



Aldar Properties PJSC

# **Corporate Governance Framework**



**Aldar Properties PJSC**  
**Corporate Governance**  
**Framework**

**APPROVAL AND REVISION HISTORY**

<b>Task</b>	<b>Name</b>	<b>Designation</b>	<b>Signature</b>	<b>Date</b>
Approved by	Board of Directors	Board of Directors	BOD Minutes of Meeting	02 AUG 2017

**TABLE OF CONTENTS**

**1. INTRODUCTION .....2**

**2. ALDAR CORPORATE GOVERNANCE STRUCTURE .....3**

**3. SHAREHOLDERS .....3**

**4. BOARD OF DIRECTORS.....4**

4.1 Role and Function ..... 4

4.2 Board Committees ..... 4

    4.1.1 Audit Committee ..... 4

    4.1.2 Nomination and Remuneration Committee ..... 5

    4.1.3 Executive Committee ..... 5

4.3 Formation of the Board of Directors ..... 6

    4.3.1 Composition of the Board ..... 6

    4.3.2 Board Meetings ..... 7

    4.3.3 Company secretary ..... 7

    4.3.4 Directors' Remuneration ..... 8

    4.3.5 Board induction ..... 9

    4.3.6 Dealings by Members of the Board in Company Shares ..... 9

    4.3.7 Delegation of Authorities ..... 10

**5. EXECUTIVE MANAGEMENT .....10**

5.1 Duties of the Board Chairman ..... 10

5.2 Roles and Responsibilities of the CEO ..... 11

5.3 Management sub-Committees ..... 12

    5.3.1 Management Committee ..... 12



# Aldar Properties PJSC

## Corporate Governance Framework

5.3.2 Tender Committee.....	12
5.3.3 Risk Management Committee.....	12
<b>6. ACCOUNTABILITY AND INTERNAL CONTROL .....</b>	<b>13</b>
6.1 Internal Control.....	13
6.2 Internal audit.....	14
6.3 External audit.....	14
<b>7. INVESTORS RELATIONS.....</b>	<b>15</b>
<b>8. DISCLOSURE AND TRANSPARENCY.....</b>	<b>16</b>
8.1 Governance Report.....	16
8.2 Communication to Shareholders.....	17
<b>9. ETHICS AND CONFLICT OF INTEREST .....</b>	<b>17</b>
9.1 Code of Business Conduct.....	17
9.2 Rules relating to trading in ALDAR stocks.....	17
<b>10. CORPORATE SOCIAL RESPONSIBILITY .....</b>	<b>18</b>
<b>11. REFERENCES.....</b>	<b>18</b>

## 1. INTRODUCTION

ALDAR Properties PJSC (“ALDAR” or “the Company”) aims to help develop the Emirate of Abu Dhabi into an international business hub and tourist destination. As the Abu Dhabi’s premier real estate development and Management Company, ALDAR is committed to establish Abu Dhabi as the UAE’s preeminent real estate market by creating unique and prestigious developments that can be used as a benchmark of quality, whilst adhering to the cultural and natural heritage of the Emirate.

The Board of Directors (Board) is committed to uphold the highest standard of Corporate Governance for the best interests of the shareholders of the Company and its other stakeholders. The Board and management of the Company believe high standards in Corporate Governance enhance the Company’s performance, transparency, responsibility, accountability and adherence with laws, rules and regulations that govern over the Company’s operations.

The Company’s Corporate Governance procedures are founded on the principles of exemplary ethical standards and transparency which:



