulatory affairs and compliance and is admitted as fully qualified lawyer at Beirut Bar Association in Lebanon.

I) The implementation of the excise tax in October 2017 followed by the VAT starting January 2018 have led to significant price increases on the Company's products, which have in turn led to a major contraction of the industry in the local market. Exports were also significantly impacted by extra cost related to extra documentation required to meet tax requirements. In addition to that, and during the third quarter of 2018, Dubai Refreshment P.J.S.C has filed two objections before the "Tax Dispute Settlement Committee" ("The Committee") in Dubai, UAE in accordance with the applicable laws and regulations of the tax procedures in the UAE. The objections are filed with regards of the assessment of the Federal Tax Authority's ("Authority") of excise duty of AED 17,077,872 and tax penalties of AED 20,838,003.84 levied by the Authority on the inventory of carbonated drinks held by the Company as at 1 October 2017. The Company has paid both the tax





assessment and the penalty, and awaits the Committee's decision and will update the markets whenever the Committee issues its verdict.

J) Since its establishment, the Company has committed itself to the community development policy of the Emirate of Dubai and the UAE where the Company operates. In terms of commitment to social responsibility of the Company or in terms of the development of the local human element through compliance with the UAE Labor Law and the laws, regulations, and circulars issued by the competent authorities for the purpose of employing the national youth who became capable of assuming the responsibilities entrusted to them to contribute to the management of the Company. The Company does hereby continue to promote this policy permanently especially at the time when the percentage of Emiratization within administrative positions (excluding the category of workers) reached 1.5% at the end of 2018.

K) Similar to its historical policy and practice, the Company has promoted in 2018 through its social and human responsibilities, the culture of creative initiatives through new innovative projects by which the Company will benefit by adding to benefiting the local community and the economy in general. The company has launched solar power project to generate electricity through solar power in cooperation with the competent departments in this field, where the works are in place at the current production facility in DIP and will be completed in first half of 2019.

The company is also continuing to positively interact with local communities by providing many in-kind contributions to the benefit of various community institutions and by providing many training opportunities for many university students in order to be able to enter the labor market armed with the required skills to contribute to the development and improvement of the system and society.

While 2018 presented with several challenges, the Company was capable of achieving reasonable financial results in 2018 due to the strategy set by the Board of directors and management. Moreover, the Company faced a fierce competitive situation along with a general slowdown of the market that has prevailed in the region in 2018. These challenges have been addressed through various initiatives including cost reduction program as well as introducing new product categories in the market to diversify the Company's revenues.

Mr. Ahmad Bin Eisa Alserkal
Chairman of Board of Director





Attachment 1
Company's structure

Dubai Refreshment Organization Chart

