



الدار العقارية ش.م.ع  
Aldar Properties PJSC  
P.O. Box 51133  
Abu Dhabi - UAE  
T: +971 2 810 5555  
F: +971 2 810 5550  
aldar.com



Aldar Properties PJSC

Corporate Governance Report  
for the year ended  
31 December 2019



Governance Report for the year ended 31 December 2019

Aldar Properties PJSC – Corporate Governance Report for the year ended on 31 December 2019

## Contents

1.	Governance Application in Aldar Properties .....	4
1.1	Governance elements related to the Board of Directors .....	5
1.2	Governance elements related to the Executive Management.....	5
1.3	Governance elements related to the Internal Control System.....	6
2.	Transactions and tradings of the Company's Directors and their direct relatives in the Company's Shares during 2019.....	6
3.	Board of Directors.....	7
3.1	Chairman.....	7
3.2	Competencies of the Board of Directors.....	8
3.3	Formation of the Board of Directors .....	9
3.4	Membership of the Directors in other companies and corporations.....	11
3.5	Female representation on the Board of Directors during 2019 .....	14
3.6	Orientation Programme .....	15
3.7	Eligibility to obtain an independent consultation.....	15
3.8	Remunerations of the Directors and allowances of attendance at the meetings of the Board and its Committees .....	15
3.9	Meetings of the Board of Directors.....	16
3.10	Resolutions passed by circulation .....	18
3.11	Business transactions with related parties.....	18
4.	Organisational structure and Executive Management.....	18
4.1	Organisational structure of the Company .....	18
4.2	Executive Management Team.....	19
4.3	Responsibilities and authorities of Executive Management Team.....	20
5.	External Auditor .....	23
6.	Board of Directors' Committees .....	24
6.1	Audit Committee.....	24
6.2	Nomination and Remuneration Committee.....	30
6.3	Executive Committee .....	32
7.	Insider Affairs Committee, and the policy of trades of insiders and Members of Board of Directors in the Company's Shares .....	34
7.1	Trading policy of insiders.....	34
7.2	Follow-up Committee of Insider Affairs and Trading in the Company's Share and Securities and its Duties .....	35
7.2.1	Insider Affairs and Trading Follow-p Committee.....	35
7.2.2	Duties and competencies of the Committee .....	35
7.1	Transactions and trading of the Members of the Board of Directors and their direct relatives in the Company's shares during 2019.....	36
8.	Internal Control System .....	37
8.1	Board of Directors' responsibility for the Internal Control System.....	37
8.2	Head of Internal Control Department .....	37
8.3	Compliance Officer.....	37
8.4	Company's Dealings with material issues or problems disclosed in the Annual Accounts and Reports.....	38



8.5	Reports issued by the Internal Control Department of the Company's Board of Directors.....	38
9.	Risk management .....	39
10.	Communication with shareholders .....	40
11.	Code of Business Conduct .....	41
12.	Employees disclosure mechanism.....	41
13.	Conflict of interests .....	41
14.	Violations committed by the Company during 2019 .....	42
15.	Company's social responsibility.....	42
16.	General information.....	45
16.1	The Company's share performance during 2019.....	45
16.2	Comparative performance of Aldar Properties' share price with the general market index and sector index during 2019 .....	46
16.3	Statement of Distribution of Shareholders' Ownership as of 31 December 2019 (Individuals – Companies - Governments), categorised as follows: (Local – Gulf – Arabic - Foreign) 46	
16.4	Overview of shareholders whose ownership percentage exceeds 5% of the Company's capital as of 31 December 2019 .....	47
16.5	Statement of Distribution of Shareholders according to their Ownership Percentage as of 31 December 2019 .....	47
16.6	Controls of investors relationships with the listed companies.....	47
16.7	Special decisions taken in the General Assembly meetings of shareholders during 2019, and actions taken in respect thereof.....	48
16.8	The Company Secretary and the date of appointment thereof .....	50
16.9	Material events experienced by the Company during 2019 .....	50
16.10	Emiratisation percentage in the Company for the years 2017, 2018 and 2019.....	54
16.11	Projects and innovative initiatives performed by the Company during 2019 .....	55



**Introduction:**

Aldar Properties PJSC (Aldar or the Company) is committed to adhere to the decision of the Chairman of the Securities and Commodities Authority No. (7/RM) of 2016 on the standards of corporate discipline and governance of public joint stock companies. The Company annually issues a Corporate Governance Report, which reflects the Company's keenness on the optimal and proper application of governance rules, and clearly demonstrates joint efforts and synergy among the Company's Board of Directors, Executive Management and employees.

The Board of Directors considers the existence of a strong governance system as one of the cornerstones of the Company's sustainable and long-term growth. The Board of Directors is committed to continuously enhancing the value of the Company for its shareholders, taking into account the interests of all stakeholders, including its employees, suppliers, customers, business partners, as well as the communities in which the Company operates.

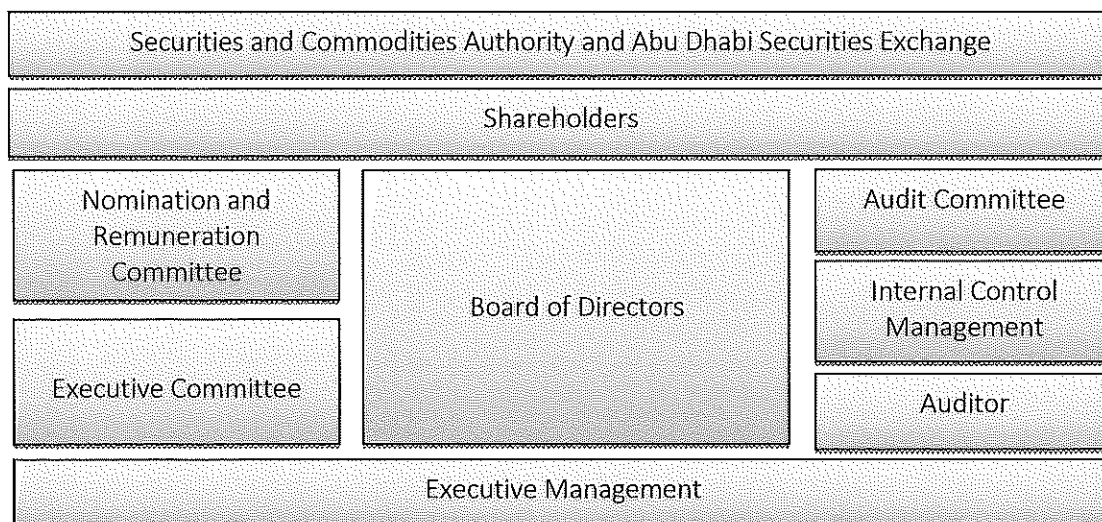
Shareholders represent the highest levels of governance and the Company's Articles of Association define the framework through which Aldar Properties PJSC shall operate as a public joint stock company. The Company's governance framework takes into consideration the application of the principles and standards set by both the Securities and Commodities Authority and Abu Dhabi Securities Exchange, as well as the Federal Law No. (20) of 2015 on commercial companies, as amended, in order to develop the Company's policy, requirements and aspirations.

**1. Governance Application in Aldar Properties**

The Board of Directors is accountable to the shareholders for ensuring that the Company's objectives are in line with shareholders' expectations and aspirations. They are also responsible for ensuring the effectiveness of the Company's management in managing the Company's businesses, with the emphasis that the Company's objectives are consistent with the legislative requirements and codes of professional conduct defined by both the Securities and Commodities Authority and Abu Dhabi Securities Exchange.

The first step in implementing an effective governance system was the preparation and development of the governance framework and ensuring its effective implementation. In the context of constant monitoring efforts to measure the effectiveness of the application of the governance system, the Board of Directors periodically reviews the governance framework and amends its elements (where necessary) to ensure its consistency with the regulatory controls and changing business environment.

The following diagram illustrates the governance framework and key elements resulting from the application of the Company's governance system:





As indicated above, the application of the governance system involves different levels, including: Board of Directors, Executive Management, and the Internal Control System.

The Board of Directors performs periodic reviews regarding the application of standards and systems of governance in the Company, taking into consideration the legal and regulatory requirements and controls of these systems, and the application of the highest international standards in this field. The following is an overview of the governance elements at the levels of Board of Directors, Executive Management, Internal Control System and Compliance Officer.

### 1.1 Governance elements related to the Board of Directors

Key elements of the governance of Company at Board level include a set of regulations that define the overall framework for the objectives, responsibilities and framework of the Board and its Committees, which elements include the following:

- Charter of the Board of Directors.
- Charter of the Audit Committee.
- Charter of the Nomination and Remuneration Committee.
- Charter of the Executive Committee.
- Code of Business Conduct.
- Table of Delegations of Authority. The Board of Directors has developed and implemented the Table of Delegations of Authority as one of the other important complementary elements. The Table of Delegations of Authority is a tool through which all Executive Management Members are delegated to perform their duties and tasks to the fullest extent, and which contributes to the creation of an organised working environment characterised by the optimal conduct of the works and activities exercised by the Company. To ensure the efficiency and effectiveness of the Table of Delegations of Authority, the Board of Directors periodically reviews and amends it according to the Company's business requirements. The last comprehensive review of the Table of Delegations of Authority was conducted by the Board of Directors at its meeting No. (05/2018) held on 14 May 2018.

### 1.2 Governance elements related to the Executive Management

The Executive Management shall implement the Company's strategy and conduct its day-to-day business in accordance with the business plan developed by the Board of Directors. The Executive Management shall have the authority to manage the affairs and business of the Company, taking into consideration the protection of the interests of shareholders, the application of the best international practices and meeting the needs of daily operations practically. In addition to the Table of Delegations of Authority, the key elements of governance at the Executive Management level include a set of regulations that define the overall framework for the objectives, responsibilities and tasks of the Executive Management as follows:

- Charter of the Management Committee.
- Charter of the Tender Committee.
- Charter of the Risk Management Committee.
- Code of Business Conduct.



### 1.3 Governance elements related to the Internal Control System

The Board of Directors of the Company has set the rules and regulations of the Company's business in such a way that makes all employees fully aware of the importance of the Internal Control System, contributing to their participation in ensuring the continuity of this system effectively.

The key elements of the Internal Control System include:

- Development and approval of policies, charters and regulations that regulate the Company's activities and works at all departmental and divisional levels.
- External auditor and the Internal Control Department.
- Shareholders of the Company and the General Assembly.
- Company's Social Responsibility.
- Whistleblower Policy.
- Continuous market disclosure.

### 2. Transactions and tradings of the Company's Directors and their direct relatives in the Company's Shares during 2019

The Board of Directors (along with all employees and insiders of the Company) firmly believes in the importance and necessity of compliance with rules and regulations controlling their transactions and tradings in the shares and securities of the Company. In addition to their timely declarations and disclosures based on the adoption of the principles of equal opportunities, they are also prohibited to use any undisclosed internal information for personal interest or to remove a harm that may affect them as a result of any undisclosed material information. This enhances the confidence of investors and shareholders, and encourages them to further consider and study the Company's projects and invest in its shares, assets, current and future projects.

Based on the foregoing, and in the light of the disclosures made by the Board of Directors, the following table shows the shares and securities owned by the Directors and their first-degree relatives (their spouses and children) in the Company's share capital as of 31 December 2019:

Name	Position / Relationship	Shares owned as of 31 December 2019 (Share)	Shares owned by first-degree relatives in the capital of the Company (Share)	Total Sales Transactions (Share)	Total Purchases Transactions (Share)
H.E.. Mohamed Khalifa Al Mubarak	Chairman of Board of Directors	1,275	-	-	-
Mr. Waleed Ahmed Salem Al	Vice-Chairman of	431,466	-	-	-



Moqarrab Al Mehairy	the Board				
Mr. Hamad Salem Mohammed Al-Amerii	Member	-	-	-	-
Mr. Mansour Mohamed Al Mulla	Member	100,000	-	-	-
Mrs. Mariam Saeed Ahmed Ghobash	Member	-	-	-	-
Mr. Ali Saeed Abdullah Sulayem Al Falasi	Member	211,580	314,560 (Relation "Wife")	-	-
Mr. Martin Lee Edelman	Member	-	-	-	-

### 3. Board of Directors

The role of the Board of Directors is to supervise the Company's business affairs. The Board of Directors is responsible for monitoring the effectiveness of the governance framework, controlling and supervising the management and controls applied in the Company. The Board has delegated some of its authorities to its Committees (Audit Committee, Nomination and Remuneration Committee, Executive Committee, as stated below), which operate according to their relevant charters and regulations.

The Board of Directors also delegated tasks of the day-to-day management of the Company to the Chief Executive Officer, in accordance with its specific authority in this regard, for a renewable three-year term. These mandates shall be documented in the Table of Delegations of Authority, which in turn is subject to periodic review to ensure balance and suitability between the level of control, risk management and dynamics of work requirements within the Company with regard to its developments, changes in its activities and operations. A comprehensive and material review was conducted to the Table of Delegations of Authority, which was approved by the Board of Directors at its meeting No. (05/2018) held on 14 May 2018. In addition, some partial amendments and revisions were conducted to the items on the Table of Delegations by the Board of Directors and its Executive Committee during the meetings held during 2019 according to the requirements and business interests of the Company.

