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Aldar Properties P.J.S.C

**Corporate Governance Report for
the year ended on December 31, 2018**



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Introduction

Aldar Properties PJSC is committed to what is stipulated in 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 the synergy of joint efforts by the Company's Board of Directors, Executive Management and employees in order to do so.

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

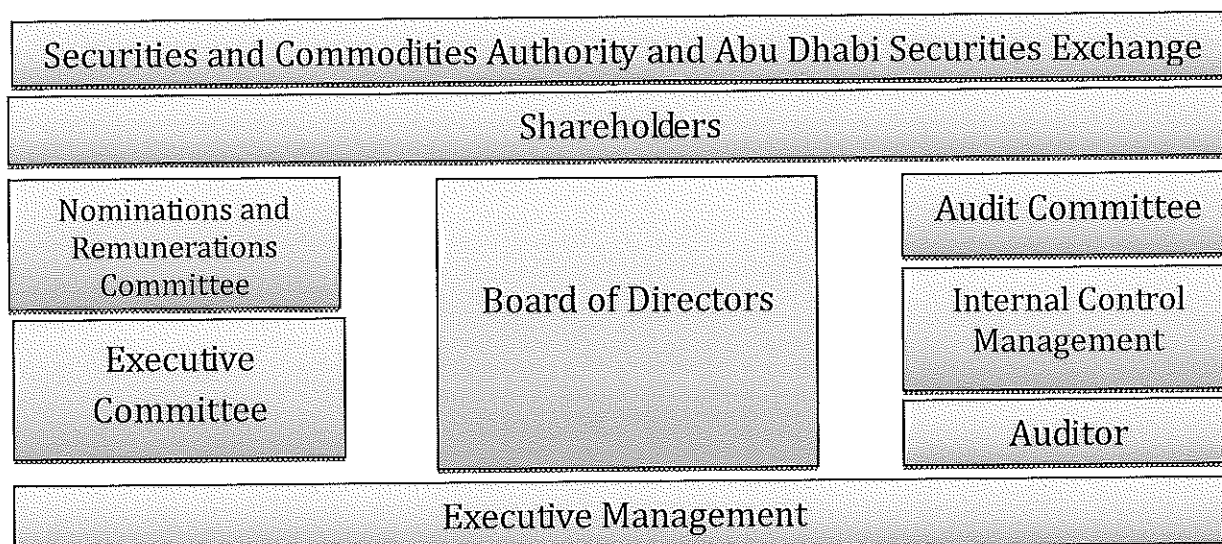
Shareholders represent the highest levels of governance and the Company's Articles of Association define the framework through which Aldar Properties PJSC shall operate as a public joint stock company. The Company's governance framework takes into consideration the application of the principles and standards set by both the Securities and Commodities Authority and Abu Dhabi Securities Exchange, as well as the Federal Law No. 02 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. In addition, it is responsible for ensuring the effectiveness of the businesses of the Company's management, with the emphasis that the Company's objectives are consistent with the legislative requirements and Code of Business 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 to be an effective mechanism, followed by achieving optimal application of the governance framework. 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 fluctuating business environment.

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





As shown, the application of the governance system involves different levels, including the 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 the Board of Directors, the Executive Management, the Internal Control System and the Compliance Officer.

➤ Governance elements related to the Board of Directors

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

- Charter of the Board of Directors.
- Charter of the Audit Committee.
- Charter of the Nominations and Remunerations Committee.
- Charter of the Executive Committee.
- Code of Business Conduct.
- Table of Delegations. The Board of Directors has developed and implemented the Table of Delegations as one of the other important complementary elements. The Table of Delegations is a regulatory 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 organized working environment characterized by the optimal conduct of the works and activities exercised by the Company. To ensure the efficiency and effectiveness of the Table of Delegations, 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 was conducted by the Board of Directors at its meeting No. 05/2018 held on May 14, 2018.

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

➤ 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 as to make 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 department and division levels.
- The External Auditor and the Internal Control Department.
- Shareholders of the Company and the General Assembly.
- The Company's Social Responsibility policy.
- The Company's Whistleblowing Policy.
- Continuous market disclosure.

2. Transactions and Tradings of the Company's Directors and their Direct Relatives in the Company's Shares during 2018

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 keenness to make the necessary declarations and disclosures in this regard on time, based on the adoption of the principles of equal opportunities, and not 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, and current and future projects.

Based on the foregoing, and in the light of the disclosures made by the Board of Directors, there were no known tradings made by the Directors or their direct relatives in the Company's shares during 2018.

3. Board of Directors

The role of the Board of Directors is to supervise the Company's business and affairs. The Board of Directors is responsible for monitoring the effectiveness of the governance framework and for controlling and supervising the management and controls applied in the Company. The Board has delegated some of its authorities to its Committees (the Audit Committee, the Nominations and Remunerations Committee, and the Executive Committee, as stated below), which operate according to the Charters and Regulations approved by it.

The Board 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, which in turn is subject to periodic review to ensure balance and suitability between the level of control and the risk management and work requirements within the Company, in addition to keeping pace with the requirements, developments and changes in its activities and operations. A comprehensive and material review was applied to the Table of Delegations, which was approved by the Board of Directors at its meeting No. 05/2018 held on May 14, 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 2018 according to the requirements and business interests of the Company.

3.1 Chairman

H.E. Mohamed Khalifa Al Mubarak is the Chairman of Aldar Properties PJSC according to the Board of Directors' decision at its meeting No. 06/2017 held on November 12, 2017, following the changes in the Board of Directors of the Company on that date. The Chairman is responsible for the leadership of the Board and for ensuring the effective performance of the

responsibilities and duties thereof. In addition, the Chairman is 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, fulfils 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, Rapporteur, Compliance Officer or Director of Internal Control Management propose to be included in the agenda. The Chairman has the authority to assign such responsibility to a particular Director or to the Rapporteur 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. 2 of 2015 concerning commercial companies, as amended, and 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), which are of a strategic nature and characterized 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 Nominations and Remunerations 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 characterized 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 Nominations and Remunerations Committee.



- Appointment or dismissal of the Chief Executive Officer,- the Compliance Officer, the Company Rapporteur and the 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 nine Members:

SN	Members	Position
1	H.E. Mohamed Khalifa Al Mubarak	Chairman
2	Mr. Abubaker Seddiq Al Khoori	First Vice-Chairman
3	Mr. Waleed Ahmed Salem Almokarrab Al Muhairi	Second Vice-Chairman
4	Mr. Hamad Salem Mohamed Al Ameri	Member
5	Mr. Mansour Mohamed Al Mulla	Member
6	Mr. Ahmed Khalifa Mohamed Al Mehairi	Member
7	Mr. Ali Saeed Abdullah Sulayem Al Falasi	Member
8	Mr. Mohamed Haji Al Khoori	Member
9	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 March 16, 2016.
- H.E. Mohamed Khalifa Al Mubarak was appointed as a Member by virtue of the Board of Directors' decision passed at its meeting No. 06/2017 held on November 12, 2017. His appointment was approved by the shareholders at the General Assembly meeting held on March 21, 2018.
- H.E. Mohamed Khalifa Al Mubarak was elected as Chairman by virtue of the Board of Directors' decision at its meeting No. 06/2017 held on November 12, 2017, by secret voting.
- During the Board of Directors' meeting No. 06/2017 held on November 12, 2017, Mr. Abubaker Seddiq Al Khoori was elected as the First Vice-Chairman, and Mr. Waleed Ahmed Salem Almokarrab Al Muhairi as the Second Vice-Chairman, by secret voting.