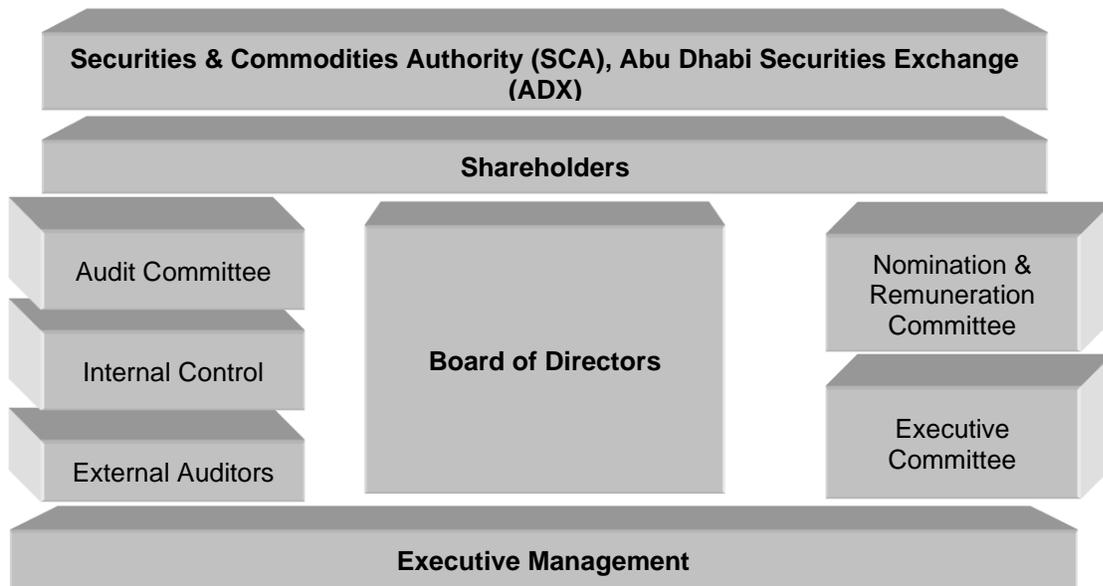
# Aldar Properties PJSC

## Corporate Governance Framework

- Put the interests of the Company before those of individual directors, executive managers or employees so that decision making is made ethically and without conflict of interest;
- Ensure that the management of the Company acts transparently and responsibly to add value for the benefit of all of its stakeholders but within guidelines approved by the Board;
- Attract investors to become and remain shareholders in the Company, and lenders to finance the Company's operations;
- Recognize the role which the Company performs within the Emirate of Abu Dhabi and the Company's community and social obligations; and
- Ensure compliance with the Company's legal obligations.

### 2. ALDAR CORPORATE GOVERNANCE STRUCTURE

ALDAR operates under the Corporate Governance Framework as depicted below:



### 3. SHAREHOLDERS

The Shareholders are the principal stakeholders or participants in the Company and the principles of corporate governance primarily seek to protect shareholders. Their rights are recognized in the Company's Articles of Association and are underpinned by the SCA Code, the rules of ADX and applicable laws and regulations.



# Aldar Properties PJSC

## Corporate Governance Framework

### **4. BOARD OF DIRECTORS**

ALDAR's Board represents the shareholders and it is accountable to them for creating and delivering value through the effective governance of ALDAR's business.

#### **4.1 Role and Function**

The Board is responsible for setting and directing the strategy, risk appetite, effective control and management of the Company. It oversees the adequacy and effectiveness of corporate governance and internal controls and approves the Company's budget, quarterly and annual accounts. The Board's Charter clarifies its role and responsibilities in its mandate to provide strategic guidance for the Company and effective oversight of its management and operations. The Board Charter outlines the standards of conduct required of Directors, establishes a policy addressing Director conflicts of interest and details the functioning of the Board as a whole.

#### **4.2 Board Committees**

In addition to the requirements of Article 53 and 58 of the SCA Code defining the mandatory and permanent committees, the Board has established the following committees:

- Audit Committee (mandatory)
- Nomination and Remuneration Committee (mandatory)
- Executive Committee

##### **4.1.1 Audit Committee**

The Audit Committee's primary role is to provide objective review and advice to the Board on its oversight responsibility in relation to the:

- Integrity over the financial accounts and reporting process;
- Independence, competency, performance and remuneration of the external auditors;
- Effectiveness and efficiency of the internal control systems;
- Competency and performance of the Internal Control function; and
- Compliance to legal and regulatory requirements including internal policies and procedures and other corporate governance activities.

The Audit Committee's Charter clarifies its role and responsibilities in its mandate in relation to financial reporting, external audit, internal control, risk management, internal audit, corporate governance and compliance.