#### 3.1 Chairman

H.E. Mohamed Khalifa Al Mubarak undertakes the position of Chairman of the Board of Directors of Aldar Properties PJSC according to the Board of Directors' decision at its meeting No. (02/2019) held on 20 March 2019, following the process of re-election and formation of the Board of Directors of the Company, and was in accordance with the decision issued by the shareholders in the General Assembly meeting that was held on 20 March 2019. The Chairman of the Board shall



be responsible for leading the Board and ensuring that he carries out his responsibilities and duties effectively, and the Chairman of the Board shall be considered a key link between the Board and the Executive Management. He continuously works with the Executive Management of the Company. In particular, the Chairman has the following tasks and responsibilities:

- Ensuring that the Board works effectively, fulfills its responsibilities and discusses all key and proper issues on time.
- Development and adoption of agendas of all meetings of the Board of Directors, taking into account any issues the Directors, Executive Management, Company Secretary, Compliance Officer or Director of Internal Control proposes to be included in the agenda. The Chairman has the authority to assign such responsibility to a particular Director or to the Company Secretary under his supervision.
- Encouraging all Directors to fully and effectively participate in order to ensure that the Board is managed in a manner that ensures the achievement of the Company's interests.
- Taking appropriate actions to ensure effective communication with shareholders and communicate their views to the Board of Directors.
- Facilitating the effective contribution of the Board's Non-Executive Directors, and creating constructive relationships between the executive and non-executive members.

### 3.2 Competencies of the Board of Directors

The Board set a list of matters under its control (in addition to the duties and responsibilities stipulated in the Company's Memorandum of Association, its Articles of Association, Federal Law No. (02) of 2015 concerning commercial companies, as amended, and the decision of the Chairman of Securities and Commodities Authority No. (7) of 2016 on standards of institutional discipline and governance of public joint stock companies), which are of a strategic nature and characterised by high sensitivity. At the same time, such matters exceed the limits of the power vested in the Executive Management of the Company.

Such matters include:

- Development and review of the Company's strategic policies and plans.
- Supervision and control of the Company's operations and following up the exercise by the Executive Management of the tasks vested in them.
- Enhancement of the Company's culture and core values as the ideal destination for job-seekers.
- Development and implementation of the necessary policies, procedures and controls of the Company.
- Adoption and follow-up of balance sheets, business plans and financial statements and policies.
- Monitoring the appropriateness and effectiveness of the risk management and governance framework of the Company.
- Approval of proposals for major investments and expenditure policies proposed by the Executive Management.
- Monitoring the appropriateness of the administrative resource policy to ensure the adequacy of such resources and the appropriateness of the administrative management plans, in coordination with the Nomination and Remuneration Committee in this regard.
- Providing timely and accurate information to shareholders and ensuring that the investors are generally able to trade in the Company's securities listed in the exchange





market, which is characterised by a high degree of efficiency, competitiveness, knowledgeability and transparency.

- Monitoring the process of nominating and appointing the Members of the Board of Directors in accordance with the Securities and Commodities Authority, in coordination with the Nomination and Remuneration Committee.
- Appointment or dismissal each of: Chief Executive Officer, Compliance Officer, Company Rapporteur, Director of Internal Audit Management.
- Providing recommendations to the Annual General Assembly on the appointment of the external auditor (upon a recommendation issued by the Audit Committee).

### 3.3 Formation of the Board of Directors

The Board of Directors of Aldar Properties currently includes seven Members, namely:

SN	Members	Position
1	H.E. Mohamed Khalifa Al Mubarak	Chairman of the Board of Directors
2	Mr. Waleed Ahmed Salem Al Moqarrab Al Mehairy	Vice-Chairman of the Board
3	Mr. Hamad Salem Mohammed Al-Ameri	Member
4	Mr. Mansour Mohamed Al Mulla	Member
5	Mrs. Mariam Saeed Ahmed Ghobash	Member
6	Mr. Ali Saeed Abdullah Sulayem Al Falasi	Member
7	Mr. Martin Lee Edelman	Member

**Notes:**

- The current Board of Directors assumed its duties and responsibilities in accordance with the decision issued by the General Assembly meeting of the Company held on 20 March 2019.
- The number of the Company's Directors has been reduced from nine members to seven members according to the decision issued by the shareholders of the Company in the General Assembly meeting held on 20 March 2019.
- Up to 20 March 2019, the Company's Board of Directors included nine members, namely: H.E. Mohamed Khalifa Al Mubarak, Chairman, and Mr. Abubaker Siddiq Al Khoori, First Vice-Chairman, and Mr. Waleed Ahmed Salem Al Muqarrab Al Mehairi, Second Vice-Chairman, and Mr. Hamad Salem Mohamed Al Ameri, Member, and Mr. Mansour Mohamed Al Mulla, Member, and Mr. Ahmed Khalifa Mohamed Al Mehairi, Member, and Mr. Ali Saeed Abdullah Sulayem Al Falasi, Member, and Mr. Mohamed Haji Al Khoori, Member, and Mr. Martin Lee Edelman, Member.
- H.E. Mohamed Khalifa Al Mubarak was elected as a Chairman by virtue of the Board of Directors' decision at its meeting No. (02/2019) held on 20 March 2019, by secret voting.
- During the Board of Directors' Meeting No. (02/2019) held on 20 March 2019, Mr. Waleed Ahmed Salem Al Moqarrab Al Mehairy was elected as the Vice-Chairman, and this was made, by secret voting.



In this regard, it should be noted that the membership of the Board of Directors consisted mostly of the independent members since the establishment of the Company according to the decision of the Chairman of Securities and Commodities Authority No. (7) of 2016 on standards of institutional discipline and governance of public joint stock companies, and the Charter of the Board of Directors approved by the Board of Directors.

All Members of the Board are independent. The Board has adopted a policy on the independency of Members, under which the independence of each Member is assessed annually, which falls under the responsibilities of the Nomination and Remuneration Committee, according to the decision of the Chairman of the Securities and Commodities Authority No. (7/RM) of 2016 on standards of institutional discipline and governance of public joint stock companies. Accordingly, the conflict of interests and the emergence of relationships that may arise on independent members, which may lead to a breach of independency, shall be reported and the relevant procedures shall be taken into account if the Board finds any defect or a decline in the capacity of independency.

The following table shows the classification of the Board's Member (executive / non-executive / independent / non-independent) and year of appointment for each Member:

Members	Position	Status		Year of Appointment
		Independent	Executive	
H.E. Mohamed Khalifa Al Mubarak	Chairman of Board of Directors	Yes	No	2017
Mr. Waleed Ahmed Salem Al Moqarrab Al Mehairy	Vice-Chairman of the Board	Yes	No	2016
Mr. Hamad Salem Mohammed Al-Ameri	Member	Yes	No	2015
Mr. Mansour Mohamed Al Mulla	Member	Yes	No	2011
Mrs. Mariam Saeed Ahmed Ghobash	Member	Yes	No	2019
Mr. Ali Saeed Abdullah Sulayem Al Falasi	Member	Yes	No	2013
Mr. Martin Lee Edelman	Member	Yes	No	2011
<b>Notes:</b>				
<ul style="list-style-type: none"> <li>H.E. Mohamed Khalifa Al Mubarak was elected as a Chairman by the Board of Directors at its meeting No. (02/2019) held on 20 March 2019.</li> <li>Mr. Waleed Ahmed Salem Al Moqarrab Al Mehairy was elected as a Vice-Chairman by the Board of Directors at its meeting No. (02/2019) held on 20 March 2019.</li> </ul>				



### 3.4 Membership of the Directors in other companies and corporations

The following table shows the membership of the Board's Members in other public bodies and companies, and their current positions in the supervisory, governmental, economic and commercial bodies, as of 31 December 2019:

Member	Company / Body	Position
H.E. Mohamed Khalifa Al Mubarak (Chairman)	Executive Council of Abu Dhabi	Member of the Executive Council
	Department of Culture & Tourism – Abu Dhabi	Chairman
	Miral Properties Assets Management L.L.C.	Chairman
	Tourism Development & Investment Company	Chairman
	Etihad Airways Group	Member of the Board of Directors
	Image Nation Company	Chairman
	Al Qattara Investment Company	Member of the Board of Directors
	Media Zone Authority	Member of the Board of Directors
Mr. Waleed Ahmed Salem Al Moqarrab Al Mehairy (Vice-Chairman of the Board)	Al Jazeera Investment & Real Estate Development Co.	Member of the Board of Directors
	Mubadala Investment Company P.J.S.C	Group's Deputy Chief Executive Officer and Chief Executive Officer of the Alternative Sector Investments & Infrastructure Sector
	Waha Capital Company PJSC	Chairman of the Board of Directors
	Cleveland Clinic Hospital – Abu Dhabi	Chairman
	Cleveland Clinic Hospital – USA	Member of the Board of Trustees
	Abu Dhabi Global Market	Member of the Board of Directors
	Mubadala Petroleum	Member of the Board of Directors
	Tamouh Investments Company L.L.C.	Member of the Board of Directors
	Investcorp Bank	Member of the Board of Directors
Tamkeen Abu Dhabi Company	Member of the Board of Directors	
Mr. Hamad Salem Mohamed Al	Emirates Investment Authority	Member of the Board of Directors
	Trojan Holding	Vice-Chairman and



## Corporate Governance Report for 2019

Member	Company / Body	Position
Ameri (Member)		Managing Director
	International Holdings Company P.J.S.C	Member of the Board of Directors
	Mina Holding Company L.L.C.	Member of the Board of Directors
	Tamouh Investments Company L.L.C.	Member of the Board of Directors
	Royal Development Company L.L.C.	Member of the Board of Directors
	Eltizam Asset Management Group L.L.C.	Member of the Board of Directors
	Al Reem Building Materials Co. L.L.C.	Member of the Board of Directors
	Al-Jazeera Technical Solutions Investment Co. L.L.C.	Member of the Board of Directors
Mr. Mansour Mohamed Al Mulla (Member)	Mubadala Investment Company P.J.S.C	Chief Financial Officer of Petroleum & Petrochemicals Sector
	OMV Company	Member of the Board of Directors
	Mubadala Petroleum Company LLC	Member of the Board of Directors
	Gulf Energy Maritime (GEM) P.S.C.	Member of the Board of Directors
Mrs. Mariam Saeed Ahmed Ghobash (Member)	Abu Dhabi Investment Council	Director in the Global Special Opportunities Department
	Abu Dhabi Invest Company "Invest AD"	Vice-Chairman of the Board
	Emirates Telecommunications Corporation PSC "Etisalat"	Member of the Board of Directors
	Emirates Development Bank	Member of the Board of Directors
	Zayed University	Member of the University Council
Mr. Ali Saeed Abdullah Sulayem Al Falasi (Member)	Risco L.L.C	Member of the Board of Directors
	Hydra Properties L.L.C.	Chief Executive Officer
	Royal Group	Member of the Audit Committee
Mr. Martin Lee Edelman (Member)	Mubadala Investment Company PJSC	Adviser
<b>Note:</b>		
<ul style="list-style-type: none"> <li>This information is based on the disclosures made by the Board's Members as on 31 December 2019.</li> </ul>		



According to the Charter of the Board of Directors, all Members have vast experiences in business and management, particularly in the real estate sector. The following table shows the educational qualifications and experiences of the Board's Members:

Members	Educational Qualifications	Experience period in the field of business and management (in years)	Experience Field						
			Real Estate and Constructions	Oil, Energy and Facilities	Banks, Finance and Insurance	Telecommunications	Government and nonprofit, public and other organizations	Healthcare and Pharmaceutical Industries	Media
H.E. Mohamed Khalifa Al Mubarak	- Dual specialisation in economics and political science from North Eastern University, USA.	12+	✓		✓		✓		✓
Mr. Waleed Ahmed Salem Al Moqarrab Al Mehairy	- Master of Public Policy with a specialisation in Business Administration and Government from Harvard University, USA. - Bachelor of Science in International Affairs from Georgetown University, USA.	18+	✓	✓	✓	✓	✓	✓	
Mr. Hamad Salem Mohamed Al Ameri	- MBA from the Canadian University. - Bachelor of Civil Engineering from the American University in Dubai (AUD).	15+	✓	✓	✓		✓		



### 3.6 Orientation Programme

The new Directors are subject to an orientation programme, during which their rights, duties and responsibilities are defined as Directors. The new Directors joined this orientation programme, which aims to obtain comprehensive information from the management and to conduct field visits to the Company's sites. In addition, the Company has provided all tools and means of communication that would provide the Directors with comprehensive information regarding the Company and its activities, so that the Directors can properly perform their responsibilities, as well as provide them with the latest developments communicated by the Executive Management during the Board's meetings. The Directors also receive periodic information from specialists inside and outside the Company regarding major business, sector developments and core issues associated with their functions as Directors.

### 3.7 Eligibility to obtain an independent consultation

According to the Charter of the Board of Directors, each Director shall be entitled to seek an independent external consultation based on non-conflict of interests after consultation with the Board or its Committees. The cost of such external consultations shall be borne by the Company as determined by the Board or its Committees.

### 3.8 Remunerations of the Directors and allowances of attendance at the meetings of the Board and its Committees

Article (28) of the Articles of Association of Aldar Properties provides that:

"The remunerations of the Directors shall be a percentage of the net profit of the Company, provided that it shall not exceed 10% of such profits for the fiscal year. The Company may pay additional expenses, fees or remunerations or monthly salary determined by the Board of Directors to any of its Members if such Member works in any Committee, makes special efforts or performs additional works to serve the Company above his normal duties as a Directors.

Fines imposed on the Company due to violations by the Board of Directors of the Law or the Company's Articles of Association during the ended fiscal year shall be deducted from the remunerations of the Board. The General Assembly shall be entitled not to deduct such fines if it knew that such fines were imposed not due to default or omission by the Board of Directors."

Article (48) of the Articles of Association defines the distribution method of net profits. The net annual profits of the Company are distributed after deduction of all general expenses and other costs as follows:

- Ten percent (10%) shall be deducted and allocated to the legal reserve. This deduction shall be stopped when the total reserve amounts to 50% of the Company's paid-up capital. If the reserve decreased, the deduction shall be resumed. The legal reserve may not be distributed to the shareholders. If the reserve exceeded 50% of the Company's paid-up capital, such excess may be used to distribute profits to the shareholders in the years when the Company does not achieve net profits enough for distribution.