In this regard, it should be noted that the membership of the Board of Directors consisted mostly of independent Members since the establishment of the Company according to 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 the Charter of the Board of Directors approved by the Board of Directors.

All Members of the Board are non-executive, eight of them being independent. The Board has adopted a policy on the independence of Members, under which the independence of each Member is assessed annually, which falls under the responsibilities of the Nominations and Remunerations Committee, according to 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. Accordingly, the conflict of interests and the emergence of relationships that may arise on independent Members, which may lead to a breach of independence, 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 independence.

The following table shows the classification of the Board's Members as executive/non-executive/independent/non-independent and the year of appointment for each Member.

Members	Position	Status		Year of Appointment
		Independent	Executive	
H.E. Mohamed Khalifa Al Mubarak	Chairman	No	No	2017
Mr. Abubaker Seddiq Al Khoori	First Vice-Chairman	Yes	No	2013
Mr. Waleed Ahmed Salem Almokarrab Al Muhairi	Second Vice-Chairman	Yes	No	2016
Mr. Hamad Salem Mohamed Al Ameri	Member	Yes	No	2015
Mr. Mansour Mohamed Al Mulla	Member	Yes	No	2011
Mr. Ahmed Khalifa Mohamed Al Mehairi	Member	Yes	No	2013
Mr. Ali Saeed Abdullah Sulayem Al Falasi	Member	Yes	No	2013
Mr. Mohamed Haji Al Khoori	Member	Yes	No	2013
Mr. Martin Lee Edelman	Member	Yes	No	2011
Notes: <ul style="list-style-type: none"> H.E. Mohamed Khalifa Al Mubarak was elected as Chairman by virtue of the Board of Directors' decision at its meeting No. 06/2017 held on November 12, 2017. Mr. Abubaker Seddiq Al Khoori was elected as the First Vice-Chairman by virtue of the Board of Directors' decision at its meeting No. 06/2017 held on November 12, 2017. Mr. Waleed Ahmed Salem Almokarrab Al Muhairi was elected as the Second Vice-Chairman by virtue of the Board of Directors' decision at its meeting No. 06/2017 held on November 12, 2017. 				

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 on December 31, 2018.

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
	Al Jazeera Investment & Real Estate Development Co.	Member of the Board of Directors
Mr. Abubaker Seddiq Al Khoori (First Vice-Chairman)	Abu Dhabi Airports Company	Chairman
	The National Investor P.J.S.C	Chairman

	Abu Dhabi Ports Company P.J.S.C	Member of the Board of Directors
Mr. Waleed Ahmed Salem Almokarrab Al Muhairi (Second Vice-Chairman)	Mubadala Investment Company P.J.S.C	Group's Deputy Chief Executive Officer and Chief Executive Officer of the Alternative Sector Investments & Infrastructure Sector
	Cleveland Clinic Hospital – Abu Dhabi	Chairman
	Cleveland Clinic Hospital – USA	Member of the Board of Trustees
	Abaar Investment Company P.J.S.C	Chairman
	Abu Dhabi Future Energy Company P.S.C. (Masdar)	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
	Emirates Investment Authority	Member of the Board of Directors
Mr. Hamad Salem Mohamed Al Ameri (Member)	Trojan Holding	Vice-Chairman and 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
	Hydra Properties 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
	Gulf Energy Maritime (GEM) P.S.C.	Member of the Board of Directors
Mr. Ahmed Khalifa Mohamed Al Mehairi (Member)	Abu Dhabi Investment Council	Principal – Global Special Situations Department
	Risco L.L.C	Member of the Board of

Mr. Ali Saeed Abdullah Sulayem Al Falasi (Member)		Directors
	Hydra Properties L.L.C.	Chief Executive Officer
	Royal Group	Member of the Audit Committee
Mr. Mohamed Haji Al Khoori (Member)	Khalifa Bin Zayed Al Nahyan Foundation	General Manager
	Abu Dhabi Housing Authority	Member of the Board of Directors
Mr. Martin Lee Edelman (Member)	Mubadala Investment Company	Adviser
Note: <ul style="list-style-type: none"> This information is based on the disclosures made by the Board's Members as on December 31, 2018. 		

According to the Charter of the Board of Directors, all Members have wide experience 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	Communications	Government and Nonprofit, Public and Other Organizations	Healthcare and Pharmaceutical Industries	Media
H.E. Mohamed Khalifa Al Mubarak	<ul style="list-style-type: none"> Dual specialization in economics and political science from North Eastern University, USA. 	11+	✓		✓		✓		✓
Mr. Abubaker Seddiq Al Khoori	<ul style="list-style-type: none"> Bachelor of Finance from Lynfield College in McMinnville, Oregon, USA. Certified Financial Analyst (CFA) and Member at AIMR. Completed the 	24+	✓		✓		✓		

	Executive Program of Businessmen at Harvard Business School, USA.								
Mr. Waleed Ahmed Salem Almokarrab Al Muhairi	<ul style="list-style-type: none"> Master of Public Policy with a specialization in Business Administration and Government from Harvard University, USA. Bachelor of Science in International Affairs from Georgetown University, USA. 	17+	✓	✓	✓	✓	✓	✓	
Mr. Hamad Salem Mohamed Al Ameri	<ul style="list-style-type: none"> MBA from the Canadian University. Bachelor of Civil Engineering from the American University in Dubai (AUD). 	13+	✓	✓	✓		✓		
Mr. Mansour Mohamed Al Mulla	<ul style="list-style-type: none"> Bachelor of Business Administration from Portland State University, Oregon, USA. 	18+	✓	✓	✓		✓		
Mr. Ahmed Khalifa Mohamed Al Mehairi	<ul style="list-style-type: none"> Bachelor of Commerce – Finance from Concordia University, Canada. Successfully completed the Public Administration Program from Harvard Business School, USA. 	14+	✓	✓	✓		✓		
Mr. Ali Saeed	<ul style="list-style-type: none"> MBA from the 	22+	✓		✓		✓		

Abdullah Sulayem Al Falasi	<ul style="list-style-type: none"> University of Sharjah. Bachelor of Science – Production and Operations Management from California State University, USA. Bachelor of Accounting from UAE University. 								
Mr. Mohamed Haji Al Khoori	<ul style="list-style-type: none"> Bachelor of Economics from California State University in San Bernardino, USA. 	28+	✓		✓	✓	✓	✓	
Mr. Martin Lee Edelman	<ul style="list-style-type: none"> PhD in Legal Science from Columbia University, USA. Bachelor in Political Science from Princeton University, USA. 	45+	✓				✓		

3.5 Women's Representation on the Board of Directors during 2018

At present, the Board of Directors does not include any women, because no woman nominated herself for membership of the Board during the nomination and formation process, which took place during 2016.

3.6 Orientation Programme

New Directors shall be subject to an orientation programme, during which their rights, duties and responsibilities as Directors are defined. The new Directors join 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 needed to provide the Directors with comprehensive information regarding the Company and its activities, including information on the latest developments communicated by the Executive Management during the Board's meetings, so that the Directors can properly fulfil their responsibilities. 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 for Independent Consultations

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 for 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 Director.

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 previous 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 not imposed due to default or omission by the Board of Directors."

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

- Ten per cent (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 has decreased, the deduction shall be resumed. The legal reserve may not be distributed to the shareholders. If the reserve exceeds 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.
- 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 remunerations to be determined by the General Assembly annually, provided that such remunerations shall not exceed 10% of the net profit of the previous financial year after deducting both depreciation and legal reserve.
- The remainder of the net profit or any part thereof shall be distributed to the shareholders, carried over 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 remunerations of the Directors for 2017**

Based on the decision issued by the Company's General Assembly at its meeting held on March 21, 2018, the total remunerations paid to the Board of Directors for the year ended on December 31, 2017 was AED 19.3 million.