## Aldar Properties PJSC

### Corporate Governance Framework

#### 4.1.2 Nomination and Remuneration Committee

The Nomination and Remuneration Committee, as outlined in its Charter is tasked with:

- Verifying the on-going independence of independent members of the Board.
- Developing and annually reviewing the remuneration policies of the Company.
- Determining the required core executive management and employees and the basis for choosing them.
- Developing, controlling, applying and annually reviewing the human resources and training policy of the Company.
- Implementing the procedures for nomination to the membership of the Board.
- Preparing an HR and training policy, monitoring its implementation, and reviewing it annually
- Monitoring the remuneration policy and ensuring it incentivizes and rewards the delivery of strategy and long-term performance.

#### 4.1.3 Executive Committee

The Executive Committee was established by the Board to undertake key business decisions as outlined in its Charter and delegations of authority. The Executive Committee is responsible in approving key business decisions that are time sensitive in nature. Effectively these authorities relates to key operational activities that cannot be suspended until the next full BOD meeting. Its high-level roles involve but are not limited to:

Investment strategy and policy approval

- Stewardship over investment strategy and company-wide policies
- Approve investment decisions
- Review and approve the development strategy and asset management strategy
- Approve Procurement Strategy and material tender awards

Monitoring and Review

- Review and approve key performance indicators (KPIs) of development projects and monitor performance
- Monitor performance of investment and tenders
- Review, recommend the need for additional capital
- Review impact of investment transactions
- Overview key financial targets and ratios set by the Management Committee



# Aldar Properties PJSC

## Corporate Governance Framework

### 4.3 Formation of the Board of Directors

#### 4.3.1 Composition of the Board

Pursuant to ALDAR's Article of Association (AOA) and the SCA Code, the Board comprise of 7 director in line with Article 143 of the Federal Law no. 02 of 2015 concerning the Commercial Companies which requires no less than (3) three and no more than (11) eleven directors to manage the Public Joint Stock Companies, provided that the number of Directors should be an odd number.

The Chairman and the majority of the Board must be UAE nationals as per UAE regulations.

With regard to females, Aldar aims to comply with the SCA requirements.

The Board of Directors shall be elected by the General Assembly provided that the majority of Board members are non-executive Independent Board members.

Aldar follows the definition of board independence as set by the SCA. A Board member is not considered to be independent in the following cases:

- If the Board member or any of his second-degree relatives is working or worked in the senior executive management of the company, the parent company or its subsidiary within the last two years preceding the date of his nomination to the Board.
- If the Board member or one of his first degree relatives has a direct or indirect interest in the contracts and projects concluded with the company or its subsidiaries during the last two years provided these deals in total exceeded 5% of the company paid-up capital or the amount of five million dirhams or equivalent of foreign currency whichever is lower unless the relationship is within the nature of the company business and without referential conditions.
- If the Board member is working or worked for the Company or its subsidiaries during the last two years preceding the date of his appointment to the board.
- If it works for or is a partner of a company that performs consultancy works for the company or any of its parent, subsidiary, sister or associate companies during the last two years.
- If it has any personal service contracts with the Company or any of its parent, subsidiary, sister or associate companies during the last two years.
- If it is directly linked to a non-profit entity that receives a huge amount of funding from the company or its subsidiaries.
- If the Board member or one of his relatives is a partner to or an employee of the company auditor, or if, during the last two years preceding the date of his



## Aldar Properties PJSC

### Corporate Governance Framework

- board membership, it was a partner to or an employee with the company auditors.
- If the ownership of the Board member or his minor children or both of them reaches (10%) or more of the company capital.
  - If a Board member is selected for a fourth consecutive term.

All Board members are elected by the shareholders of the Company for a term of 3 years at the General Assembly of Shareholders in line with the applicable Laws and SCA requirements.

#### 4.3.2 Board Meetings

Meeting of the Board shall be held at least (4) four times a year upon a written convocation of the Chairman, or upon a written request submitted by any two members of the Board. The Chairman will establish an advance meeting schedule for the year to ensure the significant agenda items and responsibilities of the Board are addressed.

The Board meets regularly during the year and monitors the Company's strategy, reviews performance, ensures the adequacy of funding and examines major development projects, formulates policy on key issues and reports to the shareholders accordingly.

#### 4.3.3 Company secretary

The company secretary is an independent function reporting directly to the Board.