## Corporate Governance Report for 2019

- The General Assembly shall determine the percentage of the net profit to be distributed to the shareholders after deduction of the legal reserve, provided that if the net profits in a year are not enough for distribution, such profits may not be claimed from profits of subsequent years.
- The Directors shall receive a remuneration to be determined by the General Assembly annually, provided that such remunerations shall not exceed 10% of the net profit of the financial year ended after deducting both depreciation and legal reserve.
- The remainder of the net profit or any part thereof shall be distributed to the shareholders, carried out to the next year or allocated for the establishment of an optional reserve as determined by the Board.
- The Company may distribute annual, semi-annual or quarterly profits to the shareholders in accordance with the policy and/or decisions of profit distributions proposed by the Board of Directors and approved by the General Assembly.

- **Total remuneration of the members of the Board of Directors for the year 2018**

Based on the decision issued by the General Assembly of the Company at its meeting held on 20 March 2019, the total remuneration received by the Members of the Company's Board of Directors for the fiscal year ending 31 December 2018 amounted to AED 16,075,000.00 million. This amount includes the fees for attending the meetings of the Committees emanating from the Board of Directors during the year 2018 as per the detail which was disclosed in the Corporate Governance Report of Aldar Properties PJSC for the year 2018.

- **Total proposed remunerations of the Directors for 2019.**

It has yet to be determined and a recommendation has not been issued, and it will be disclosed and the report updated as soon as a decision is issued by the General Assembly at its meeting in March 2020.

- **Allowances of attendance at the meetings of the Board and its Committees for 2019**

It has not been determined yet and no recommendation has been issued in respect thereof, and it will be disclosed and the report updated as soon as a decision is issued regarding it by the General Assembly at its meeting intended to be held in March 2020.

- **Allowances, salaries or additional fees that a member of the Board has received other than the Committees' attendance allowances and their reasons during the year 2019.**

The Board of Directors did not receive any additional allowances or salaries during the year 2019.

### 3.9 Meetings of the Board of Directors

The Board held five (5) meetings during 2019 to discuss strategic and operational matters related to the Company and to take the necessary decisions thereon. The following table shows the dates of these meetings:



Meeting	Date
01/2019	13 February 2019
02/2019	20 March 2019
03/2019	13 May 2019
04/2019	7 August 2019
05/2019	11 November 2019

Note:

- In addition to the Board's meetings, the Executive Committee held five (5) meetings during 2019 to discuss strategic and operational matters and to submit recommendation thereon to the Board (See clause 6.3 for more information on the Executive Committee). In addition, some decisions were passed by the Board by circulation (see clause 3.10 which explains that).

Attendance of the above-mentioned meetings was as follows:

Director	Meeting 01/2019	Meeting 02/2019	Meeting 03/2019	Meeting 04/2019	Meeting 05/2019	No. of personal attendances
H. E. Mohamed Khalifa Al Mubarak	✓	✓	✓	✓	✓	5
Mr. Waleed Ahmed Salem Al Moqarrab Al Mehairy	✓	-	✓	-	✓	3
Mr. Hamad Salem Mohammed Al-Ameri	✓	✓	✓	✓	✓	5
Mr. Mansour Mohamed Al Mulla	✓	✓	-	✓	✓	4
Mrs. Mariam Saeed Ahmed Ghobash		✓	✓	✓	✓	4
Mr. Ali Saeed Abdullah Al Falasi	✓	✓	✓	✓	✓	5
Mr. Martin Lee Edelman	✓	✓	✓	✓	✓	5

Notes:

- Mr. Abu Baker Siddiq Al-Khoury attended the Company's Board of Directors meeting No. (01/2019) during his tenure as a member of the Company's Board of Directors.
- Mrs. Mariam Saeed Ahmed Ghobash did not attend the Company's Board meeting No. (01/2019), as she was not a Member of the Company's Board of Directors at that time, as she joined the Company's Board of Directors based on the decision issued by the Company's shareholders in the General Assembly meeting which was held on 20 March 2019.
- All apologies for attendance submitted by the Directors for some meetings are considered and taken into account at the beginning of each meeting according to the Company's Memorandum of Association and Articles of Association, and in line with the applicable laws and regulations in this regard.
- The attendance of the Directors at these meetings is represented by their personal attendance.





### 3.10 Resolutions passed by circulation

During 2019, the Board of Directors passed four (4) resolutions by circulation, taking into consideration the relevant controls stipulated in Article (24) of the Company's Articles of Association and the decision of the Chairman of the Securities and Commodities Authority No. (7/RM) of 2016 on standards of institutional discipline and governance of public joint stock companies, where:

- The majority of the Board of Directors agreed that the cases for which the resolutions were passed are considered emergency.
- The Directors have been given the resolutions in writing, with all necessary documents, for review and approval.
- The resolutions passed by the Board were approved in writing by majority, and were presented at the next meeting of the Board to be included in the minutes of such meeting.
- The passed resolutions by circulation shall not be considered as a meeting of the Board of Directors. Therefore, the minimum number of the Board's meetings specified in the Company's Articles of Associations has been complied with (see clause 3.9 which explains that).

### 3.11 Business transactions with related parties

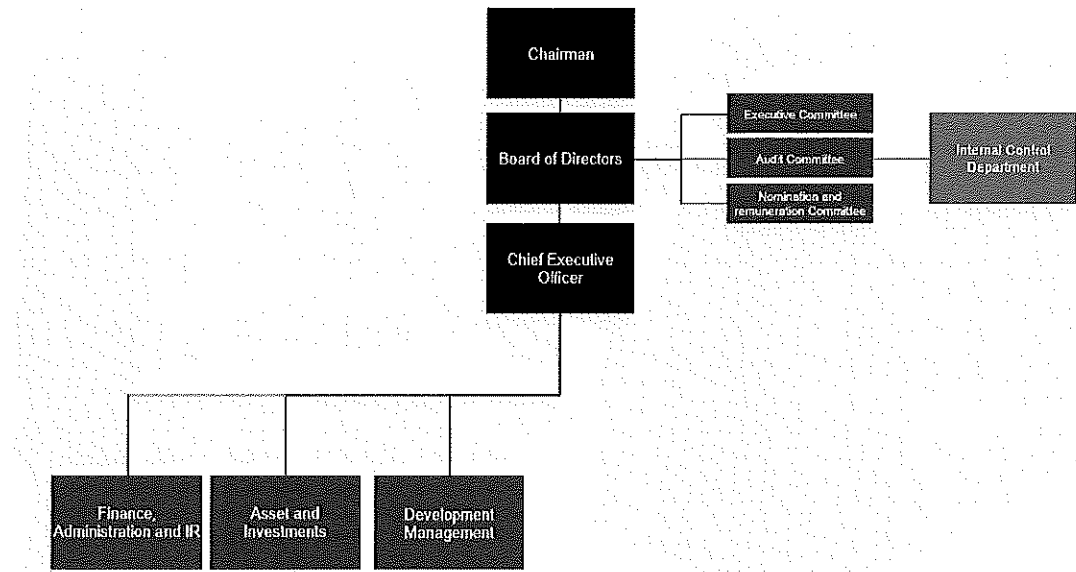
The following table shows the transactions done with related parties during 2019:

Related party	Nature (type) of the transaction	Transaction value (in AED thousand)
The Government of Abu Dhabi	Revenue	1,770,831
A main shareholder	Revenue	45,786
	Finance Income	8,982
Financing projects and Joint Ventures	Finance Income	7,553
Banks Controlled by THE Government of Abu Dhabi & Major shareholder	Interest Income	36,530
	Interest Costs	176,910

## 4. Organisational structure and Executive Management

### 4.1 Organisational structure of the Company

Since its inception, Aldar Properties has been developing and implementing an efficient and effective organisational structure at all departmental and divisional levels in order to ensure a high level of coordination and management interaction, and to ensure a high level of disclosure, transparency and interaction with markets, which is reviewed continuously by the relevant Committee. The following diagram represents the Company's organisational structure:



#### 4.2 Executive Management Team

The Executive Management Team (which includes the Chief Executive Officer and Executive Officers of its departments and divisions) work according to their authorities specified by the Board of Directors, and within the approved strategic plan. They are responsible for managing the day-to-day operations of the Company and key business issues, in line with the strategic plan framework of the Company. The Chief Executive Officer periodically meets with the Executive Management Team directly. It should be noted that in the absence of the Chief Executive Officer for any reason, the Management Committee shall followup all operations and activities of the Company, as this Committee holds its meetings weekly.

The following table shows the Members of the Executive Management Team, and their appointment dates, salaries and remunerations received during 2019:

Position	Date of appointment	Total salaries and allowances during 2019 (in AED)	Remunerations during 2019 (in AED) (A)	Any other remunerations in cash for 2019 or will be payable in the future (B)
Chief Executive Officer	15 April 2006 (C)	2,712,564.00	TBD	TBD
Deputy Chief Executive Officer	27 June 2013 (D)	1,072,152.00 (E)	TBD	TBD
Chief Financial Officer	1 November 2011	2,216,316.00	TBD	TBD
Chief Investment Officer	17 April 2016	1,934,964.00	TBD	TBD



**Notes:**

- (A) The remunerations of the Executive Management Team for the year 2019 have not yet been determined, as this report will be updated and republished immediately after determining and deciding such remunerations.
- (B) The other remunerations (in kind or cash) for the members of the Executive Management Team for the year 2019, or which are due in the future, have not been identified, as they will be disclosed and the report will be updated as soon as a decision is issued in respect thereof.
- (C) The Chief Executive Officer occupied his position on 12 November 2017 according to the Board of Directors' decision at its meeting No. (06/2017) held on 12 November 2017, as he was the Chief Development Officer of the Company until that date.
- (D) The Deputy Chief Executive Officer occupied his position on 28 January 2018 according to the Board of Directors' decision at its meeting No. (01/2018) held on 28 January 2018, as he was the Chief Operations Executive Officer with the Company until that date.
- (E) The Deputy Chief Executive Officer continued to hold his position with the Company until he submitted his resignation from this position as from 30 June 2019.
- (F) The position of the Chief Development Management Officer remained through the year 2019.

#### **4.3 Responsibilities and authorities of Executive Management Team**

The Chief Executive Officer has the authority to act within the framework of the operational plan and the budget of operating income and expenses discussed and approved by the Board, according to the authorities granted thereto under the Table of Delegations of Authority. The Chief Executive Officer may delegate some of his duties to the Executive Management Team, according to the current policies of the Board, Table of Delegations of Authority and legal requirements which determines the powers of such delegation. The validity of responsibilities and duties vested in the Chief Executive Officer is three (3) renewable years.

Following are the duties and responsibilities assigned by the Board of Directors to the Chief Executive Officer and the members of the Executive Management Team:

##### **A. Leadership, business strategy and management**

- Providing integrated management of the Company, including the provision of adequate and comprehensive information about the Company to customers, suppliers, shareholders, financial institutions, employees and media.
- Development of the Company's projects and operations, taking into account the responsibilities of the Company towards its shareholders, customers and employees.
- Putting recommendations to the Board of Directors on the development of performance strategies, operations and day-to-day management.



## Corporate Governance Report for 2019

- Management of the Company in line with the strategies, business plans and policies approved by the Board of Directors.
- Management of operations and daily affairs, taking into consideration the matters on which the Board of Directors reserves the right to decide.
- Ensuring coordination and integration between the Company's divisions and departments, and establishment of institutional culture, Code of Business Conduct, and integrity in the Company, including the matters related to its bids, contracts and other practices.
- Periodic review of the organisational structure of the Company, and making the necessary amendments in this regard.
- Directing the Members of the Executive Management in their daily management tasks, and supervising their performance.
- Consulting the Board of Directors in matters of strategic or sensitive nature, or which are essential matters, to draw the Board's attention to it and take the necessary decisions.

### **B. Risk management and internal control**

- Ensuring compliance by the employees with the Code of Business Conduct.
- Risk management.
- Effective application and management of all essential aspects of risk management, internal control and compliance, to support policies adopted by the Board of Directors.
- Compliance with the legislative and legal requirements of the Securities and Commodities Authority, Abu Dhabi Securities Exchange, and Federal Law No. (02) of 2015 on commercial companies, as amended.

### **C. Financial supervision and assets management**

- Studying the efficiency and cost effectiveness of all operations of the Company.
- Ensuring the integrity of data, records and financial system.
- Protecting funds and assets managed by the Company, and ensuring the efficient utilisation thereof.
- Ensuring the credibility, accuracy and reliability of financial and administrative information related to the Company's activity.
- Development of annual Financial Statement for approval by the Board of Directors.
- Ensuring that the financial reports of the Company reflect a true and fair financial position of the Company and the results of its businesses and operations.



- Verification of all investments and major expenditure of the Company's capital, and development of appropriate proposals and recommendations thereon and submission thereof to the Audit Committee, the Executive Committee and/or the Board of Directors for approval.