- **Total proposed remunerations of the Directors for 2018**

Based on the decision issued by the Company's General Assembly at its meeting held on March 20, 2019, the total remunerations paid to the Board of Directors for the year ended on December 31, 2018 was AED 16,075,000.00/-. Such amount includes the allowances of attending the Board Sub-Committees meetings during 2018 as detailed in the following item.

- **Allowances for Attendance at the Meetings of the Board and its Committees for 2018**

The allowances of the Directors attending the Board Sub-Committees meetings during 2018 was as follows:

Name	Allowances for Attendance at the Meetings of the Board and its Committees for 2018		
	Committee	No. of meetings	Attendance
H.E. Mohamed Khalifa Al Mubarak	-	-	-
Mr. Abubaker Seddiq Al Khoori	Executive Committee	6	100,000
Mr. Waleed Ahmed Salem Almokarrab Al Muhairi	Executive Committee	5	200,000
Mr. Hamad Salem Mohamed Al Ameri	Executive Committee	6	100,000
Mr. Mansour Mohamed Al Mulla	Audit Committee	5	200,000
	Nomination & Remuneration Committee	3	75,000
Mr. Ahmed Khalifa Mohamed Al Mehairi	Audit Committee	5	100,000
Mr. Ali Saeed Abdullah Sulayem Al Falasi	Audit Committee	5	100,000
Mr. Mohamed Haji Al Khoori	Nomination & Remuneration Committee	2	50,000
Mr. Martin Lee Edelman	Nomination & Remuneration Committee	3	150,000
Total			1,075,000

3.9 Meetings of the Board of Directors

The Board held eight meetings during 2018 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
01/2018	January 28, 2018
02/2018	February 14, 2018
03/2018	March 21, 2018

04/2018	April 11, 2018
05/2018	May 14, 2018
06/2018	August 06, 2018
07/2018	November 14, 2018
08/2018	December 16, 2018
Note: <ul style="list-style-type: none"> In addition to the Board's meetings, the Executive Committee held six meetings during 2018 to discuss strategic and operational matters and to submit recommendations thereon to the Board (see section 6.3 for more information on the Executive Committee). In addition, some decisions were passed by the Board by circulation (see section 3.10). 	

Attendance at the above-mentioned meetings was as follows:

Directors	Meeting 01/2018	Meeting 02/2018	Meeting 03/2018	Meeting 04/2018	Meeting 05/2018	Meeting 06/2018	Meeting 07/2018	Meeting 08/2018	No. of meetings attended in person
H.E. Mohamed Khalifa Al Mubarak	✓	✓	✓	✓	✓	-	✓	✓	7
Mr. Abubaker Seddiq Al Khoori	✓	✓	✓	✓	✓	✓	-	✓	7
Mr. Waleed Ahmed Salem Almokarrab Al Muhairi	✓	✓	✓	✓	✓	✓	✓	✓	8
Mr. Hamad Salem Mohamed Al Ameri	✓	✓	✓	✓	✓	✓	✓	✓	8
Mr. Mansour Mohamed Al Mulla	✓	✓	✓	✓	✓	✓	✓	✓	8
Mr. Ahmed Khalifa Mohamed Al Mehairi	✓	✓	✓	✓	✓	✓	✓	✓	8
Mr. Ali Saeed Abdullah Sulayem Al Falasi	✓	✓	✓	✓	✓	✓	✓	✓	8
Mr. Mohamed Haji Al Khoori	✓	✓	✓	✓	✓	-	✓	✓	7
Mr. Martin Lee Edelman	✓	✓	✓	✓	✓	✓	✓	-	7
Notes: <ul style="list-style-type: none"> Any absence 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. Directors noted as in attendance at these meetings attended the meetings in person. 									

3.10 Resolutions passed by circulation

During 2018, the Board of Directors passed four 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



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 passing of 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 Association has been complied with (see section 3.9).

3.11 Business Transactions with related Parties

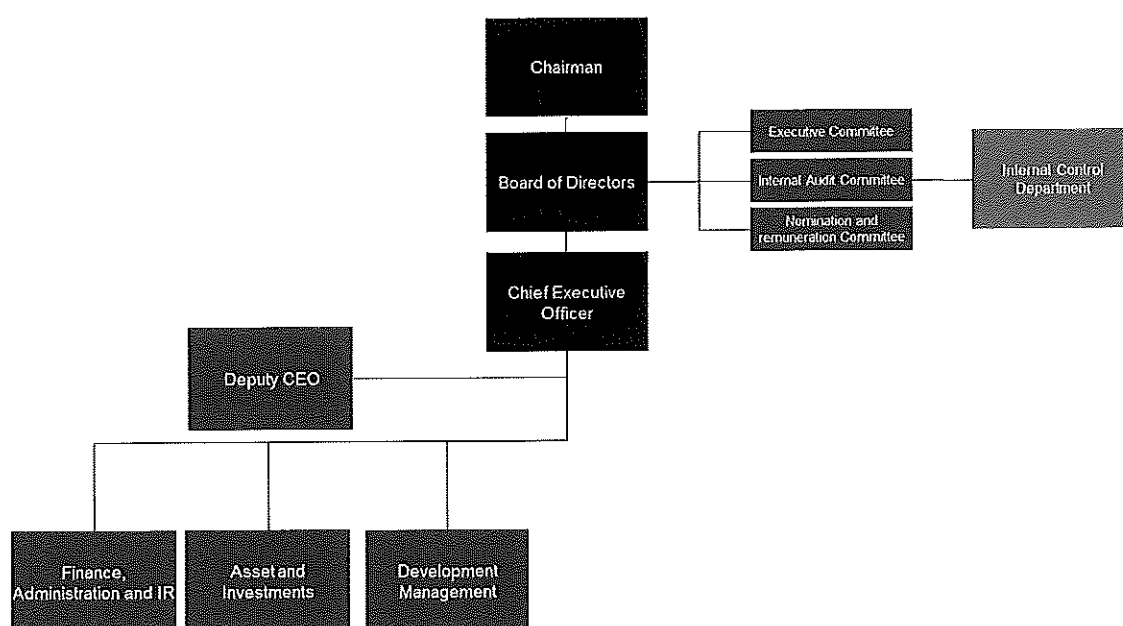
The following table shows the transactions done with related Parties during 2018:

Transaction Type		Transaction value (in AED Thousand)
The Government of Abu Dhabi	Revenue	911,367
A main shareholder	Revenue	24,876
	Finance Income	6,798
Financing projects and Joint Ventures	Finance Income	12,150
Banks Controlled by THE Government of Abu Dhabi & Major shareholder	Interest Income	30,415
	Interest Costs	110,760

4. Organizational Structure and Executive Management

4.1 Organizational Structure of the Company

Since its inception, Aldar Properties has been developing and implementing an efficient and effective organizational structure at all department and division 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 committees. The following diagram represents the company's organizational 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 Administrative Committee shall follow up all operations and activities of the Company, and shall conduct weekly meetings.

The following table shows the members of the Executive Management Team, their appointment dates, and the salaries and other remunerations they received during 2018.