The Board Secretary shall perform the following functions:

- Documenting the Board meetings and preparing their minutes, which shall include the discussions and deliberations that took place during these meetings, and place of these meeting as well as times and dates of their start and end. Registering the Board resolutions and voting results and keeping them in a special and organized record, including the names of attendees and any expressed reservations (if any). These minutes shall be signed by all attending members.
- Keeping all reports submitted to the Board and those prepared thereby.
- Providing Board members with the Board meeting agenda of the meeting and the related papers, documents, and information and any additional information related to subjects contained in clauses of the agenda requested by any Board member.
- Making sure that Board members comply with actions approved by the Board.



## Aldar Properties PJSC

### Corporate Governance Framework

- Notifying Board members of the Board meetings dates well in advance of the meeting date.
- Submitting draft of the minutes to Board members to express their opinion thereon before signing it.
- Making sure that the Board members, completely and immediately, receive a photocopy of the minutes of the Board meetings, information and documents related to the Company.
- Informing the Company executive administration about resolutions of the Board and its committees and reporting on their implementation and application.
- Coordinating between Board members and executives.
- Regulating the disclosure record of the Board and the Executive Administration in accordance with provisions stipulated in this guide and the applicable legislation and providing assistance and advice to Board members.

The Board Secretary may be only be dismissed by a Board resolution.

#### 4.3.4 Directors' Remuneration

In accordance with Article 28 of the AOA, the remuneration of the Directors shall be in the form of a percentage of the net profit of the Company provided that such percentage shall not exceed 10% of the net profits for the financial year. It shall also be permissible for the Company to pay additional fees or remuneration or monthly salary to any Director, as suggested by the Nomination and Remuneration Committee, reviewed by the Board and approved by the general assembly if such Director serves on any committee or discharges any special efforts or carries out additional work in the service of the Company in excess of their normal duties as a Director. Fines levied against the Company for any violation of the law or theses Articles of Association by the Board of Directors during the preceding financial year shall be deducted from the remuneration of the Board of Directors, however, the general assembly may resolve not to deduct such fines if it considers that such fines were levied for reasons other than a default or error of the Board of Directors.

While Article 48 of the AOA determines how net profits are to be distributed. The net annual profits after deduction of all general expenses and other costs are distributed in the following order:

- Ten per cent (10%) is deducted and allocated for the statutory reserve account. The general assembly may cease this deduction if the statutory



## Aldar Properties PJSC

### Corporate Governance Framework

reserve reaches 50% of the paid-up share capital. The statutory reserve may not be distributed to the shareholders. However, the surplus exceeding 50% of the paid-up capital may be used to distribute dividends to the shareholders in the years in which the Company does not achieve sufficient net profit for distribution.

- The general assembly shall determine a percentage from the net profit to be paid to the shareholders after deducting the statutory reserve provided that during any year, if the net profit does not allow distribution of dividends, the shareholders may not demand dividends from the profits of the subsequent years.
- The Directors shall receive a remuneration to be specified by the general assembly on an annual basis provided that such remuneration does not exceed 10% of the net profits for the relevant year after deducting depreciations and statutory reserve.
- The remaining net profits shall, upon the recommendation of the Board of Directors, either be distributed, in whole or in part, among the shareholders or shall be carried over to the following year, or shall be allocated to create a voluntary reserve, as may be decided by the Board of Directors.

#### 4.3.5 Board induction

The board is committed to provide induction program to new board members focusing on strategies, structures, code of conduct, main policies, material business including the financial and operational aspects of the company, regulatory environment, and standards and tasks, assignments and responsibilities assigned to board and committee members. The board shall dedicate sufficient time, budget and other resources for development of the board members and draw external expertise if required.

#### 4.3.6 Dealings by Members of the Board in Company Shares

The Company has established a policy governing when directors can trade in securities of the Company. This policy has been circulated to all directors and designed to eliminate insider trading and other unethical share trading practices.

The policy prohibits trading in securities of the Company during the period commencing 15 days before the close of the financial quarter reporting period until the audited annual or quarterly reviewed accounts (as the case may be) are released to ADX.



# Aldar Properties PJSC

## Corporate Governance Framework

### 4.3.7 Delegation of Authorities

The Company has developed a comprehensive matrix of delegations within the various business units which clearly identifies the authority of individual officers and employees to bind the Company and the limits of that authority delegated by the Board.