In addition, the Board of Directors instructed to form a number of Management Committees, which include a number of Members of the Executive Management Team. The Board has delegated to them a set of authorities and powers that will support and enhance the Executive Management functions, which positively reflect on the daily activities and operations of the Company. Each of these Committees shall be subject to a special charter specifying their members and the way of their appointment, their powers, responsibilities, function, the mechanism of action, reporting and periodic performance assessment, etc. Such charters are periodically reviewed by the Board of Directors to ensure the efficiency and effectiveness of these Committees. The Board of Directors conducted a comprehensive review of all the charters of these Committees at its meeting No. (07/2018) held on 14 November 2018. These Committees are as follows:

- **Management Committee**: chaired by the Chief Executive Officer, and includes in its membership a number of the Members of Executive Management Team. The meetings of the Committee are held on a weekly basis and when necessary. This Committee specialises in ensuring that the Company's practices, business and operational activities comply with the charters and policies adopted by the Board of Directors, and that they are exercised and carried out in a manner that ensures the interest of the related parties, including customers, shareholders, investors, suppliers, employees, etc. In addition, it reviews and follows up the performance of various divisions, ensures the achievement of key performance indicators and issues the necessary recommendations to the Board and/or its Committees, where necessary with regard to the framework of governance, Table of Delegations of Authority, policies and procedures of the Company, work plan, the Company's vision, values, objectives, strategy, initiatives and key performance indicators, business environment plans, as well as the Company's needs of human resources and privileges, allowances and incentives granted thereto, in addition to the investment control process adopted by the Company and issues, recommendations and opportunities related thereto, acquisitions and available investment opportunities, matters related to the subsidiaries and joint projects, and other competencies delegated to the Committee from time to time as per the business requirements.
- **Tenders Committee**: It is divided into two Committees as follows:
  - **Tenders Committee (A)**: chaired by the Chief Executive Officer, and includes in its membership a number of the Members of the Executive Management Team. The meetings of the Committee are held on a weekly basis and when necessary.
  - **Tender Committee (B)** is chaired by the General Legal Counsel, and it includes in its membership a number of the Executive Management Team of the Company, and the Committee holds its membership number of its meetings on a weekly basis and when necessary

This Committee specialises in following up and considering the activities and practices related to contracts and purchase management and lists of service providers and bidders, making the



necessary recommendations regarding the awarding of tenders and commissioning works related to the management of development projects, management of assets and contracts, according to the limits, controls and standards established in the Table of Delegations of Authority, and other competencies delegated to the Committee from time to time as per the business requirements.

- **Investment Committee:** chaired by the Chief Executive Officer and includes in its membership a number of the Members of the Executive Management Team. The meetings of the Committee are held on a weekly basis and when necessary. This committee specialises in the review, approval and/or recommendation (according to the Table of Delegations of Authority) on issues related to the investment control, opportunities and strategic investments of the Company, liquidity issues, and other competencies delegated to the Committee from time to time as per the business requirements.
- **Risk Management Committee:** chaired by the Chief Executive Officer, and it includes in its membership a number of the Members of Executive Management Team. The meetings of the Committee are held quarterly and when necessary (see clause 9.0 of this Report for more information on this Committee).

Members of these Committees acknowledge such Committees' responsibilities for their responsibilities in the Company, and for reviewing their work mechanisms and ensuring their effectiveness.

## 5. External Auditor

Deloitte & Touche was appointed as an external auditor of Aldar Properties for the fiscal year ending 31 December 2019 under a decision issued by the Ordinary General Assembly of the Company at its meeting held on 20 March 2019. Deloitte & Touche is considered as one of the leading external audit firms with extensive experience in the field of audit. It is accredited by the Ministry of Economy and operates independently from the Board of Directors and the Executive Management of the Company. Deloitte & Touche has offices in Abu Dhabi, Dubai, Sharjah, Ras Al Khaimah and Fujairah.

The following table shows the services provided by the external auditor during 2019 and the fees charged for these services:

Name of audit firm	Deloitte & Touche	
Name of partner auditor	George Najim	
Number of years spent as an external auditor of the Company	One year	
Total audit fees for the financial statements for the year ended on 31 December 2019 (In AED)	894,000	
Other services provided by the external auditor during 2019 and fees charged therefore		
Service	Details and nature of the service	Amount (in AED)
Other Advisory Works	Other Financial Statements Audit	415,000
Other Audit Works	Agreed Upon Procedures & Advisory Services	822,638
Total		1,237,638



## Corporate Governance Report for 2019

In addition, during 2019, Aldar Properties received financial and accounting consultation services as follows:

	Company	Details and nature of the service	Amount (in AED)
1	Ernst & Young	Consulting and Advisory Services	728,737
2	UBS	Financial Advisor	3,858,750
3	Knight Frank UAE	Market Study & Consultancy Services	504,222
4	Ardent Advisory & Accounting LLC	Professional Consultancy Services	775,000
5	JLL	Valuation Advisory Services	460,000
6	CBRE	Valuation Advisory Services	490,000
7	PWC	Hospitality Market Assessment and Property Portfolio Review & VAT Audit Services	615,700
Total			7,432,409

The Company's auditor did not submit any reservations regarding the interim and/or annual financial statements of the Company during 2019.

### 6. Board of Directors' Committees

The Board of Directors has formed three (3) Committees to contribute to the implementation of its functions, and has delegated powers and responsibilities to them to ensure the implementation of its decisions. The following are the Board of Directors' Committees:

- Audit Committee.
- Nomination and Remuneration Committee.
- Executive Committee.

Each Committee has a charter defining its objectives, responsibilities, structure, framework and reporting mechanism. The charters of these Committees are periodically reviewed to be updated and amended to ensure the efficiency and effectiveness of these Committees. The Board restructured all Committees to ensure the compatibility and harmony of their functions and responsibilities with the decision of the Chairman of the Securities and Commodities Authority No. (7/RM) of 2016 on the standards of corporate discipline and governance of public joint stock companies. In addition, the Board restructured these Committees at its meeting No. (02/2019) held on 20 March 2019, following the Board of Directors election process by the Shareholders at the General Assembly meeting held on 20 March 2019.

#### 6.1 Audit Committee

Mr. Mansour Muhammad Al-Mulla, Chairman of the Audit Committee, acknowledges his responsibility for the Committee's system in the Company, his review of its work mechanism, and ensuring its effectiveness.

The Audit Committee contributes to the performance by the Board of Directors of the responsibilities imposed by the Company's governance with respect to risk management, Internal



Control Systems, accounting policies, financial reporting and internal and external audits. The Audit Committee ensures that the main objectives of the Company are achieved effectively and efficiently, within a tight framework of internal controls, risk management and governance.

The Audit Committee consists of three non-executive independent members. The charter of the Audit Committee requires that all members of the Committee shall be familiar with financial aspects, and at least one of its members shall have experience in accounting and finance. On the other hand, the Chairman of the Committee shall hold periodic meetings with the Executive Management and the Director of Internal Control Department to ensure that the members of the Committee are informed of the main issues. The Committee shall also meet with the external auditor, without the presence of the Members of the Executive Management, as the Committee deems appropriate.

The following are the members of the Audit Committee:

Audit Committee members	Position
Mr. Mansour Mohamed Al Mulla	Chairman of the Committee
Mr. Ali Saeed Abdullah Sulayem Al Falasi	Member
Mr. Hamad Salem Mohamed Al Ameri	Member

Notes:

- The Audit Committee was restructured pursuant to the decision issued by the Board of Directors at its meeting No. (02/2019) held on 20 March 2019.
- Mr. Mansour Mohamed Al Mulla was elected as Chairman of the Audit Committee pursuant to the decision of the Audit Committee at its meeting No. (03/2019) held on 7 August 2019.
- Up to 20 March 2019, the Audit Committee consisted of the following: Mr. Mansour Mohammed Al Mulla as Chairman of the Committee, Mr. Ali Saeed Al Falasi, Member and Mr. Ahmed Khalifa Al-Muhairi, Member.

The Audit Committee's Charter defines the responsibilities of the Audit Committee as follows:

**A) Financial reports**

- Considering any significant and unusual items that are or should be included in the annual, semi-annual and quarterly financial reports and statements, paying due attention thereto, discussing them with the Executive Management and the external auditor, and making recommendations thereon to the Board of Directors for approval.
- Ensuring a mechanism of continuous disclosure to the Securities and Commodities Authority and Abu Dhabi Securities Exchange.
- Ensuring the integrity of the Company's financial statements and reports (annual, semi-annual and quarterly), reviewing them as part of their normal work during the year and focusing on:
  - Any changes in accounting policies and practices.
  - Highlighting aspects which are subject to the management's discretion.





## Corporate Governance Report for 2019

- Significant amendments resulting from the audit.
- Presumption of business continuity.
- Compliance with accounting standards established by the Securities and Commodities Authority and Abu Dhabi Securities Exchange.
- Compliance with rules of incorporation, disclosure and other legal requirements related to financial reporting.

### **B) Company's governance**

- Supervising and controlling the internal application of the governance framework and ensuring full compliance with the relevant legal and legislative systems.
- Regular periodic review of the Company's management compliance with the governance framework approved and adopted by the Company's Board of Directors.
- Review of the Corporate Governance Report sent annually to the Securities and Commodities Authority and Abu Dhabi Securities Exchange, and making recommendations to the Board of Directors in this regard.

### **C) Internal Control System and risk management**

- Appointment of any external party to perform internal audit functions according to the business requirements, determining their fees, considering their resignation and termination applications.
- Periodic review of the Company's Internal Control Systems, to assess their efficiency and effectiveness.
- Discussing the Internal Control System with the Executive Management, evaluating its effectiveness and efficiency in performing its mission and tasks in a manner that contributes to the development of the Internal Control Systems of the Company.
- Discussing and reviewing the policies and procedures of the Company with its Executive Management, to ensure performing its mission effectively, in a manner that contributes to the development of such policies and procedures.
- Monitoring and following up the implementation of risk management framework and Internal Control Systems according to its policy and working strategies, follow-up and evaluation of efficiency and effectiveness of such policies and strategies by auditing the records and databases, network security and control systems of the operational and strategic units of such departments.
- Studying the results of the key audits on internal control issues (including fraud cases within the Company) previously assigned by the Board of Directors or through an initiative by the Committee upon the approval of the Board.



**D) External auditor**

- Development and application of the external auditor appointment policy, submission of the report and recommendations to the Board of Directors identifying issues on which it considers necessary to take actions and making recommendations on the steps to be taken.
- Coordinating with the Company's Board of Directors, the Executive Management and the Chief Financial Officer in order to perform its duties. The Committee shall meet with the external auditor at least once a year.
- Discussing the nature, scope and effectiveness of audits, taking into account their compliance with the approved auditing standards.
- Monitoring and following up the independency and objectivity of the external auditor and discussing the nature and scope of audits and its effectiveness according to the approved auditing standards.
- Discussing with the external auditor on the appropriateness of the accounting policies applied in the financial statements.
- Reviewing the performance of the external auditor and making recommendations to the Board of Directors in this regard.
- Reviewing the external auditor's mission and work plan and any essential questions raised by the auditor to the Board of Directors or the Executive Management on the accounting records, financial accounts or control systems, and ensuring that they have been reviewed and discussed, that the necessary actions were taken thereon, and that responses were timely provided thereon.
- Discussing any problems that the external auditor may face during his audit, including restrictions that may limit the scope of work or obtaining information needed to complete the work.
- Ensuring coordination between internal and external auditors, availability of resources necessary to manage internal control, and review and control of the efficiency of such management.

**E) Internal Control Department**

- Reviewing the activities, resources and organisational structure of the Internal Control Department, reviewing the framework of the Internal Control Department, reviewing and approving annual audit plan.
- Considering the process of selecting and appointing the Director of Internal Control Department and the internal audit providers, their resignation or termination.
- Reviewing the reports submitted to the Committee by the Director of the Internal Control Department and the responses received by the Company's management thereon, ensuring that the findings and recommendations submitted by the internal auditor and



## Corporate Governance Report for 2019

suggestions and responses issued by the Executive Management have been received and discussed and the necessary actions were taken thereon, and discussing the Director of the Internal Control Department on any difficulties encountered in carrying out audit functions such as restrictions on the scope of his work or difficulty in obtaining the information necessary to exercise its responsibilities.

- Evaluation of the quality of functions of Internal Control Department and internal auditor (if any), particularly with regard to planning, follow-up and reporting, and evaluating the performance of the Director of the Internal Control Department and providing him with advice and guidance on the time.
- Ensuring that the Internal Control Department has adequate employees and the appropriate authority and position within the Company.
- Meeting with the Director of Internal Control Department at least once a year to ensure that there are no outstanding issues which may be of interest.
- Reporting to the Board of Directors on all matters considered by the Committee.

### F) Compliance

- Reviewing the employees' compliance with the Code of Business Conduct.
- Considering the appointment, resignation or dismissal of the Compliance Officer.
- Reviewing the appropriateness of practices and procedures for compliance with applicable laws, regulations and systems.
- Reviewing and following up:
  - Effectiveness of the follow-up system of compliance with inclusion and disclosure requirements and other legal and legislative requirements related to the Company's activities (including internal rules, regulations and systems).
  - Developments and updates in legislative and legal systems, which may substantially affect the Company.
  - Efforts made by the Company's Management to ensure compliance with the Code of Business Conduct.
- Obtaining regular updates from the Management (and the General Counsel or the Compliance Officer when required) on compliance matters, as well as investigating and considering issues that affect the integrity of the Company's Management Team, including cases of conflict of interests or violation of the Code of Business Conduct, according to the policies and regulations of the Company.

### G) Other responsibilities and competencies

- Creating channels of free and open communication between: Audit Committee, external auditors, internal auditors and Company management.



## Corporate Governance Report for 2019

- Consideration of any other matters or subjects as directed by the Board of Directors in this regard.

### H) Employees' reports and disclosures

- Development of policies, procedures and controls that enable the employees to report any potential violations in the financial reporting, internal control or other matters in secret, identifying the steps to conduct independent and fair investigations on such violations, and conducting periodic reviews of such policies and procedures.
- Following up the procedures of investigations of such violations to ensure the independency and impartiality of investigations.
- Reviewing the investigation procedures taken by the Company's management in dealing with the reported violations, and correcting any deviations therein.

The Audit Committee, at its meeting No. (04/2013), reviewed the whistleblower policy of reporting violations, followed up the development and implementation of the relevant regulations to ensure their effectiveness, and submitted a recommendation to the Board of Directors in this regard, which in turn approved it at its meeting No. (06/2013) held on 6 November 2013.