Position	Date of Appointment	Total Salaries and Allowances during 2018 (AED)	2018 Bonus (AED)	Any Other cash /in-kind benefits for 2018 or payable in the future (a)
Chief Executive Officer	April 15, 2006 (b)	2,348,564	3,724,000	See Note (a)
Deputy Chief Executive Officer	June 27, 2013 (c)	2,144,304	1,500,000	See Note (a)
Chief Financial Officer	November 1, 2011	2,212,290	1,498,000	See Note (a)



Chief Investment Officer	April 17, 2016	1,934,964	1,281,000	See Note (a)
Notes: (a) The eligible Executive Management Team members are part of a Long-term incentive plan, where applicable RSUs will vest over a period of four years as follows: Chief Executive Officer: 2,059,355 RSU, Chief Financial Officer: 828,387 RSU, Chief Investment Officer: 708,387 RSU. (b) The Chief Executive Officer was appointed on November 12, 2017 according to the Board of Directors' decision at its meeting No. 06/2017 held on November 12, 2017. He was the Chief Development Officer until that date. (c) The Deputy Chief Executive Officer was appointed on January 28, 2018 according to the Board of Directors' decision at its meeting No. 01/2018 held on January 28, 2018. He was the Chief Operations Officer until that date. (d) The position of the Chief Development Officer was vacant for the whole year of 2018.				

4.3 Responsibilities and Authorities of the Executive Management

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. The Chief Executive Officer may delegate some of his duties to the Executive Management Team, according to the current policies of the Board, the Table of Delegations and legal requirements which determines the powers of such delegation. The validity of responsibilities and duties vested in the Chief Executive Officer is three renewable years.

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

(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.
- 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 organizational 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 a strategic or sensitive nature, or which are essential matters, to draw the Board's attention to them 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. 2 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 systems.
- Protecting funds and assets managed by the Company, and ensuring the efficient utilization thereof.
- Ensuring the credibility, accuracy and reliability of financial and administrative information related to the Company's activity.
- Development of annual balance sheets 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 gave instructions for the formation of a number of administrative 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 reflects 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 manner 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 November 14, 2018. These committees are as follows:

- **Administrative Committee**: chaired by the Chief Executive Officer, this 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 is specialized 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 safeguards the interests 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, according to the Table of Delegations, with regard to the framework of governance, Table of Delegations, 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 for 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**: chaired by the Chief Executive Officer, this 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 is specialized in following up and considering the activities and practices related to contracts and purchases 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, and other competencies delegated to the Committee from time to time as per the business requirements.
- **Investment Committee**: chaired by the Chief Executive Officer, this 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 is specialized in the review, approval and/or recommendation (according to the Table of Delegations) 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, this includes in its membership a number of the members of the Executive Management Team. The meetings of the Committee are held quarterly and when necessary (see section 9 of this Report for more information on this Committee).

5. External Auditor

Ernst & Young was appointed as an external auditor of Aldar Properties for the fiscal year ending on December 31, 2018 under a decision issued by the General Assembly at its meeting held on March 21, 2018. Ernst & Young is 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. Ernst & Young has offices in Abu Dhabi, Dubai and Sharjah.

The following table shows the services provided by the External Auditor during 2018 and the fees charged for these services:

Audit Firm Name	Ernst & Young
-----------------	---------------

Number of years spent as an external auditor of the Company	Three (3) years as of the date of implementing the Federal Law No. (02) of 2015 concerning of the Commercial Companies
Total audit fees for the financial statements for the year ended on December 31, 2018 (In AED)	934,500
Other services provided by the External Auditor during 2018 and fees charged therefore	
Service	Amount (in AED)
Other Advisory Works	2,847,290
Other Audit Works	384,450
Total	3,231,740

In addition, during 2018, Aldar Properties received financial and accounting consultation services as follows:

	Company	Amount (in AED)
1	Deloitte & Touche	1,161,555
2	UBS	183,500
3	Knight Frank UAE	189,000
4	Ardent Advisory & Accounting LLC	717,000
5	JLL	350,675
6	CBRE	300,000
	Total	2,901,730

The Company's auditor did not submit any reservations regarding the interim and/or annual financial statements of the Company during 2018.

6. Board of Directors Committees

The Board of Directors has formed three committees to contribute in 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.
- Nominations and Remunerations 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 update and amend them 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. 07/2017 held on December 18, 2017, following the changes then witnessed by the Board.

6.1 Audit Committee

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. 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
Mr. Ali Saeed Abdullah Sulayem Al Falasi	Member
Mr. Ahmed Khalifa Mohamed Al Mehairi	Member
Notes: <ul style="list-style-type: none"> The Audit Committee was restructured pursuant to the decision issued by the Board of Directors at its meeting No. 07/2017 held on December 18, 2017. Mr. Mansour Mohamed Al Mulla was elected as Chairman of the Audit Committee following the decision of the Board of Directors at its meeting No. 07/2017 held on December 18, 2017. 	

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 for 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.
 - 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's 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 internal control systems of the Company.
- Discussing and reviewing the policies and procedures of the Company with its Executive Management, to ensure that its mission is carried out 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.
- Examining 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 with 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 which it considers necessary to take action on 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 independence and objectivity of the External Auditor, and discussing the nature and scope of audits and their effectiveness according to the approved auditing standards.
- Discussing with the External Auditor 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 timely responses 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 organizational structure of the Internal Control Department, reviewing the framework of the Internal Control Department, and reviewing and approving the annual audit plan.
- Considering the process of selecting and appointing the Director of Internal Control Department and the internal audit providers, and 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 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.
- Evaluating the quality of functions of the Internal Control Department and of the 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.
- Ensuring that the Internal Control Department has adequate employees and the appropriate authority and position within the Company.
- Meeting with the Director of the 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 the Audit Committee, External Auditors, Internal Auditors and Company Management.
- 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 independence 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 Company's 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 was approved at its meeting No. 06/2013 held on November 6, 2013.

The Audit Committee held five meetings during 2018 as follows:

Meeting No.	Date
01/2018	February 12, 2018
02/2018	May 14, 2018
03/2018	August 6, 2018
04/2018	September 24, 2018
05/2018	November 14, 2018

The above-mentioned meetings' attendees were as follows:

Member	Position	Meeting 01/2018	Meeting 02/2018	Meeting 03/2018	Meeting 04/2018	Meeting 05/2018	No. of meetings attended in person
Mr. Mansour Mohamed Al Mulla	Chairman	✓	✓	✓	✓	✓	5
Mr. Ali Saeed Abdullah Sulayem Al Falasi	Member	✓	✓	✓	✓	✓	5
Mr. Ahmed Khalifa Mohamed Al Mehairi	Member	✓	✓	✓	✓	✓	5
Note: <ul style="list-style-type: none"> • Members noted as in attendance at these meetings attended the meetings in person. 							

6.2 Nominations and Remunerations Committee

The Nominations and Remunerations 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 experiences needed in the future.

The Nominations and Remunerations Committee consists of three independent non-executive members. The Chairman of the Committee holds periodic meetings with the Executive Management and the Director of the 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 Nominations and Remunerations Committee includes the following members:

Members of Nominations and Remunerations Committee	Position
Mr. Martin Lee Edelman	Chairman
Mr. Mansour Mohamed Al Mulla	Member
Mr. Mohamed Haji Al Khoori	Member
Notes: <ul style="list-style-type: none"> The Nominations and Remunerations Committee was restructured by the Board of Directors' decision issued at its meeting No. 07/2017 held on December 18, 2017. Mr. Martin Lee Edelman was elected as Chairman of the Nominations and Remunerations Committee by virtue of the Board of Directors' decision at its meeting No. 07/2017 held on December 18, 2017. 	