## **5. EXECUTIVE MANAGEMENT**

The Board delegated some of its authority in managerial matters to the Executive Management as outlined in the Management Committee Charter and their respective individual authorities as defined in the delegation of authority. There are clear segregation of responsibilities between the Chairman and Chief Executive Officer (CEO), the delegated authorities to the various Committees of the Board and the Executive Management.

### **5.1 Duties of the Board Chairman**

The Board Chairman shall assume the following duties and responsibilities:

- Ensure that the Board acts efficiently, fulfills its responsibilities and discusses all issues on a timely basis.
- Develop and approve the agenda of each Board meeting, taking into consideration any issues that Board members propose to be included in the agenda. The Board Chairman may delegate this responsibility to a certain Board member or the Board secretary under his own supervision.
- Encourage all Board members to participate fully and efficiently in the Board in order to achieve the company interests and ensure performing the board members' tasks in the best interests of the Company.
- Adopt suitable procedures to ensure efficient communication with the shareholders and the efficient communication of their views to the Board.
- Hold periodic meetings with the non-executive board members without presence of the company executives.
- Facilitate the effective participation of Board members, specifically Non-Executive Board members; establish constructive relations between Executive Board members and Non-Executive Board members; and work to create a culture that encourages constructive criticism.
- Ensure that the Board members receive all the necessary information that is clear, accurate and not misleading, so that they can perform their duties.
- Ensure the participation of the Board members, upon their appointment, to an induction program.
- Ensure that the Board has the sufficient time for consultation and decision making.
- Represent the Company before third parties according to provisions of the Companies Law and the company bylaws.



## **Aldar Properties PJSC**

### **Corporate Governance Framework**

- Consider any issues raised by the Board members or the external auditor, consult with the Board members and the Executive Director when preparing the agenda of the Board, and ensure that minutes of meetings are kept.
- Ensure the proper functioning of the Board and its committees in accordance with applicable laws and regulations.
- Ensure that the Board members obtain the approval of the market board of directors on trading in the company shares.
- Ensure that the Board elected vice-chairman.
- Ensure that every Board member is handed over a declaration of interest to avoid conflicts of interest in line with SCA's requirements.
- Ensure that the Board members disclose information and actions that should be disclosed in accordance with the legislations applicable in the capital market.
- Notify the General Assembly, during the meeting, of the business and contracts in which any Board member has a director in direct interest. Such notification shall include the information provided by the member to the Board and shall be accompanied by a special report from the external auditor of the Company.
- Support and encourage standards of corporate governance and ethical culture within the Board and within the Company.
- Ensure effective communications with stakeholders and stakeholders.

#### **5.2 Roles and Responsibilities of the CEO**

Responsibility for the day to day management and administration of Aldar's activities is delegated by the Board to the CEO.

The CEO's duties include, but are not limited to, the following:

- Developing strategical plans to meet the competition and keeping in mind the long term existence of the company;
- Keeping the board informed on responsibilities and mandates for managing significant responsibilities to other senior managers within their respective areas of control;
- Managing the company in accordance with the strategy, plans and policies approved by the board;
- Providing information to the board in a form, time frame and quality that the board requires in order to effectively discharge its duties;
- Ensuring that the company has an appropriate risk management & business continuity plans in place; and ensuring an effective organization structure;
- Maintaining effective oversight; and
- Assessment of senior management performance.



## Aldar Properties PJSC Corporate Governance Framework

### 5.3 Management sub-Committees

To oversee the day to day financial and operational performance of the Company and assist the Board in discharging its oversight responsibility, the following management sub-committees have been established:

- Management Committee
- Tender Committee
- Risk Management Committee

Each of the various committees are governed by their respective Charter which outlines their appointment, composition, authorities, responsibilities, selection and function of the Chairman and how they operate as well as reporting and evaluation of their performance annually. Other management committees will be formed as and when needed.

#### 5.3.1 Management Committee

The Management Committee is composed of the executive management of ALDAR and is chaired by the CEO. As detailed in its Charter, the Management Committee has delegated authority from the Board to:

- Ensure that operations are consistent with the policies developed by the Board and carried out in such a manner that meets the requirements of the Company's various stakeholders;
- Review and monitor actual performance against approved KPIs across the Company;
- Provide recommendations to the Board or its sub-committees within its scope of responsibilities; and
- Ensure that effective human resources programs are developed and maintained to support Company's strategic goals.