The Audit Committee held five (5) meetings during 2019 as follows:

Meeting No.	Date
01/2019	12 February 2019
02/2019	12 May 2019
03/2019	7 August 2019
04/2019	17 October 2019
05/2019	11 November 2019

The above-mentioned meetings' attendees were as follows:

Member	Position	Meeting					No. of attendances
		01/2019	02/2019	03/2019	04/2019	05/2019	
Mr. Mansour Mohamed Al Mulla	Chairman of the Committee	✓	✓	✓	✓	✓	5
Mr. Ali Saeed Abdullah Sulayem Al Falasi	Member	✓	✓	✓	✓	✓	5



Mr. Hamad Salem Al Ameri	Member		-	✓	✓	✓	3
<p><b>Note:</b></p> <ul style="list-style-type: none"> <li>Mr. Ahmed Khalifa Al Mehairi attended the Audit Committee meeting No. (01/2019) in his capacity as a member of the Committee at that time, where the committee was reconstituted pursuant to the decision issued by the Board of Directors at its meeting No. (02/2019) held on 20 March 2019</li> <li>Mr. Hamad Salem Mohamed Al Ameri did not attend the Audit Committee meeting No. (01/2019), as he was not yet a member of the Audit Committee at that time. He became a member of the Audit Committee pursuant to the decision issued by the Company's Board of Directors in its meeting number (02/2019) that was held on 20 March 2019 regarding the restructuring of this Committee.</li> <li>All apologies for attendance submitted by the Committee members for some meetings are considered and taken into account at the beginning of each meeting according to the Company's Memorandum of Association and Articles of Association, and in line with the applicable laws and regulations in this regard.</li> <li>The attendance of the members at these meetings is represented by their personal attendance.</li> </ul>							

## 6.2 Nomination and Remuneration Committee

Mr. Martin Lee Edelman, Chairman of the Nomination and Remunerations Committee, acknowledges his responsibility for the Committee's system in the Company, his review of its work mechanism, and verification of its effectiveness.

The Nomination and Remuneration Committee reports to the Board on human resources management and compensation policies that reflect best practices, and makes recommendations on the succession plans of the Board, taking into account the challenges and opportunities facing the Company and the skills and experience needed in the future.

The Nomination and Remuneration Committee consists of three (3) independent non-executive members. The Chairman of the Committee holds periodic meetings with the Executive Management and the Director of Human Resources Department, to ensure that the members of the Committee are familiar with the substantive matters falling within the competencies of the Committee.

The Nomination and Remuneration Committee includes the following members:

Members of Nomination and Remuneration Committee	Position
Mr. Martin Lee Edelman	Chairman of the Committee
Mr. Mansour Mohamed Al Mulla	Member
Mrs. Mariam Saeed Ahmed Ghobash	Member



**Notes:**

- The Nomination and Remunerations Committee was reconstituted pursuant to the Board of Directors' decision issued at its meeting No. (02/2019) held on 20 March 2019.
- Mr. Martin Lee Edelman was elected as the Chairman of the Nominations & Remunerations Committee pursuant to the decision issued by the Committee at its meeting No. (02/2019) held on 11 March 2019.
- Up to 20 March 2019, the Nomination and Remuneration Committee consisted of the following: Mr. Martin Lee Edelman, Chairman, Mr. Mansour Mohamed Al-Mulla, Member and Mr. Muhammad Haji Al-Khoury, Member.

The Charter of the Nomination and Remuneration Committee defines the responsibilities of the Committee as follows:

- Ensuring the independence of the independent members. If the Committee found that a member had lost the requirements for independence, it shall present the matter to the Board to take the necessary actions in this regard in accordance with applicable laws and regulations.
- Development of the policy for the granting of remunerations, benefits, incentives and salaries of the Directors and employees, and reviewing it annually. The Committee shall ensure that the remunerations and benefits granted to the Senior Executive Management are reasonable and proportionate to the performance of the Company.
- Identifying the Company's needs of competencies at the level of Senior Executive Management and employees, and the basis of their selection.
- Development, monitor, follow-up and periodically review the human resource and training policy.
- Development and approval of the policy and mechanism of nomination for the Board of Directors, organisation and follow-up of the procedures for nomination for the Board of Directors according to the applicable laws and regulations.
- Review of the required skills for the membership of the Board of Directors, and preparation of a description of the capabilities and qualifications required for membership of the Board.
- Review of the structure of the Board of Directors and making recommendations regarding changes that may be made to the Board of Directors for approval.
- Any other competencies and functions determined by the Board of Directors from time to time.

Based on the decision of the Board of Directors at its meeting No. (04/2013) held on 1 July 2013, the Board decided that the Nomination and Remuneration Committee shall hold at least one meeting annually to perform its responsibilities and to fulfill its legislative requirements in accordance with the applicable laws and regulations of the Securities and Commodities Authority.



Therefore, the Nomination and Remuneration Committee held three (3) meetings during 2019 as follows:

Meeting No.	Date
01/2019	13 February 2019
02/2019	11 November 2019

The above-mentioned meetings' attendees were as follows:

Member	Position	Meeting 01/2019	Meeting 02/2019	No. of attendances
Mr. Martin Lee Edelman	Chairman of the Committee	✓	✓	2
Mr. Mansour Mohamed Al Mulla	Member	✓	✓	2
Mr. Mariam Saeed Ahmed Ghobash	Member		✓	1

**Notes:**

- Mr. Mohamed Haji Al-Khoori attended the Nomination and Remunerations Committee meeting No. (01/2019) in his capacity as a member of the Committee at that time, where the Nomination and Remunerations Committee was reconstituted pursuant to the decision issued by the Board of Directors at its meeting No. (02/2019) that was held on 20 March 2019.
- Mrs. Mariam Saeed Ahmed Ghobash did not attend the Nomination and Remunerations Committee meeting No. (01/2019) as she was not yet a member of the Committee at that time, as she joined the Nomination and Remunerations Committee pursuant to the decision issued by the Company's Board of Directors at its meeting No. (02/ 2019) which took place on 20 March 2019, regarding the restructuring of this Committee
- The attendance of the Members at these meetings is represented by their personal attendance.

### 6.3 Executive Committee

Mr. Waleed Ahmed Salem Al-Muqarrab Al-Mehairi, Chairman of the Executive Committee, acknowledges his responsibility for the Committee's system in the Company, his review of its work mechanism, and verification of its effectiveness.

The Executive Committee plays an advisory role in the Board of Directors. It provides assurance and control of the Company's strategy and sets priorities for projects and performance.

The Executive Committee consists of three (3) independent non-executive members. The Chairman of the Committee holds periodic meetings with the Executive Management to ensure that the members of the Committee are familiar with the substantive matters.



The Executive Committee includes the following members:

Members of the Executive Committee	Position
Mr. Waleed Ahmed Salem Al Moqarrab Al Mehairy	Chairman of the Committee
Mr. Hamad Salem Mohamed Al Ameri	Member
Mrs. Mariam Saeed Ahmed Ghobash	Member

**Notes:**

- The Executive Committee was reconstituted pursuant to the decision issued by the Board of Directors at its meeting No. (02/2019) held on 20 March 2019.
- Mr. Waleed Ahmed Salem Al Moqarrab Al Mehairy was elected as Chairman of the Executive Committee pursuant to the decision of the Committee at its meeting No. (01/2019) held on 8 April 2019.
- Up to 20 March 2019, the Executive Committee consisted of the following: Mr. Walid Ahmed Salem Al Muqrab Al Muhairi as Chairman, Mr. Abu Baker Siddiq Al-Khoori, Member and Mr. Hamad Salem Muhammad Al-Amiri, member of the Committee.

The Charter of the Executive Committee defines its responsibilities as follows:

- **In the field of investment strategy and policy adoption:**
  - Supervision of the investment strategy and policies at the Company level.
  - Approval of decisions related to investments and development projects according to the limits and restrictions prescribed in the Table of Delegations of Authority.
  - Review and approval of the policies and strategies of the development projects and asset management.
  - Approval of the strategy of the Procurement Department and awarding tenders related to the substantial tenders according to the limits and restrictions prescribed by the Table of Delegations Authority.
- **In the field of supervision and review:**
  - Review and approval of key performance indicators of the development projects, and following up the level of performance therein.
  - Monitoring the performance of investments and tenders.
  - Review of requirements related to the need to increase the capital, and making appropriate recommendations in this regard.
  - Review of the effects of investments.
  - Review of the main objectives and key financial ratios established by the competent management Committees.

The Executive Committee held five (5) meetings during 2019 as follows:





Meeting	Date
01/2019	8 April 2019
02/2019	1 August 2019
03/2019	10 November 2019
04/2019	16 December 2019
05/2019	26 December 2019

The above-mentioned meetings' attendees were as follows:

Member	Position	Meeting 01/2019	Meeting 02/2019	Meeting 03/2019	Meeting 04/2019	Meeting 05/2019	No. of attendances
Mr. Waleed Ahmed Salem Al Moqarrab Al Mehairy	Chairman of the Committee	✓	✓	✓	✓	✓	5
Mr. Hamad Salem Mohamed Al Ameri	Member	✓	✓	✓	✓	✓	5
Mrs. Mariam Saeed Ahmed Ghobash	Member	✓	✓	✓	✓	✓	5
<b>Note:</b> <ul style="list-style-type: none"> <li>The attendance of the Members at these meetings is represented by their personal attendance.</li> </ul>							

## 7. Insider Affairs Committee, and the policy of trades of insiders and Members of Board of Directors in the Company's Shares

### 7.1 Trading policy of insiders

The Board of Directors has developed a policy of insiders in the Company's shares in accordance with the decision of the Chairman of the Securities and Commodities Authority No. (7) of 2016 on standards of institutional discipline and governance of public joint stock companies and Bylaw No. (5/2009) of the Abu Dhabi Securities Exchange. This policy enables the Board of Directors and the employees to fulfill their legal obligations when they have material information that may affect the Company's share price in the financial market. It includes a breakdown of the controls regulating to the trades of the insiders, and sets limits on the securities issued by Aldar Properties.

This policy prohibits trading if there is a reasonable possibility of exploiting undisclosed or unpublished information related to the business of the Company and if it has an effect on the trading price. This policy applies to the Board of Directors, Executive Management and all employees who have access to material information and data. It is worth mentioning that the



## Corporate Governance Report for 2019

Company is fully committed to conduct a periodic review of the list of its insiders and to update it through the Abu Dhabi Securities Exchange website (the latest update was in November 2019) in line with the Company's strategic and operational projects and plans.

Under this policy, trading by insiders in the Company's shares is prohibited during the trading prohibition periods imposed by the Securities and Commodities Authority and Abu Dhabi Securities Exchange. The Members of the Board of Directors, Executive Management and employees of the Company and the subsidiaries shall inform the Market Department before submitting their applications to Abu Dhabi Securities Exchange for insider trading, regardless of the value and type of the transaction (sale or purchase).

Aldar Properties reserves the right to prohibit or restrict any trading if it considers that there is a possibility of exploitation of unpublished (undisclosed) information in respect of the Company's business, which may affect the trading price of the shares. In addition, an additional prohibition period may be imposed, during which no trading by insiders is allowed, whether they are Members of the Board of Directors, Executive Management or employees of the Company or its subsidiaries, such as the prohibition period that took place in conjunction with the period spent in the merge negotiations and discussions between Aldar Properties and Sorouh Real Estate.

The Members of the Board of Directors are aware of their commitments regarding the requirements for disclosure of their trading in the Company's shares, and are committed to all requirements prescribed by Securities and Commodities Authority and Abu Dhabi Securities Exchange.

### 7.2 Follow-up Committee of Insider Affairs and Trading in the Company's Share and Securities and its Duties

In implementation of the decision of the Chairman of the Securities and Commodities Authority No. (7) of 2016 on standards of institutional discipline and governance of public joint stock companies, the Management of the Company formed a committee specialized in the affairs of insiders and their trading in the Company's shares and securities. In addition, the Management of the Company identified the duties and competencies of such committee as follows:

#### 7.2.1 Insider Affairs and Trading Follow-up Committee

The Insider Affairs and Trading Follow-Up Committee includes the following members:

- Chief Financial Officer.
- General Counsel.
- Head of Internal Control Department.

Committee members acknowledge their responsibility for the Committee's system in the Company, their review of its work mechanism, and verification of its effectiveness.

#### 7.2.2 Duties and competencies of the Committee



The Insider Affairs and Trading Follow-Up Committee has the following duties and competencies:

- Development of a special and integrated register that includes the insiders' names and details, including persons who may be considered as temporary insiders and those who have access to the Company's internal information prior to publication. The record also includes the prior and subsequent disclosures of the insiders.
- Management, follow-up and supervision of the insiders' transactions and ownerships, and maintaining their record.
- Quarterly review of the records and lists of the insiders for continuous update, and consultation with the Executive Management on any updates required to such records and lists according to the requirements of the business of the Company.
- Submission of periodic reports and statements to the Securities and Commodities Authority and Abu Dhabi Securities Exchange.
- Ensuring continuous update of the list of insiders on the Abu Dhabi Securities Exchange website, and making any updates to such list as soon as it occurs.
- Continuous communication with the insiders, and raising awareness of their trading in the Company's shares and securities, including informing and reminding them of the trading prohibition periods, according to the regulations and rules prescribed by both the Securities and Commodities Authority and Abu Dhabi Securities Exchange, to ensure compliance therewith and avoid any violations.
- Periodic review of the insider trading policy, and raising recommendations on any amendments thereto to the Board for approval on time.
- Any other competencies or tasks delegated to the Committee from time to time by the Management of the Company.

During the year 2019, the Committee developed and drafted the Charter governing its work and regulating its competencies and responsibilities. In addition, the Committee reviewed the insider trading policy to ensure that it complies with the applicable laws and regulations. The Committee plays an important and effective role in managing the insiders' affairs and raising awareness among them, by educating them with the controls and procedures that govern them and the internal and organisational policies and charters to which they are subject, and informing them of the trading prohibition periods imposed by the relevant authorities and the need not to directly or indirectly exploit any internal or material information for personal interest by trading in the Company's securities. Furthermore, the Committee continuously works and coordinates with Abu Dhabi Securities Exchange to ensure the continuous update of the Company's insiders list through the e-services of the Abu Dhabi Securities Exchange, ensuring continuous compliance with the applicable laws and regulations.