The Charter of the Nominations and Remunerations Committee defines the responsibilities of the Committee as follows:

- Ensuring the independence of the independent Members. If the Committee found that a Member 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 to 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, monitoring, follow-up and period review of the human resources and training policies.
- Development and approval of the policy and mechanism of nomination for the Board of Directors, organization 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 July 1, 2013, the Board decided that the Nominations and Remunerations Committee shall hold at least one meeting annually to perform its responsibilities and to fulfil its legislative requirements in accordance with the applicable laws and regulations of the Securities and Commodities Authority. Therefore, the Nominations and Remunerations Committee held three meetings during 2018 as follows:

Meeting No.	Date
01/2018	January 28, 2018
02/2018	February 13, 2018
03/2018	May 14, 2018

The above-mentioned meetings' attendees were as follows:

Member	Position	Meeting 01/2018	Meeting 02/2018	Meeting 03/2018	No. of meetings attended in person
Mr. Martin Lee Edelman	Chairman	✓	✓	✓	3
Mr. Mansour Mohamed Al Mulla	Member	✓	✓	✓	3
Mr. Mohamed Haji Al Khoori	Member	✓	-	✓	2

Notes:

- Any absence submitted by committee members 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.
- Members noted as in attendance at these meetings attended the meetings in person.

6.3 Executive Committee

The Executive Committee plays an advisory role for 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 Almokarrab Al Muhairi	Chairman
Mr. Abubaker Seddiq Al Khoori	Member
Mr. Hamad Salem Mohamed Al Ameri	Member

Notes:

- The Executive Committee was restructured pursuant to the decision issued by the Board of Directors at its meeting No. 06/2017 held on November 12, 2017, following the changes witnessed by the Board and the Executive Management, which were declared after being approved by the Board of Directors at its meeting No. 06/2017 held on November 12, 2017.
- Mr. Waleed Ahmed Salem Almokarrab Al Muhairi was appointed as Chairman of the Executive Committee following the decision of the Board of Directors at its meeting No. 06/2017 held on November 12, 2017.

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.
- Review and approval of the policies and strategies of the development projects and asset management.

- Approval of the strategy of the Tenders and Purchases Department and awarding tenders related to the substantial tenders according to the limits and restrictions prescribed by the Table of Delegations.

➤ **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 administrative committees.

The Executive Committee held six meetings during 2018 as follows:

Meeting	Date
01/2018	January 28, 2018
02/2018	March 29, 2018
03/2018	May 13, 2018
04/2018	November 8, 2018
05/2018	November 27, 2018
06/2018	December 11, 2018

The above-mentioned meetings' attendees were as follows:

Member	Position	Meeting 01/2018	Meeting 02/2018	Meeting 03/2018	Meeting 04/2018	Meeting 05/2018	Meeting 06/2018	No. of meetings attended in person
Mr. Waleed Ahmed Salem Almokarrab Al Muhairi	Chairman	✓	✓	✓	✓	✓	-	5
Mr. Abubaker Seddiq Al Khoori	Member	✓	✓	✓	✓	✓	✓	6
Mr. Hamad Salem Mohamed Al Ameri	Member	✓	✓	✓	✓	✓	✓	6

Notes:

- Any absence submitted by committee members 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.
- Members noted ai s n attendance at these meetings attended the meetings in person.

7. Insider Affairs Committee, and Policy on Trading by Insiders and Members of the Board of Directors in the Company's Shares

7.1 Policy on trading by insiders

The Board of Directors has developed a policy on insiders trading 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 fulfil 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 trading by 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 Company is fully committed to conducting a periodic review of the list of its insiders and to updating it through the Abu Dhabi Securities Exchange website (the latest update was in November 2018) 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, a further prohibition period may be imposed, during which no trading by insiders is allowed, whether they are Members of the Board of Directors, members of Executive Management or employees of the Company or its subsidiaries, an example being the prohibition period that took place in conjunction with the period spent in the merger 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 the Securities and Commodities Authority and Abu Dhabi Securities Exchange.

7.2 Insider Affairs and Trading Follow-Up Committee 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 the Internal Control Department.

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 2018, 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 concerning the controls and procedures that govern them and the internal and organizational 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.

7.3 Transactions and trading in the Company's shares by Members of the Board of Directors and their direct relatives during 2018

Please refer to section 2 of this Report.



8. Internal Control System

8.1 Board of Directors' responsibility for the Internal Control System

As explained in section 3 of this Report, the Board of Directors is responsible for supervision of the Company's Internal Control System and reviewing its effectiveness and efficiency. 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 risk management and internal control systems. In addition, the Board of Directors authorized and delegated the Audit Committee to be administratively responsible for the Internal Control Department under an official authorization issued by the Board of Directors in this regard. The results of such authorization shall be presented to the Board according to the regulations and legislation prescribed by the Securities and Commodities Authority. This process has contributed to increasing the effectiveness of this Department, and thus reflected positively on the Board of Directors in exercising its authorities and responsibilities.

8.2 Head of the 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 August 6, 2013. Mr. Haider Najim conducts internal audits and reviews independently and regularly. In addition, he advises the Executive Management to ensure the effectiveness, improvement and development of the Company's internal control and governance processes. Mr. Haider Najim has over twenty years of experience in auditing, operations, compliance and auditing of irregularities. He holds a bachelor's degree in commerce from McGill University, Montreal, Canada; he is a Certified Public Accountant (CPA) licensed by the State of Delaware in USA, and he is also a Certified Internal Auditor (CIA).

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 issued laws, regulations and decisions, as well as other internal policies and measures. This step followed the decision of the Chairman of the 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 August 6, 2013. Mr. Mohammad Hatim Abedalrahman has more than ten years' experience in the field of legal, compliance and institutional discipline. He holds a bachelor's degree from the Faculty of Sharia and Law at the United Arab Emirates University.

8.4 Dealing 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 roles 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 the Securities and Commodities Authority No. 7 of 2016 on standards of institutional discipline and governance of public joint stock companies. This charter is the policy 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 the 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 the 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 by any other means, the role of the Internal Control Department in this regard is as follows:

- Inclusion of such issues and matters in 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.

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, and the assets of the Company, and to prevent violations of the applicable laws and regulations. The Board of Directors is responsible for approval of the risk management policy, review of the effectiveness of this management and ensuring that the Company is able to deal with risks. 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 July 1, 2013, under which the Risk Management Committee shall be an administrative 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 with the highest standards in this field. The Company's 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 assessment.
 - Risk record.
 - Possibility of risk tolerance.
 - Prioritization of risks.
 - Risk mitigation and management.
 - Supervision, follow-up and reporting.

This Committee is headed by the Chief Executive Officer, and includes members of the Executive Management. The Committee held three meetings during 2018. The Risk Management Committee also:

- Reviewed and discussed the Charter of the Risk Management Committee.
- Strengthened the risk management framework.
- 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 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 authorized 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.
- Rapporteur.

From time to time, the Company holds meetings with analysts and investors to provide them with the 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. The notice is accompanied by a form of proxy with instructions on how to fill it in and return it to the Company 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 Board Members are encouraged to be present after the meeting to discuss issues with shareholders. In addition, the External Auditor shall attend the General Assembly meeting to answer any questions raised.

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.

The Code of Business Conduct is a duty and commitment for the Board of Directors and the employees, and an integrated part of their working method. The Code of Business Conduct is summarized 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 November 6, 2013, has reviewed and approved this Charter.

12. Employees' Disclosure Mechanism

In accordance with the Code of Business Conduct, the Company has developed a disclosure policy for the employees, to ensure that the 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 November 6, 2013, has reviewed the violation reporting policy, as stated in paragraph (H) of section 6.1 above.

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

13. Conflicts 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, the 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 management of conflicts of interest 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 2018

The Company did not commit any material violations with respect to the regulations during the year ended on December 31, 2018.