#### 5.3.2 Tender Committee

The Tender Committee oversees the procurement activities of the Company to ensure that works, services and purchases are acquired at the most favorable terms in a fair and transparent manner consistent with the delivery and quality required by the Company.

#### 5.3.3 Risk Management Committee

The Risk Management Committees charged with identifying, assessing, monitoring and managing risk within the Company. The Risk Management Committee recommends policies and procedures to mitigate risks as well assessing the objective



# Aldar Properties PJSC

## Corporate Governance Framework

tolerance to risks for the Audit Committee's review and endorsement prior to its final approval by the Board.

### **6. ACCOUNTABILITY AND INTERNAL CONTROL**

#### **6.1 Internal Control**

The Board is responsible for establishing the Company's internal control system. The internal control system assesses the:

- Company's risk management means and measures;
- sound application of governance rules;
- verification of compliance with applicable laws, regulations and resolutions as well as internal policies and procedures; and
- controls over the financial information used for drafting the financial statements.

The Audit Committee assists the Board to ensure that an annual review is conducted on the effectiveness of the Company's internal controls. The annual review and assessment of internal controls are carried out through the Compliance Officer and the Internal Control function reviews in addition to the financial statements audit conducted by the external auditors.

The Company's Executive Management is responsible for developing effective internal controls. Internal controls cover all aspects of the Company's operations and include methods and activities including:

- A comprehensive system of reporting, budgeting and planning, that is approved by the Board and against which performance is monitored;
- An organizational structure with clearly defined levels of authority and divisions of responsibilities;
- A code of business conduct under which the Company's business must operate;
- An annual performance appraisal process for monitoring the quality and competencies of the Company's personnel;
- Procedures to ensure complete and accurate accounting and to limit the potential exposure to loss of assets or fraud; and
- Robust policy and procedures, whilst recognizing that such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide reasonable but not absolute assurance against material misstatement or loss.

The Company's internal controls are designed to provide reasonable, but not absolute, assurance, to accomplish these.

There is an independent Internal Control function who reports to the Audit Committee. Its mandate is defined within its Charter.



# Aldar Properties PJSC

## Corporate Governance Framework

The key strategic objectives of the function include:

- Assisting in the implementation of a strong corporate governance framework by performing appropriate reviews and monitoring compliance of its effective implementation;
- Facilitating the set-up, review and approval of policies and procedures for the various business processes across the Company;
- Facilitating compliance of/ adherence to policies and procedures and regulations by performing related compliance reviews;
- Enhancing business processes by assisting in key process streamlining identified while performing reviews; and
- Instilling a strong risk and control awareness within key processes throughout the Company.

The function's primary responsibilities include the review of the effectiveness of the internal control systems within the Company through a schedule of reviews (Annual Plan) of the Company's processes approved by the Audit Committee. The Annual Plan is developed through the prioritization of the Company's processes based on an annual risk assessment exercise.

### **6.2 Internal audit**

The role of internal audit is to provide independent assurance that an organization's risk management, governance and internal control processes are operating effectively. Aldar's internal auditors have a professional duty to provide an unbiased and objective view. They must be independent from the operations they evaluate and the internal audit function reports directly to the audit committee, with a functional reporting line to the CEO.

### **6.3 External audit**

The external auditor is appointed annually in accordance with the Appointment of External Auditor Policy and approved during the Annual General Assembly. The primary service provided by the external auditor is to conduct quarterly reviews and an annual audit of the Company's Accounts in accordance with the International Standards on Auditing.

The Audit Committee meets with the external auditors to review and discuss with them the scope, quality, effectiveness and conclusions of their work. The Committee also considers the provision of non-audit services performed by the auditors to ensure that they are objective and independent of the Company.



# Aldar Properties PJSC

## Corporate Governance Framework

The external auditor attends and presents to the Board the results of the annual audit of the accounts. In addition, they also attend the General Assembly meeting and are available to answer questions.