#### **7.1 Transactions and trading of the Members of the Board of Directors and their direct relatives in the Company's shares during 2019**

Please refer to clause (2) of this report.



## 8. Internal Control System

### 8.1 Board of Directors' responsibility for the Internal Control System

As explained in clause (3) of this report, the Board of Directors is responsible for supervision of the Company's Internal Control System and reviewing its adequacy, effectiveness and efficiency. In addition, the Board formed the Audit Committee and the Internal Control Department to contribute to the performance of governance responsibilities that fall under its responsibility, with regard to the risk management and the Internal Control Systems. In addition, the Board of Directors authorised and delegated the Audit Committee to be functionally responsible for the Internal Control Department under an official authorisation issued by the Board of Directors in this regard. The results of such authorisation shall be presented to the Board according to the regulations and legislation prescribed by the Securities and Commodities Authority, which contributes to increase the effectiveness of this Department, and thus reflects positively on the Board of Directors in exercising its authorities and responsibilities.

### 8.2 Head of Internal Control Department

The Internal Control Department is headed by Mr. Haider Najim pursuant to a decision issued by the Board of Directors at its meeting No. (05/2013) held on 6 August 2013. Mr. Haider Najim conducts internal audits and reviews independently and regularly. In addition, he advises the Executive Management to ensure the adequacy, effectiveness and efficiency of the Company's internal control and governance processes. Mr. Haider Najim has over 21 years of experience in internal and external auditing. It should be noted that Mr. Haider Najim holds a bachelor's degree in commerce from McGill University, Montreal, Canada. In addition, he is a Certified Public Accountant (CPA) licensed by the State of Delaware in the USA, and obtained certificates of Certified Internal Auditor (CIA) and Certified Fraud Examiner (CFE).

### 8.3 Compliance Officer

The Compliance Officer has been appointed by virtue of a decision issued by the Board of Directors. He is responsible for ensuring compliance by the Company and its employees with the issued laws, regulations and decisions, as well as other internal policies and measures. This step was under the decision of the Chairman of Securities and Commodities Authority No. (7) of 2016 on the standards of institutional discipline and governance of public joint stock companies.

Mr. Mohammad Hatim Abedalrahman was appointed as Compliance Officer by virtue of a decision issued by the Board of Directors at its meeting No. (05/2013) held on 6 August 2013. Mr. Mohammad Hatim Abedalrahman has working experience in the field of legal, compliance and institutional discipline for more than 11 years. He holds a bachelor's degree from the Faculty of Sharia and Law at the United Arab Emirates University.



#### 8.4 Company's Dealings with material issues or problems disclosed in the Annual Accounts and Reports

The Board of Directors has established standards and principles of internal control in the Company, which aim at providing objective, independent and reliable advice, as well as providing an ideal environment for internal control that meets the requirements of the Board of Directors and contributes to enhancing the role of the Board of Directors, the Audit Committee and the Executive Committee, in order to contribute to the proper performance of their duties, functions and responsibilities. It should also be noted that the responsibilities of the Internal Control Department are governed by the Charter approved by the Audit Committee and the Board of Directors, in accordance with the decision of the Chairman of Securities and Commodities Authority No. (7) of 2016 on standards of institutional discipline and governance of public joint stock companies. This charter is the mandate through which the Internal Control Department operates, and contributes to achieving the objectives of the Company and keeping up with its aspirations.

The Internal Control Department reports to the Audit Committee and, as mentioned above, works under its supervision, which enables it to operate independently and objectively, and allows it to distinctively interact with the Chief Executive Officer and the Executive Management Team, making it easier to identify performance improvement initiatives and business development, as well as providing guarantees that the Company's objectives are effectively achieved. To ensure a high degree of independence in the Internal Control Department's implementation of its activities and performance of its duties, the Head of Internal Control Department communicates directly with the Members of the Board of Directors. Functionally, he is accountable to the Audit Committee. Administratively, he is accountable to the Chief Executive Officer.

When the Company faces certain material issues, urgent matters or issues disclosed in the annual financial statements or any other means of disclosure, the role of the Internal Control Department in this regard is as follows:

- Inclusion of such issues and matters into the audit planning phases.
- Providing advice and advisory services (as necessary) to contribute to the identification and resolution of such issues and matters.
- Ensuring systematic follow-up of steps and actions taken to address such issues and matters.
- Submission of periodic reports to the Board of Directors and the Audit Committee on the development of such issues and matters.

#### 8.5 Reports issued by the Internal Control Department of the Company's Board of Directors.

The Internal Control Department carries out its activities and tasks entrusted to it, under the direct supervision of the Audit Committee, in an effective and constructive manner, which contributes to creating an ideal work environment characterised by agreement, effectiveness, compliance, discipline, efficiency in performance and productivity, and encourages attracting qualified professional staff with expertise and efficiency. The Internal Control Department conducts its audit and prepares its reports in accordance with the internal audit standards and



applicable laws and regulations, where this department exercises its duties with integrity and impartiality without any interference or influences that may affect the quality and efficiency of its reports. The Internal Control Department reports to the Audit Committee regularly (and when necessary) to present it, discuss it and submit a recommendation in this regard to the Board of Directors to take the appropriate decisions in respect thereof. It is worth noting in this regard that the Internal Control Department prepared and presented 17 reports to the Audit Committee and the Board of Directors during the year 2019, encompassing 26 auditable business units across the Company, and the necessary recommendations have been issued in respect thereof.

## 9. Risk management

Aldar considers that effective risk management is a good management practice. The Company is committed to providing a risk management system to protect shareholders' investments, the rights of the stakeholders, the assets of the Company, and the prevention of violations of the applicable laws and regulations. The Board of Directors is responsible for approval of the risk management policy, determining their risk tolerance, review of the effectiveness of risk management. The Risk Management Committee applies, in direct coordination with the Executive Management and the Audit Committee, the framework of risk management in the Company, and ensures the continuity of the effective performance thereof. The Committee provides advice to the Board of Directors regarding the efficiency and effectiveness of risk management activities and efforts. In addition, the Audit Committee enhances the role of the Board of Directors in fulfilling its obligations and duties related to risk management, in accordance with a decision issued by the Board of Directors at its meeting No. (04/2013) held on 1 July 2013, under which the Risk Management Committee shall be functional subordinate of the Audit Committee, as expressly stated in the Charter of the Audit Committee and the Charter of the Risk Management Committee, approved and adopted at the above-mentioned meeting.

The Risk Management Committee has established special risk management standards, developed a risk record, and adapted them to conform to the highest standards in this field. The risk management system ensures consistency of methods of assessing, controlling and communicating risks, and ensures that management efforts are consistent with the strategic objectives and business of the Company.

The Risk Management Policy of Aldar Properties is one of the most important components of the risk management system. A Risk Management Committee was established in 2013 to serve as an administrative committee, whose functions are as follows:

- Identification and assessment of risks that may face the Company's business.
- Considering the practices of mitigation of current risks.
- Development of the Company's risk management framework, which includes:
  - Risk identification and assessment.
  - Risk record.
  - Determining risk tolerance.
  - Prioritisation of risks.
  - Risk mitigation and management.
  - Supervision, follow-up and reporting.



This Committee is presided by the Chief Executive Officer, and includes Members of the Executive Management. The Committee held two meetings during 2019. The Risk Management Committee also:

- Reviewed and discussed the Charter of the Risk Management Committee.
- Strengthened the risk management framework and policies.
- Developed and updated the Company's risk record.

#### 10. Communication with shareholders

The Company applies a market disclosure policy, based on corporate governance standards and related requirements and procedures aimed at providing all shareholders and investors in the market with accurate information in a timely manner. The policy adopted by the management of the Company shows the actions that the Board directed to implement and is keen to adhere to, to ensure continuous compliance and disclosure according to the requirements of the Securities and Commodities Authority and Abu Dhabi Securities Exchange.

In addition, as the Company is keen to apply the highest degree of disclosure, transparency and credibility in the information disclosed, only the following position-holders are authorised to disclose any public statements on behalf of the Company, or any other statements attributable thereto:

- Chairman and Members of the Board of Directors.
- Chief Executive Officer.
- Executive Management Team.
- Company Secretary.

From time to time, the Company holds meetings with analysts and investors to provide them with necessary information. In such cases, no information shall be disclosed unless it was disclosed to the market previously or at the same time. Aldar Properties does not make any comments about market expectations or rumours, unless they are related to an official question issued by regulatory bodies such as the Securities and Commodities Authority and Abu Dhabi Securities Exchange.

The General Assembly is the primary opportunity for shareholders to meet face-to-face with the Board of Directors and Executive Directors. The shareholders receive notices of the meetings, specifying the time and place of the meeting, in addition to the subjects on the agenda of this meeting. The notice is accompanied by a form of power of attorney and instructions on how to fill it in an envelope sent by the Company to the shareholders by registered mail, in order to encourage as many shareholders as possible to participate in the meetings.

During the meetings, the attendees are given the opportunity to ask questions, and the chairman of the meeting shall discuss as many issues and subjects as possible during the available time. The members are encouraged to be present after the meeting to discuss with shareholders. In addition, the external auditor shall attend the General Assembly meeting to answer any questions raised.



In addition, and as embodiment of the Company's keenness to effectively communicate with the shareholders, the election of the nominated Directors in 2019 was carried out during the General Assembly meeting held on 20 March 2019 who shall undertake the management of Aldar Properties PJSC. All necessary procedures and requirements that allow shareholders to obtain basic and important information that helps them in choosing their candidates for membership of the Board, and information was also published on the candidates and their CVs through the Abu Dhabi Securities Exchange website and the Company's website. In addition, relevant coordination has been made with the Securities and Commodities Authority regarding the election, obtaining their approval of these procedures and adhering to the timetable set by them in a manner that controls the this process.

#### **11. Code of Business Conduct**

The success of the Company depends on its reputation in implementing projects, integrity in its dealings and professional ability. It adheres to the highest standards of professional and legal conduct, taking into consideration all applicable laws and regulations in conducting its business.

Professional and ethical conduct is a duty and commitment for the Board of Directors and the employees, and an integrated part of their working method. The required conduct is summarised in the Company's Code of Business Conduct applied by the Company and approved by the Board of Directors. It should be noted that the Board of Directors, at its meeting No. (06/2013) held on 6 November 2013, has reviewed and approved this Code of Business Conduct.

#### **12. Employees disclosure mechanism**

In accordance with the Code of Business Conduct, the Company has developed a disclosure policy for employees, to ensure employees are able to disclose their fears and concerns about any inappropriate conduct without being subjected to persecution, harassment or discrimination, as well as to ensure the confidentiality of the investigations. The Audit Committee, at its meeting No. (04/2013) held on 6 November 2013, has reviewed the whistleblower policy, as stated in paragraph (H) of clause (6.1) above.

This disclosure mechanism allows employees to express their concerns in a responsible and confidential manner, without disclosing their personal data (as they wish), and without fear of being subjected to discrimination. In addition, the Company takes appropriate measures to independently investigate any matters relating to this mechanism.

#### **13. Conflict of interests**

The Company requires the Directors and Senior Executives to report any conflict of interests that may be involved in their acts and to refrain from participating in discussion of or voting on such matters whenever necessary, in addition to the general guidelines contained in the Company's Articles of Association, Code of Business Conduct and the Charter of the Board of Directors, in accordance with the decisions, laws and regulations issued by the Securities and Commodities Authority and other regulatory and legislative bodies. A series of procedures for compliance with laws with regard to conflict of interest management have been developed. The Company urges





the Directors to raise any issue that may lead to a conflict of interest before the Chairman and the Directors.

#### 14. Violations committed by the Company during 2019

The Company did not commit any material violations with respect to the regulations during the year ended 31 December 2019.

#### 15. Company's social responsibility

Through its social responsibility, the Company aims to create a sustainable value for shareholders, employees, suppliers, customers, business partners and the communities in which it operates, by maintaining the sustainability of business and supporting the local community of UAE and other communities, taking into account the social, environmental, ethical and economic aspects in all the activities of the Company.

The Company also aims at fulfilling all social, environmental and corporate responsibilities imposed by the regulations and legislation in the environment through which it operates. For this purpose, Aldar Properties integrates the environmental and social considerations into its decision-making and operational processes, helping to understand both direct and indirect impact of its operations, which in turn lead to better decisions, improving the effectiveness of the work and adding value to the Company's works, by reducing risks, improving operational efficiency and creating an ideal working environment.

The Company's social responsibility policy is implemented by focusing on the following aspects:

- Governance - through the Code of Business Conduct and accountability.
- Employees - by creating an ideal working environment.
- Environment – by the management of the impact of the Company's operations on the environment.
- Suppliers – by working with a group of experienced suppliers and service providers to enhance the Company's social responsibility.
- Customers - by providing them with expertise and added value.
- Community – by supporting and investing in the local communities through which the Company operates.

Social responsibility has been categorised into community and corporate initiatives to focus and effectively strengthen Aldar Properties' efforts. Aldar Properties has participated in a number of activities and events in the context of its efforts to contribute to the building of local communities and preserving its environment. These activities include the following:

- Al-Watan Fund: Aldar Properties has provided AED 36 million as support to Al-Watan Fund during the year 2019. This initiative aims to achieve sustainable development, a



## Corporate Governance Report for 2019

decent life and a promising future for all citizens of the United Arab Emirates. It also embodies the importance which Aldar gives to its social responsibility, and its pioneering role in encouraging national projects.

- These contributions made by Aldar Properties Company to Al-Watan Fund during the year 2019, as well as the voluntary contributions that the Company made earlier to Al-Watan Fund reached a total of AED 120 million.

Al Watan Fund is considered as a community initiative that seeks to promote the sense of aid and social affiliation in the Emirati society, as this initiative is in line with our national government's vision to support sustainability projects and achieve a better future for the country and the citizen. Moreover, this initiative creates in the minds of the people of the country the values of love for good and giving and promotes social solidarity. It also seeks to set future plans and goals. Al Watan Fund also seeks to direct investments in the UAE human element, through the projects and initiatives which focus on the investment and strategic sectors that have an effective and direct impact on the life of the citizens.