15. The Company's Social Responsibility

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

The Company also aims at fulfilling all social, environmental and corporate responsibilities imposed by the regulations and legislations 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 the direct and indirect impacts of its operations; this in turn leads to better decisions, improving the effectiveness of and adding value to the Company's work, 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 categorized 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:

- **Sandoog Al Watan:** Aldar Properties contributed AED 36 million to Sandoog Al Watan, the National Fund charged with the responsibility of promoting sustainable development, a decent life and a bright future for all the people of the United Arab Emirates (UAE). The contribution reflects the priority that Aldar attributes to its corporate and social responsibility as a leader in the community.

Aldar's latest contribution to Sandoog Al Watan is in addition to the company's previous donations of AED 48 million, bringing the total contribution to the fund to AED 84 million.

Sandoog Al Watan is a community initiative that seeks to promote a sense of social cohesion in Emirati society. The initiative aligns with the UAE leadership's vision for a sustainable development and a better future for the country and its citizens. It is rooted in



the UAE's national values of charity, generosity and social solidarity, and synchronizes community efforts to forecast and plan for the future. Sandoog Al Watan seeks to steer investments into the UAE's human capital with projects and initiatives that focus on the strategic sectors that most affect people's lives.

- **Special Olympics:** Aldar Properties signed up as an Official Partner to the Special Olympics World Games Abu Dhabi 2019, taking place in Abu Dhabi from March 14 to March 21, 2019. The sponsorship agreement follows Aldar's role as an Official Partner for the recent Special Olympics IX MENA Games, also held in the UAE capital.

Held under the patronage of His Highness Sheikh Mohamed Bin Zayed Al Nahyan, Crown Prince of Abu Dhabi and Deputy Supreme Commander of the UAE Armed Forces, the Special Olympics World Games Abu Dhabi 2019 will see the largest sports and humanitarian event in the world come to Abu Dhabi, marking a debut in the history of the MENA region. In line with its commitment to corporate social responsibility, Aldar is pleased to support this event, which celebrates the power of inclusion and diversity.

- **Plane Sponsorship:** Sponsored a flight to Kuwait for the public to cheer the UAE Team during the Gulf Cup Final.
- **Invited orphans from the Red Crescent to attend one of Aldar's community events that are held on Al Raha Beach, the Aloha Event, and provided them with gifts and food vouchers.**
- **Public Art Initiative:** Sponsored a trip for a group of UAE national artists to Japan to research public art and the local policy.
- **Innovation Awards:** In partnership with the Ministry of Economy, Aldar sponsored the awards during the Innovation Festival in Umm Al Emarat Park.
- **Aldar partners with a national health initiative called Shwaiman, and provided its Island, Al Dana Island, for the Festival.**
- **Aldar sponsors the General Authority of Sports Fund for AED 500,000.**
- **Aldar provided Iftar to its staff and labourers who worked during Iftar in Ramadan.**
- **Environment Initiative to Reduce Plastic in Yas Mall and The Mall World Trade Center.** Aldar malls have developed an environment awareness campaign to encourage the public on reducing the amount of plastic consumed by distributing reusable fabric bags and showcasing local products that are sustainable.
- **Aldar organized weekly sport programmes for the staff, in order to improve their health and help them to achieve balance between work and positive energy. In addition, the Company allocates sports programmes for the company's female employees in the health club in the company headquarters.**
- **Volunteering Policy:** In the establishment of the CSR department, Aldar wants to involve its staff in giving back to society. Therefore, a volunteering policy was created to promote a culture of "giving" and allowing Aldar employees to make a difference. The policy was approved by the management, and this is a testimony to the importance of including our people in our CSR initiatives.
- **Aldar Youth Council:** As part of building a sustainable nation, the leaders of the United Arab Emirates have spearheaded a movement aimed at developing the nation's youth and utilizing their skills to build a better future for the country. The Aldar Youth Council was specifically created to empower the Aldar youth, by providing a platform that will enable the youth to unlock their full career potential and support organizational change in conjunction with internal stakeholders.
- **Aldar Women's Initiative Network:** We have developed a great initiative internally to promote inclusion and diversity: WIN (Women's Initiative Network). The Women' Initiative Network has been created to support the women of Aldar.

The WIN agenda is to implement equality initiatives that will fast-track a more balanced representation of Aldar women and to achieve gender balance within Aldar.



WIN is structured around all the diverse group of women working across different departments and branches of Aldar who will determine its key areas of activity and will collectively agree its initiatives.

16. General Information

16.1 The Company's share performance during 2018

Trading in the Company's shares witnessed strong activity during the year ended on December 31, 2018. The following table provides an overview of the Company's share price at the end of each month of the year ended on December 31, 2018.

Date	Opening (AED)	Highest Price (AED)	Lowest Price (AED)	Closing (AED)	Quantity (shares)	Value (AED)	No. of Transactions	Change	
								AED	%
January 2018	2.22	2.34	2.21	2.29	130,195,651	297,129,705.49	3,860	0.09	4.09
February 2018	2.30	2.31	2.09	2.16	108,613,456	239,328,782.78	2,731	0.13	5.68
March 2018	2.16	2.30	2.09	2.13	179,860,980	395,820,170.54	3,976	0.03	1.39
April 2018	2.12	2.15	2.01	2.10	151,977,157	317,197,339.85	3,553	0.03	1.14
May 2018	2.09	2.15	2.00	2.05	225,901,526	468,340,591.07	6,700	0.05	2.38
June 2018	2.05	2.14	1.96	2.02	195,795,908	402,685,363.91	4,034	0.03	1.46
July 2018	2.03	2.10	2.01	2.03	75,306,536	154,374,541.77	2,421	0.01	0.50
August 2018	2.04	2.05	1.90	1.93	83,259,845	163,161,426.88	2,627	0.10	4.93
September 2018	1.92	1.97	1.76	1.82	141,613,996	260,441,712.22	3,140	0.11	5.70
October 2018	1.83	1.84	1.63	1.73	118,375,442	202,611,244.83	2,962	0.09	4.95
November 2018	1.73	1.82	1.60	1.60	103,633,576	176,013,735.80	2,949	0.13	7.51
December 2018	1.63	1.63	1.00	1.60	111,146,646	172,193,953.49	3,621	0.00	0.00

Source: Abu Dhabi Securities Exchange

16.2 Comparative performance of Aldar Properties' shares and the general market index and sector index during 2018

The following diagram shows the comparative performance of the Company's shares with the general market index and the real estate sector index during the year ended on 31, December 2018.



Source: Bloomberg

16.3 Statement of Distribution of Shareholders' Ownership as on December 31, 2018 (individuals / companies / governments; local / Gulf / Arabic / foreign)

The following table shows the distribution of shareholders' ownership (individuals, companies and governments), categorized as local, Gulf, Arabic and foreign) as on December 31, 2018.

Investor / Shareholder	Customer Type	No. of Shareholders	No. of Shares	Ownership Percentage in the Capital Category	Total Shares
Local	Government	6	3,122,922,181	39.72%	5,829,535,927 (74.14%)
	Companies	446	1,343,974,346	17.09%	
	Individuals	43,280	1,362,639,400	17.33%	
Gulf	Government	2	32,648,343	0.42%	196,907,789 (2.50%)
	Companies	62	148,958,439	1.89%	
	Individuals	168	15,301,007	0.19%	
Arabic	Government	0	-	0%	85,558,408 (1.09%)
	Companies	17	10,041,720	0.13%	
	Individuals	978	75,516,687	0.96%	
Foreign	Government	2	10,661,673	0.14%	1,750,627,479 (22.27%)
	Companies	525	1,661,936,423	21.14%	
	Individuals	1,081	78,029,383	0.99%	
Total		46,567	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 on December 31, 2018



The following table shows the shareholders whose ownership percentage exceeds 5% of the Company's capital as on December 31, 2018.