- Special Olympics World Games, Abu Dhabi 2019: Aldar Properties joined the Special Olympics World Games, which took place in Abu Dhabi from 14 - 21 March 2019, as an official partner. This sponsorship comes as a continuation of the sponsorship provided by Aldar Company as an official partner in the Olympics Regional Games hosted by the UAE Capital, Abu Dhabi, recently.

The capital, Abu Dhabi, hosted the Special Olympics World Games 2019 under the patronage of His Highness Sheikh Mohammed bin Zayed Al Nahyan, Crown Prince of Abu Dhabi, Deputy Supreme Commander of the Armed Forces, for the first time in the Middle East and North Africa. The Special Olympics is considered the largest athletic and humanitarian event in the world, and the support of Aldar to this exceptional event reflects the Company's commitment to spreading the message of tolerance, solidarity and charitable work.

- Sponsorship of a flight: Aldar Company sponsored a flight to Kuwait, to transport an audience group to encourage the Emirates national team in the final of the Gulf Cup competition.
- Inviting a group of orphans from the Red Crescent to attend the Aloha Festival event, which is organised by Aldar Company in Al Raha Beach area, during which the Company provided gifts and food vouchers to them.
- Aldar Company provides breakfast meals for its employees and workers who are on the work-sites during breakfast time in the month of Ramadan.
- Aldar Properties Company has minimised the use of plastic products at its headquarters.
- An environmental initiative to reduce plastic consumption in Yas Mall, and the mall in Abu Dhabi World Trade Center: the commercial centres of Aldar Properties launched an environmental awareness campaign to encourage the public to reduce plastic consumption, by distributing reusable fabric bags and displaying sustainable local products.



## Corporate Governance Report for 2019

- Aldar Properties Company organised weekly sports programmes for employees, in the interest of public health and fitness, and to achieve a balance between work and positive energy, in addition to allocating sports programmes for female employees working for the Company in the health club located in the Company's headquarters.
- Volunteering policy: Within the framework of establishing the Corporate Social Responsibility division, Aldar Properties is looking to involve its employees in volunteer community work. Therefore, volunteer initiatives have been developed to enhance the culture of "giving" and give the Company employees an opportunity to participate in making a difference in society. The policy was approved by some of them to consolidate and establish the importance of the values and initiatives of social responsibility in the hearts of the Company's employees as an essential part of the life of the Company's management, in the belief of daily concerns.
- **Investment in infrastructure:** During the two years of 2018 and 2019, Aldar Properties created a positive impact by carrying out more than 100 activities within the Company's social responsibility activities through the Company's operational units, destinations and complexes, which aim to enrich the lives of residents and visitors alike. Either, besides creating positive environmental impacts, the Company's Board of Directors and the Executive Management Team were an essential part of the responsibility in relation to a number of key social activities, including Special Olympics Middle East events and Al Watan Fund initiatives.
- **Supporting and promoting sustainability:** During the year 2019, Aldar Properties PJSC selected a number of its qualified and experienced personnel, who are qualified in the field of sustainability.
- **Protecting our society:** The Environment Agency of Abu Dhabi has developed a series of standards for all public and private sector institutions aimed at promoting sound environmental management practices in all development projects and infrastructure works throughout the Emirate of Abu Dhabi. Al-Dar always meets the requirements and standards of the Environmental Authority, and the Company applies these requirements in its broadest sense to exceed its limits in a manner that contributes more effectively to serving the environment and protecting society and its constituents, through conducting comprehensive environmental assessments, and applying the highest international practices and standards in all of the Company's activities, and the use of external experts and consultants in order to preserve the environment and society.
- **Aldar Youth Council:** As part of building a sustainable country, the leadership of the United Arab Emirates has endeavoured to create an initiative that aims to develop the youth segment, and benefit from their skills and capabilities in building a better future for the country. Al Dar Youth Council was launched as an initiative aimed at empowering the youth of the home by providing awareness of the job capabilities available to them, and supporting substantive change through cooperation with the parties concerned, announcing youth from the platform that enables the Company's level and its various departments.
- **Women Initiative Network:** Aldar Properties Company launched the "Women Initiative Network", a distinct internal initiative aiming to enhance the position of women and integrate them in the labour market, and this initiative was launched to support female



employees working for the Company, and to promote the principle of equality that contributes to achieving gender balance in the work environment.

This initiative is managed by a distinguished elite of women working for the various departments of the Company, who define the areas of this initiative, and the main activities related to it, and collectively agree to develop the relevant strategy.

- In addition to that, due to the difference and disparity in talents, cultures, races and sexes within Aldar Properties, the Company has launched a Committee for Equality and Integration, which has a clear mission and vision represented in building a culture based on removing differences and achieving equality, and allowing for all talents and creativity. This supports achieving the Company's vision and enhancing its values, goals and culture, in a way that contributes to achieving business excellence.

## 16. General information

### 16.1 The Company's share performance during 2019

Trading in the Company's shares witnessed strong activity during the year ended 31 December 2019. The following table provides an overview of the Company's share price at the end of each month of the year ended 31 December 2019:

Date	Opening (AED)	Highest price (AED)	Lowest price (AED)	Closing (AED)	Quantity (share)	Value (AED)	No. of transactions	Change	
								AED	%
January 2019	1.56	1.64	1.50	1.59	139,182,706	217,829,089.24	3,620	0.010	0.63
February 2019	1.58	1.86	1.43	1.78	267,149,372	448,092,628.11	5,002	0.190	11.95
March 2019	1.79	1.97	1.76	1.78	323,229,184	606,995,557.65	5,209	0.000	0.00
April 2019	1.78	1.93	1.70	1.78	200,337,986	361,651,107.49	3,875	0.000	0.00
May 2019	1.78	1.82	1.63	1.82	128,573,919	221,148,915.36	3,424	0.040	2.25
June 2019	1.82	1.90	1.76	1.89	135,752,143	252,916,585.22	3,741	0.070	3.85
July 2019	1.89	2.37	1.86	2.31	262,934,139	564,569,468.28	6,750	0.420	22.22
August 2019	2.30	2.35	2.07	2.24	233,939,006	519,545,241.19	6,710	0.070	3.03
September 2019	2.24	2.26	2.08	2.09	157,003,280	342,299,985.64	4,956	0.150	6.70
October 2019	2.09	2.37	1.98	2.35	223,531,491	489,940,620.98	6,388	0.26	12.44
November 2019	2.35	2.17	2.15	2.35	124,613,233	279,479,507.22	3,682	0.18	7.66
December 2019	2.18	2.21	2.15	2.16	159,795,166	346,747,825.75	3,798	0.010	0.46



Source: Abu Dhabi Securities Exchange

**16.2 Comparative performance of Aldar Properties' share price with the general market index and sector index during 2019**

The following diagram shows the comparative performance of the Company's share price with the general market index and the real estate sector index during the year ended on 31 December 2019:



Source: Bloomberg

**16.3 Statement of Distribution of Shareholders' Ownership as of 31 December 2019 (Individuals – Companies - Governments), categorised as follows: (Local – Gulf – Arabic - Foreign)**

The following table shows the distribution of shareholders' ownership (Individuals – Companies - Governments), categorised as follows: (Local – Gulf – Arabic - Foreign) as of 31 December 2019:

Investor / Shareholder	Customer type	No. of shareholders	No. of shares (share)	Ownership percentage in the capital as per the category	Total shares
Local	Government	14	3,133,067,629	39.85%	5,828,180,986
	Companies	454	1,332,789,233	16.95%	
	Individuals	42,779	1,362,324,124	17.33%	
Gulf	Government	2	13,466,763	0.17%	146,360,927
	Companies	62	116,477,475	1.48%	
	Individuals	160	16,416,689	0.21%	



Arabic	Government	0	0	0.00%	72,552,465
	Companies	19	8,780,483	0.11%	
	Individuals	999	63,771,982	0.81%	
Foreign	Government	1	102,654,590	1.31%	1,815,535,225
	Companies	604	1,664,583,540	21.17%	
	Individuals	794	48,297,095	0.61%	
Total		45,888	7,862,629,603	100%	7,862,629,603 Shares (100%)

Source: Abu Dhabi Securities Exchange

#### 16.4 Overview of shareholders whose ownership percentage exceeds 5% of the Company's capital as of 31 December 2019

The following table shows the shareholders whose ownership percentage exceeds 5% of the Company's capital as of 31 December 2019:

Shareholder	No. of shares	Ownership percentage
Al Mamoura Diversified Global Holding	2,339,464,326	29.8%
Al Sariya Commercial Investment LLC	595,944,021	7.6%

Source: Abu Dhabi Securities Exchange

#### 16.5 Statement of Distribution of Shareholders according to their Ownership Percentage as of 31 December 2019

The following table shows the distribution of shareholders according to their ownership percentage as of 31 December 2019:

Shares ownership (Share)	No. of shareholders	No. of owned shares	Owned percentage of the capital
Less than 50,000	43,000	120,132,986	1.52%
From 50,000 to less than 500,000	1,988	347,676,729	4.42%
From 500,000 to less than 5,000,000	720	1,093,142,703	13.90%
More than 5,000,000	180	6,301,677,185	80.14%
Total	45,888	7,862,629,603	100%

Source: Abu Dhabi Securities Exchange

#### 16.6 Controls of investors relationships with the listed companies

According to the decision of the Chairman of the Securities and Commodities Authority No. (7/RM) on standards of institutional discipline and governance of public joint stock companies, and the circular issued by the Authority on the controls of investor relationships with listed companies, and on the basis of Aldar Properties' keenness on the optimal application of the applicable rules and regulations in this regard, the Company, during 2017 - 2019, has stimulated and developed the Investor Relations Department and strengthened its role through the fulfillment of the primary and secondary requirements of the Investor Relations Department, in a



manner that contributes to raising the consistency and quality in response to the external inquiries of analysts, investors and shareholders. It also strengthens the Company's investment relations and market linkages, and enhances the knowledge and awareness of the stakeholders and their understanding of the data on the performance of the Company through the application and enforcement of the best ways to communicate with the Company. It further improves the quality of submitted reports by ensuring a high level of disclosure, transparency and interaction with markets through efficient structure at the Senior Management level.

From this viewpoint, the Company has developed and updated its Investor Relations' website to promote efficiency and effectiveness in accordance with the Securities and Commodities Authority's applicable requirements and controls of investor relations management. The shareholders, investors, stakeholders and the public can visit this website through the following link:

<http://www.aldar.com/en/article/investor-relations/investor-relations-overview.html>

In addition, to ensure efficient and effective realisation of the role and objectives of the Investor Relations Department, the Company appointed officials specialised in investor relationships management who have the required qualifications and experience in the fields of business, accounting and public relations, full knowledge of the Company's activities and opportunities, and familiar with the relevant legal and legislative requirements of the relevant authorities. In addition, they have the skills and ability to interact with customers and provide them with the technical and financial information of the Company easily and smoothly, in both Arabic and English, through various channels of communication. In 2019, the officials of this Department conducted a series of meetings with current shareholders and potential investors, at local and international levels, to enhance awareness and knowledge of the Company's projects and financial position, in a manner that enhances the confidence in the Company's performance, projects and portfolio of assets, as well as the Company's future expansion and growth prospects.

The following table shows the details and contact information of the Investor Relations Department officials:

Investor Relations Department officials	<ul style="list-style-type: none"><li>• Mr. Christopher Wilson</li><li>• Mr. Mohamed A Maazmi</li></ul>
<b>Contact Information</b>	
Telephone	00971 2 8105624 or 00971 2 8105555 or 00971 2 8105866
Fax	00971 2 8105550
P.O. Box	51133 – Abu Dhabi
Email	cwilson@aldar.com malmaazmi@aldar.com
Address	Aldar Properties Headquarters (ALDAR HQ)– Al Raha Beach – Abu Dhabi

**16.7 Special decisions taken in the General Assembly meetings of shareholders during 2019, and actions taken in respect thereof**



In accordance with the applicable laws and regulations, the special decision is: the decision issued by a majority vote of shareholders who own at least three-quarters of the shares represented in the General Assembly meeting of the joint stock company.

The agenda of Aldar Properties' General Assembly meeting held on 21 March 2019 included three clauses requiring a special decision by the shareholders, which have been unanimously approved by the shareholders present at this meeting. These clauses are as follows:

- Approval of provision of voluntary community contributions by the Company during 2019, and authorising the Board of Directors to determine the entities to whom such amounts will be allocated, provided that such voluntary contributions shall not exceed 2% of the average net profit of the Company achieved during the fiscal years (2017 and 2018), and provided that such voluntary contributions are made for the purposes of community service and subject to the provisions of Federal Law No. (02) of 2015 on commercial companies in this regard.

Based on the approval issued by consensus of the shares represented at the General Assembly meeting of the Company, the Board of Directors approved and allocated amounts of money and voluntary contributions to serve the community, within the powers and standards granted to it, and in accordance with the legal requirements in this regard, the most important of which what was announced by the Company on 1 October 2019 for its contribution of AED 36 million to support Sandooq Al Watan (National Fund).