Shareholder	No. of Shares	Ownership Percentage
Mubadala Development Company	2,339,464,326	29.75%
Al Sarya Investment	595,944,021	7.58%

Source: Abu Dhabi Securities Exchange

16.5 Statement of Distribution of Shareholders according to their Ownership Percentage as on December 31, 2018

The following table shows the distribution of shareholders according to their ownership percentage as on December 31, 2018.

Share Ownership (Shares)	No. of Shareholders	No. of Owned Shares	Owned Shares as Percentage of the Capital
Less than 50,000	43,456	124,784,451	1.6%
From 50,000 to less than 500,000	2,203	384,933,356	4.9%
From 500,000 to less than 5,000,000	749	1,107,998,742	14.1%
More than 5,000,000	159	6,244,913,054	79.4%
Total	46,567	7,862,629,603	100%

Source: Abu Dhabi Securities Exchange

16.6 Control of investor relationships with 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 and 2018, has stimulated and developed the Investor Relations Department and strengthened its role through the fulfilment of the primary and secondary requirements of the Investor Relations Department. This has been done in a manner that contributes to raising the consistency and quality of responses to the external inquiries of analysts, investors and shareholders, as well as strengthening the Company's investment relations and market linkages, and enhancing 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, improvement of the level of submitted reports, and an advanced and efficient structure at the Senior Management level. These ensure a high level of disclosure, transparency and interaction with markets.

From this viewpoint, the Company has developed and updated its Investor Relations Department website in accordance with the Securities and Commodities Authority's applicable requirements and controls of investor relations management, in an efficient and effective manner. Shareholders, potential investors, stakeholders and the public can visit this website:

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

In addition, to ensure efficient and effective realization of the role and objectives of the Investor Relations Department, the Company appointed officials specialized in investor relationships management, who have scientific qualifications and experiences in the fields of business,



accounting and public relations, and full knowledge of the Company's activities and opportunities, and are 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 technical and financial information on the Company easily and smoothly, in both Arabic and English, through various channels of communication. In 2018, the officials of this department conducted a series of meetings with current shareholders and potential investors, at the 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"> • Mr. Christopher Wilson • Mr. Mohamed Al Maazmi
Contact Information	
Phone	00971 2 8105555 or 00971 2 8105624 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 2018, and actions taken in respect thereof

In accordance with the applicable laws and regulations, a special decision is a 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 March 21, 2018, included three clauses requiring a special decision by the shareholders, which were unanimously approved by the shareholders present at that meeting. These clauses are as follows:

- Approval of providing voluntary community contributions by the Company during 2018, and authorizing 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 2016 and 2017, 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 these was announced by the Company on May 6, 2018: its contribution of AED 36 million to support Sandooq Al Watan (National Fund).

- Approval of increasing the maximum foreign ownership in the Company's capital from 40% to 49%, and amendment of Article 7 (National Ownership) of the Company's Articles of Association accordingly as follows:

<i>Before Amendment</i>	<i>After Amendment</i>
Article 7 National Shareholding	Article 7 National Shareholding
All shares in the Company shall be nominal shares. Ownership of shares by United Arab Emirates nationals (UAE Nationals) must not be less than sixty per cent (60%) of the issued share capital. The term "UAE Nationals" shall be restricted to natural persons with United Arab Emirates nationality or establishments, companies or entities established in the United Arab Emirates and wholly owned by United Arab Emirates individuals, and in addition federal and local government authorities and departments or companies and establishments wholly owned by them or by an individual emirate or companies wholly owned by an individual Emirate. Non United Arab Emirates natural and corporate persons, establishments, companies, entities and funds may own up to (40%) forty per cent of the issued share capital of the Company.	All shares in the Company shall be nominal shares. Ownership of shares by United Arab Emirates nationals (UAE Nationals) must not be less than (51%) fifty-one per cent of the issued share capital. The term "UAE Nationals" shall be restricted to natural persons with United Arab Emirates nationality or establishments, companies or entities established in the United Arab Emirates and wholly owned by United Arab Emirates individuals, and in addition federal and local government authorities and departments or companies and establishments wholly owned by them or by an individual emirate or companies wholly owned by an individual Emirate. Non United Arab Emirates natural and corporate persons, establishments, companies, entities and funds may own up to (49%) forty-nine per cent of the issued share capital of the Company.

Based on the approval issued by consensus of the shares represented at the General Assembly of the Company, the Company took the necessary measures to complete the legal procedures and requirements required to enforce this decision, amended the Company's Articles of Association, and published it in the Official Gazette. In addition, the Company communicated with the relevant departments of the Securities and Commodities Authority and Abu Dhabi Securities Exchange regarding the implementation and application of this decision in the relevant financial market regulations. This decision entered into effect as of April 15, 2018.

- Amendment of paragraph 4 of Article 24 (Quorum of Board's Meetings and Decisions) of the Company's Articles of Association by deleting Clause (A) of paragraph 4 of this Article, which determines the number of times the decisions may be passed by the Board Council with four decisions per year, according to Article 7 of 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 regarding the decisions passed by the Board of Directors. Therefore, the text of paragraph 4 of Article 24 (Quorum of Board's Meetings and Decisions) of the Company's Articles of Association becomes as follows:

<i>Before Amendment</i>	<i>After Amendment</i>
Paragraph 4 of Article 24 (Quorum for Board Meetings and Resolutions)	Paragraph 4 of Article 24 (Quorum for Board Meetings and Resolutions)

<p>24.4 Without prejudice to the requirement to hold a minimum of four (4) Board meetings per year, the Board may, in urgent circumstances, adopt resolutions in writing by circulation, signed by the majority of the Directors. Such resolution by circulation shall be valid and effective as if they had been adopted at a Board of Directors' meeting duly convened and held and may consist of several counterparts in like form, each signed by one or more of the Directors, provided that:</p> <ul style="list-style-type: none"> (a) the resolutions by circulation do not exceed four times per year; (b) the majority of the Directors agree that the matter requiring a resolution by circulation is urgent; (c) the resolutions are delivered to all the Directors in writing and accompanied by all the required supporting documents and papers; and (d) any resolution by circulation must be adopted in writing by a majority of the Directors and must be submitted at the next Board of Directors' meeting to be included in the minutes of such meeting. 	<p>24.4 Without prejudice to the requirement to hold a minimum of four (4) Board meetings per year, the Board may, in urgent circumstances, adopt resolutions in writing by circulation, signed by the majority of the Directors. Such resolution by circulation shall be valid and effective as if they had been adopted at a Board of Directors' meeting duly convened and held and may consist of several counterparts in like form, each signed by one or more of the Directors, provided that:</p> <ul style="list-style-type: none"> (a) the majority of the Directors agree that the matter requiring a resolution by circulation is urgent; (b) the resolutions are delivered to all the Directors in writing and accompanied by all the required supporting documents and papers; and (c) any resolution by circulation must be adopted in writing by a majority of the Directors and must be submitted at the next Board of Directors' meeting to be included in the minutes of such meeting.
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Based on the approval issued by consensus of the shares represented at the General Assembly meeting of the Company, the Company took the necessary measures to complete the legal procedures and requirements required to enforce this decision, amended the Company's Articles of Association, and published it in the Official Gazette. In addition, the Company communicated with the relevant departments of the Securities and Commodities Authority and Abu Dhabi Securities Exchange regarding the implementation and application of this decision.