- Agreeing to reduce the number of the Company's Directors from nine (9) Members to seven (7) Members, and to amend the Article (17 - Election of Directors) (Chapter 4 - The Board of Directors of the Company) of the Company's Memorandum of Association as follows, subject to obtaining the approval of the Competent Authority:

Article text before amendment	Article text after amendment
<p style="text-align: center;"><u>Article (17)</u> <u>Election of Directors</u></p>	<p style="text-align: center;"><u>Article (17)</u> <u>Election of Directors</u></p>
<p>The Company shall be managed by a Board of Directors composed of nine (9) Directors who shall be elected by the Gneral Assembly in a secret ballot using the cumulative voting procedure. The candidates for Board membership must satisfy the conditions specifiedby the Nomination and Remunerations Committee and in all cases, the majority of the Directors, including the Chairman, must be United Arab Emirates nationals. Conditions specified by the Nomination and Remunerations Committee may require a candidate to hold (for nomination purposes only) a specific number of shares in the Company or be nominated by one or more shareholders holding a specific number of shares, in both cases the Nomination and Remunerations Committee shall determine that specific number of shares</p>	<p>The Company shall be managed by a Board of Directors composed of nine (7) Directors who shall be elected by the General Assembly in a secret ballot using the cumulative voting procedure. The candidates for Board membership must satisfy the conditions specifiedby the Nomination and Remunerations Committee and in all cases, the majority of the Directors, including the Chairman, must be United Arab Emirates nationals. Conditions specified by the Nomination and Remunerations Committee may require a candidate to hold (for nomination purposes only) a specific number of shares in the Company or be nominated by one or more shareholders holding a specific number of shares, in both cases the Nomination and Remunerations Committee shall determine that specific number of shares</p>





provided that such specific number shall not exceed five million shares.	provided that such specific number shall not exceed five million shares.
--	--

Based on the approval issued by the unanimous shares represented in the Company's General Assembly meeting, the Company has commenced the necessary measures to meet the procedures and legal requirements necessary to activate this decision, amend the Company's Articles of Association, and publish it in the Official Gazette. Also, contact has been made with the relevant departments of the Securities and Commodities Authority and Abu Dhabi Stock Exchange until the actual implementation and execution of this decision is completed.

#### 16.8 The Company Secretary and the date of appointment thereof

Aldar Properties, its Board of Directors and Executive Management believe in the role played by the Rapporteur of the Board of Directors' meetings in organising the work of the Board of Directors and its Committees and the ongoing coordination of matters and issues relating to the meetings of the Board and its Committees, from scheduling meetings, organising the agenda, organisation and coordination of the Members before and during the meetings, preparing their minutes, arranging for the signature and adoption thereof, as well as the Rapporteur's role in coordination of communication between the different Departments of the Company in relation to decisions issued by the Board and its Committees, to ensure the optimal implementation of such decisions. In addition, he contributes to the continuous communication with the Members of the Board and provision of various information and requirements related thereto, in a manner that ensures that they perform an effective role in their duties as Members of the Board of Directors, according to the applicable laws, regulations and decisions.

Mr. Brett Alexander Scrymgeour was appointed as Rapporteur by virtue of the decision issued by the Board of Directors at its meeting No. (04/2013) held on 1 July 2013. Mr. Brett Alexander Scrymgeour has experience in the legal affairs and institutional compliance for approximately 17 years. He holds a bachelor's degree in Law and bachelor's degree in Arts from Queensland University of Technology, Australia.

#### 16.9 Material events experienced by the Company during 2019

The year 2019 witnessed a significant demand for sales of housing units in all projects launched by Aldar Properties, and this was due to the lack of high-quality housing projects that were put on the market during that period, along with the actual application of the new real estate law for the Emirate of Abu Dhabi. The new real estate law announced in mid-2015, which came into effect from the beginning of 2017, contributes to the regulation of the real estate market in the Emirate of Abu Dhabi and attracts investors to this vital sector. Likewise, the steady growth in asset management activity. Among the most significant events that Aldar Properties experienced during the year 2019 are the following:

➤ **"Aldar" launches new property management solutions in the United Arab Emirates**

On 25 February 2019, and within the framework of the Company's vision to provide exceptional destinations, Aldar Properties PJSC announced the establishment of "Provis", with the aim of providing pioneering and innovative solutions in the field of properties management to clients



Emirates and the GCC countries. In accordance with this decision, real estate units will be registered in the designated investment areas under Abu Dhabi Freehold Law, in addition to issuing property title deeds to investors, according to a statement issued by the Abu Dhabi Government.

➤ **Resignation of the Company's Deputy CEO**

On 19 June 2019, Aldar Properties PJSC announced the resignation of Mr. Fahd Saeed Al Ketbi from his position as the Deputy CEO of the Company effective 30 June 2019 due to personal reasons.

➤ **"Aldar Properties" enters the Indian market through a strategic partnership with the "Anarock" Group**

On 25 June 2019, Aldar Properties PJSC announced the conclusion of a strategic partnership with "Anarock Property Services Group", the leading Indian company in the field of consulting and real estate services, to display the most prominent and most attractive real estate projects in Abu Dhabi to investors and buyers in India. This partnership comes in line with the Company's strategy to boost international presence and attract foreign investment to Abu Dhabi real estate market.

➤ **Abu Dhabi government assigns Aldar Properties to execute projects worth AED 5 billion**

On 10 July 2019, and within the framework of the Abu Dhabi Government's vision to promote the Emirate's position as one of the best places in the world for business, investment, living and tourism, Aldar Properties PJSC was selected to execute three social, economic and infrastructure projects for a number of government agencies in Abu Dhabi. The selected projects to be executed by Aldar on behalf of Abu Dhabi government at a total cost of five billion dirhams includes major destinations in the Emirate that include: Saadiyat Island, Yas Island and Al Falah District, which host a number of the most prominent modern residential complexes, and the most important commercial centres and thriving business destinations in the Emirate of Abu Dhabi.

➤ **Aldar Real Estate launches "Saadiyat Reserve" project**

On 8 September 2019, Aldar Properties PJSC launched the "Saadiyat Reserve" project, which is considered its first project aiming to sell residential plots in the heart of Saadiyat Island. The value of the project is AED 722 million, and includes 306 plots of land equipped with the necessary infrastructure for construction, available for buyers of all nationalities. The Saadiyat Reserve project is the first plot project to be launched on Saadiyat Island since the government issued, in April 2019, new laws allowing foreign buyers to purchase land under the freehold system in the investment areas in Abu Dhabi.

➤ **Aldar Real Estate contributes AED 36 million in favour of Al Watan Fund**

On 1 October 2019, Aldar Properties PJSC announced that it has provided additional support of AED 36 million to Al Watan Fund, the initiative to finance national projects, bringing the total contributions to the fund to AED 120 million. This is in line with the Company's commitment to support innovative entrepreneurial projects in the country, in compliance with the guidance of rational leadership.



➤ **“Aldar” holds meetings with fixed income investors to promote the issuance of “Aldar Investment” Bonds**

On 9 October 2019, Aldar Properties PJSC announced that the fully owned “Aldar Investment Company” held a series of meetings with fixed income investors in Europe, Asia and the Middle East on 10 October 2019 to issue bonds denominated in US dollars, for 10 years. The result of this issue is subject to market conditions, and the proceeds will be used for the purpose of refinancing existing debts.

➤ **Strong demand for Aldar Investment Bonds worth USD 500 million each, for 10 years**

On 16 October 2019, Aldar Investment Company LLC (wholly owned by Aldar Properties PJSC) announced its success in selling US dollar denominated bonds with a nominal value of USD 500 million, at a fixed profit rate for 10 years. The bonds were priced at a profit rate of 3.875%, the lowest in the history of the issues of Aldar. Thanks to strong investor demand, these bonds constitute the first general issue for a term of 10 years of an issuer based in Abu Dhabi. The subscription applications exceeded the amount offered by more than six times, and 71% of the total bonds was allocated to international investors.

➤ **Aldar Properties begins handing over residential units gradually in Al Mamsha and Jawaher projects of Saadiyat Island**

On 5 November 2019, Aldar Properties PJSC announced the phased handover commencement of two of its pioneering development projects in Saadiyat Island, which are “Saadiyat Walk” and “Jawaher”. The Saadiyat Walk is a mixed-use destination in the Saadiyat Cultural District, and offers luxurious overlooking the beachfront with access to many retail stores, restaurants and leisure facilities along the beach. The “Jawaher” project is also considered as an exclusive gated complex located in the prestigious Saadiyat Beach area.

➤ **Aldar Properties cooperates with ADNOC to implement its new programme for issuing local value-added enhancement certificates**

On 13 November 2019, Aldar Properties PJSC announced that it has signed a partnership agreement with Abu Dhabi National Oil Company, ADNOC, to launch its new programme to issue ICV certificates, with the aim of promoting the Company's sustainable procurement strategy. This partnership is in line with the Company's commitment by adopting the best practices of sustainable environment and integrated infrastructure, which is one of the six priorities set by the UAE National Agenda 2021, which was launched in 2010 by His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President of the UAE and Prime Minister and Ruler of Dubai, may God protect him.

The Memorandum of Understanding between Aldar and ADNOC companies was signed on the sidelines of “Abu Dhabi International Petroleum Exhibition and Conference (“ADIPEC”). In addition to launching the certification programme, the Memorandum of Understanding aims at enhancing cooperation efforts between the two parties to provide new job opportunities for skilled Emirati resource within the private sector, in addition to identifying local sources of goods and services from inside the UAE. The new programme also supports the Company's contribution to the ongoing process of economic growth and diversification in the country.



- **Khalid Bin Mohammed Bin Zayed launches "Saadiyat Grove", the latest integrated destination in the heart of the cultural area, "Aldar" project developed with a cost of AED 8 billion on an area of 242 thousand square metres**

On 25 November 2019, His Highness Sheikh Khalid Bin Mohammed Bin Zayed Al Nahyan, Member of the Executive Council of the Emirate of Abu Dhabi and Chairman of the Abu Dhabi Executive Office, launched the "Saadiyat Grove" project in the heart of the cultural area of Saadiyat Island in Abu Dhabi, which is being developed by Aldar Properties with a total value of AED 8 billion, on an area of 242 thousand square metres, and it is characterised by an integrated culture identity that enhances the style of living in the capital, Abu Dhabi.

His Highness Sheikh Khalid Bin Mohammed Bin Zayed Al Nahyan made a tour in the interactive "Saadiyat Grove Experience" Center, located in the Saadiyat Walk, during which he was briefed on the main plan and design models of the project. His Highness was accompanied during the tour by H.E. Mohamed Khalifa Al Mubarak, Chairman of the Board of Directors of Aldar Properties PJSC, and Mr. "Talal Al Dhibi" CEO of the Company.

The project enhances the culture of living in Abu Dhabi through an integrated system of residential and commercial spaces. The project is being developed in phases, and is expected to hand over the first phase in 2022.

- **Abu Dhabi Government concludes a strategic agreement to exchange land with Aldar Properties**

On 25 December 2019, Abu Dhabi Government concluded an agreement to exchange with Aldar Properties PJSC under which parcels of land for development shall be redistributed in line with the parties' strategic priorities. The implementation of the agreement started in December 2019, when the two parties will exchange parcels of land in the Emirate of Abu Dhabi, without any consideration. According to the agreement, the Company will acquire a land equipped with infrastructure with a floor area of three million square metres, distributed equally between the cultural area of Saadiyat Island and the Port of Zayed region, while Abu Dhabi Government will acquire parcels of land with a similar area in the western region of Al Raha Beach and Lulu Island, in addition to a group of land inside Abu Dhabi Island that are not covered by Aldar's strategic development plans for the foreseen future.

In addition, other material events have been disclosed to the Securities and Commodities Authority, Abu Dhabi Securities Market and various media outlets during 2019.

#### 16.10 Emiratisation percentage in the Company for the years 2017, 2018 and 2019

Aldar Properties has adopted a policy that contributes to attracting national, experienced and qualified personnel who play a fundamental and effective role in supporting the Company's progress, projects and business, in a way that enhances the Company's capabilities and resources, and contributes to support the development process witnessed by the Emirate of Abu Dhabi under the stewardship of the Company's leadership. In this regard, it is worth mentioning that the Company succeeded in raising the Emiratisation percentage during the 2019. The following table shows the Company's Emiratisation ratios for the years 2017, 2018 and 2019:

Year	2017	2018	2019
------	------	------	------



Emiratization ratio	27.30%	28.20%	27.00%
---------------------	--------	--------	--------

#### 16.11 Projects and innovative initiatives performed by the Company during 2019

Aldar Properties firmly believes in the importance of adopting projects and innovative initiatives that would meet the needs and requirements of communities, customers, shareholders, investors and stakeholders in general. The Company is keen to provide a transparent and competitive investment environment to enhance the efficiency of the real estate sector through which the Company operates, and to enhance and encourage the attractiveness of professional expertise and capital to work and invest in this vital sector. During 2019 (in line with what was initiated in 2017), Aldar Properties played an important and substantial role in adopting many initiatives and continuous coordination with real estate customers in Abu Dhabi (individuals, companies and governmental and non-governmental entities) as follows:

- Development of policies, procedures and foundations that contribute to the optimal application of the new Real Estate Law of the Emirate of Abu Dhabi, in a manner that contributes to enhancing the efficiency of this vital sector, achieves a high degree of integration and coordination between public and private companies and institutions, and contributes to push the wheel of progress and prosperity based on the principles and foundations adopted by the Company's leadership.
- Aldar Properties launched a smart electronic application that includes all services related to the employees making it easier for them to submit their requests related to human resources management and performance evaluation, sales management and commercial affairs and other departments and business units within the Company, to facilitate the application process and obtain the necessary service as quickly as possible and from anywhere through this application.
- Aldar Properties launched a direct electronic application that includes all options and products that the Company launches and places into the market. This application facilitates the process of communication with shareholders, investors, customers and stakeholders interested in investing in real estate, by providing comprehensive and adequate information regarding real estate products (units, villas, lands, townhouses, etc.), whether for sale or leasing. In addition, the Company provides early booking services by visiting this application and/or the Company's website.



Signature:		
Chairman of the Nomination and Remuneration Committee	Chairman of the Audit Committee	Director of the Internal Control Department
Mr. Martin Lee Edelman	Mr. Mansour Mohammed Al-Mulla	Mr. Haider Najm

Approval of the Board of Directors
Approved by the Board of Directors at its meeting No. (02/2020) held on 12 February 2020
H.E. Mohamed Khalifa Al Mubarak Chairman of the Board