16.8 Rapporteur of the meetings of the Board of Directors and the date of appointment thereof

Aldar Properties, its Board of Directors and its Executive Management believe in the role played by the Rapporteur of the Board of Directors' meetings in organizing 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. This includes scheduling meetings, organizing the agenda, organization and coordination of the Members before and during the meetings, preparing their minutes, arranging for the signature and adoption thereof, as well as 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, the Rapporteur 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 July 1, 2013. Mr. Brett Alexander Scrymgeour has approximately 17 years' experience in legal affairs and institutional compliance. He holds a bachelor's degree in law and a bachelor's degree in arts from Queensland University of Technology, Australia.

16.9 Material events experienced by the Company during 2018

The year 2018 witnessed a great turnout on sales of residential units in all projects launched by Aldar Properties, which was supported by the lack of high-quality residential projects launched in the market during that period, as well as the actual execution of the new Abu Dhabi Real Estate Law, which was announced in the middle of 2015 and entered into effect at the beginning of 2017, contributing to the regulation of the real estate market in the Emirate of Abu Dhabi and attracting investors to this vital sector. In addition, the asset management activity saw steady growth. Following are the key events experienced by Aldar Properties in 2018:

➤ Announcement of joint ventures and strategic partnership between Aldar Properties and Emaar Properties

On March 20, 2018, His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE, and Ruler of the Emirate of Dubai – God bless him – and His Highness Sheikh Mohammed bin Zayed Al Nahyan, Crown Prince of Abu Dhabi, and Deputy Supreme Commander of the UAE's Armed Forces – God bless him – in the presence of His Highness Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum, Crown Prince of Dubai, witnessed the announcement of the strategic partnership between Aldar Properties and Emaar Properties, by launching new global destinations which enhance the urban landscape in the UAE. It was announced that the major developers have signed a cooperation agreement for the implementation of international destinations with local and foreign investments of AED 30 billion, including the partnership in the development of Saadiyat Grove in Abu Dhabi and Emaar Beachfront in Dubai.

➤ Aldar Properties launches "Reflection" project on Al Reem Island

On March 24, 2018, Aldar Properties announced the launch of its new residential project on Al Reem Island, worth AED 440 million. The project consists of two adjacent towers and a small garden between them. It includes 374 residential units, including studios and one-, two- and three-bedroom apartments, providing an opportunity for all investors and owners to own apartments in the heart of Abu Dhabi.

➤ Increasing the maximum foreign ownership in the capital of Aldar to 49%

On April 15, 2018, Aldar Properties has announced that it has increased the maximum foreign ownership in the Company's capital from 40% to 49%, after completion of all procedures and fulfilment of all legal requirements in this regard. This decision entered into force as of April 15, 2018. This announcement came after the shareholders' approval of the increase at Aldar Properties' General Assembly meeting held on March 21, 2018.

➤ Aldar launches master plan for Al Ghadeer Project worth AED 10 billion

On April 16, 2018, Aldar Properties announced the launch of a new master plan worth AED 10 billion to expand Al Ghadeer Project, one of the distinctive destinations of Aldar



Properties, which is located in Seih Al Sedira between Abu Dhabi and Dubai. The master plan of Al Ghadeer Project includes 14,408 residential units (villas and townhouses). Its residential gross floor area exceeds 1.3 million square metres, in addition to office spaces, hotels, retail shops, and educational and community facilities.

➤ **Aldar acquires assets of AED 3.7 billion from Tourism Development & Investment Company in Abu Dhabi**

On May 7, 2018, Aldar Properties announced that it has entered into an agreement to acquire a portfolio of distinctive real estate assets from Tourism Development & Investment Company in Abu Dhabi worth AED 3.7 billion. This transaction is one of the largest real estate acquisitions in the history of the UAE. As part of this transaction, Aldar Properties acquired real estate assets in key destinations on Saadiyat Island. It includes 14 operational projects in various sectors, including hotel assets, retail spaces, and residential buildings, in addition to schools, infrastructure projects, a set of strategic plots and projects under development on Saadiyat Island.

➤ **Government Decree on the ownership of properties located in Abu Dhabi by the subsidiaries of Aldar Properties**

On September 10, 2018, His Highness Sheikh Mohammed bin Zayed Al Nahyan, Crown Prince of Abu Dhabi, and Deputy Supreme Commander of the UAE's Armed Forces – God bless him – issued Decree No. 58 on Aldar Properties, which provides that the companies owned by Aldar Properties by at least 50% of the capital shall have the right to own, whether directly or indirectly, properties in the Emirate of Abu Dhabi as of July 25, 2018.

➤ **Aldar launches Aldar Investment Company, the largest real estate investment company in the region**

On September 12, 2018, Aldar Properties announced the establishment of Aldar Investment Company to be the largest diversified real estate investment company in the region, following the recent Decree issued by Abu Dhabi Executive Council on the ownership of properties in Abu Dhabi. The new company owns and manages a number of major real estate assets in Abu Dhabi with a total value of over AED 20 billion (USD 5.4 billion).

➤ **Aldar launches a series of meetings on Aldar Investments with investors in fixed-income instruments, and submits a bid for bonds in the value of USD 750 million**

On September 17, 2018, Aldar Properties announced that Aldar Investment Company (wholly owned by Aldar Properties) had launched a promotional campaign and a series of meetings with investors in fixed-income instruments in the Middle East, Europe and Asia as of September 18, 2018. These meeting aims at issuing bonds of a specific value in USD for periods of five to ten years. The result of this issuance is subject to market conditions.

➤ **Aldar successfully completes refinancing through new bonds to the value of USD 500 million for 7 years**

On September 25, 2018, Aldar Properties announced that Aldar Investment Company (wholly owned by Aldar Properties) had successfully issued the first bond of USD 500 million at a fixed interest rate for seven years. Aldar Investments is the largest diversified real estate investment company in the region, and has the highest credit rating for a non-governmental company. The new version embodies the strength of Aldar Investments in long-term borrowed capital issuance in an effective and



independent manner, in addition to the successful refinancing of the debt maturities of Aldar Properties.

➤ **Aldar acquires Khedma Company in full**

On September 26, 2018, Aldar Properties announced the acquisition of 40% of the capital of Khedma Company, UAE, a leading company in property management and services. Under this transaction, Aldar Properties has completed its acquisition of Khedma Company in full. This acquisition supports Aldar Properties' commitment to implement the best international standards in the field of property management to create added value for owners and tenants of properties.

Other material events have been disclosed to the Securities and Commodities Authority, Abu Dhabi Securities Market and various media outlets during 2018.

16.10 Localization percentage in the Company as on December 31, 2018

Aldar Properties has adopted a policy that contributes to attracting experienced and qualified national 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 approach of our wise leadership. In this regard, it is worth mentioning that the Company succeeded in raising the Emiratisation percentage during the 2018, as the Emiratisation percentage reached 28.2% of the total number of employees of the Company as on December 31, 2018.

16.11 Projects and innovative initiatives performed by the Company during 2018

Aldar Properties firmly believes in the importance of adopting projects and innovative initiatives that would meet the needs and requirements of communities, customers, shareholders, stakeholders and investors 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 2018 (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 pushing the wheel of progress and prosperity based on the principles and foundations adopted by our wise leadership.

- Aldar Properties launched a direct electronic application that includes all options and products that the Company has on the market. This application facilitates the process of communication with shareholders, customers, stakeholders and others interested in investing in real estate, by providing comprehensive information regarding real estate products (units, villas, land, townhouses, etc.), whether for sale or lease. In addition, the Company provides early booking services through this application and/or the Company's website.

Approval of the Board of Directors	
Approved by the Board of Directors at its meeting No. 01/2019 held on February 13, 2019	
H.E. Mohamed Khalifa Al Mubarak Chairman	الدار العقارية ش.م.ع