### **7. INVESTORS RELATIONS**

ALDAR is committed to apply the Investor Relations standards in accordance with the applicable Laws & SCA's regulations. Such Standards aim to promote the application of best practices for the management of investor relations in ALDAR to enable investors to get the most important information and data related to ALDAR.

These standards also aim:

- to raise the level of consistency and quality in response to external inquiries from analysts and investors;
- to promote the international relations and the link in the market;
- to enhance the level of knowledge of the stakeholders and their understanding of data on ALDAR'S performance; and
- to find a sophisticated structure and more efficient interaction of Executive management with market requirements.

Based on the above, ALDAR shall abide by the following standards:

- a. Appointing an employee to undertake all the duties relative to managing investor relations, given such employee shall meet the following conditions:
  - Command of both spoken and written Arabic and English.
  - A university degree as well as practical experience in the fields of business, accounting, or investors public relations.
  - Familiarity with relevant legal and legislative requirements.
  - Full knowledge of the company's activities and potential opportunities.
  - Ability to use various means of communication and possession of the skills of communication with investors respecting securities.
  - Ability to deliver the company's technical and financial information that may require a specialist to clarify and simplify to investors.
- b. Creating a webpage for investors relations on the company's website and updating and maintaining it regularly in compliance with international standards; such webpage shall include: data and means of communication with Investors Relations Department (e.g. telephone number) and email all the reports relevant to financial results, whether archived or published, statements of the financial year including dates of publication of financial results statements, minutes of the general assembly's meetings, and any other important events.



# Aldar Properties PJSC

## Corporate Governance Framework

- c. Publication of the information and data disclosed to the regulatory authorities, markets, or the public, on the company's website; such information and data include, for example:
  - o News, events, developments, and milestones of the company
  - o Annual and interim financial statements and reports of the Board of Directors for several past years
  - o Governance report
  - o Shareholding structure
  - o Regularly updated general information on the company's website concerning its activities, business strategies, vision, and future plans
  - o Information on the price of the company's share in terms of: the closing price, opening price, highest and lowest prices throughout the year, different values of the share, and some financial indicators
  - o Enablement of inquiry about shareholders' pending dividends and mechanism of collection of such dividends
  - o Contact information of investor relations employee and mechanism of submitting opinions, comments, and inquiries
- d. Formation of a committee comprised of senior employees in the event of a crisis; such committee shall design a plan for communication with investors and the media with regard to the practical steps the company takes to face the crisis and shall designate an official spokesperson to undertake the said communication process in the name of the company.
- e. Publication of preliminary presentations clarifying the company's financial status, strategies, and future expectations, at least once annually, provided that such presentations shall be updated after each disclosure of financial results (quarterly, half-annually).
- f. Setting the procedures required for providing all the data and information for the investors relations employee, including Board decisions once issued as well as periodic and annual financial information upon approval thereof by the Board of Directors, to enable the investor relations employee to implement his/her duties stipulated in this article.

## **8. DISCLOSURE AND TRANSPARENCY**

### **8.1 Governance Report**

The Governance Report (Report) is an annual report of the Company's corporate governance practices signed by the Chairman of the Board and submitted to the SCA



## **Aldar Properties PJSC**

### **Corporate Governance Framework**

and ADX on an annual basis or on request during the accounting period covered by the Report or such subsequent period up to the date of the annual report was published.

#### **8.2 Communication to Shareholders**

ALDAR values communication with shareholders. Timely and adequate disclosures of material information of ALDAR are made available to the shareholders and regulatory authorities. It is ALDAR's Policy to disclose all material matters on its website (<http://www.aldar.com>), on SCA'S & adx's websites and in the annual Corporate Governance Report.

### **9. ETHICS AND CONFLICT OF INTEREST**

#### **9.1 Code of Business Conduct**

ALDAR operates under a Code of Business Conduct which identifies the ethical parameters within which ALDAR must operate. It applies to all ALDAR employees, consultants, contractors, suppliers and all other parties with whom ALDAR conducts business.

#### **9.2 Rules relating to trading in ALDAR stocks**

ALDAR has established a policy governing when employees can trade in securities of the Company.

The policy prohibits trading in securities of the Company during the period commencing 15 days before the close of the financial quarter reporting period until the audited annual or quarterly reviewed accounts (as the case may be) are released to ADX.

In addition, the Code of Business Conduct highlights the restrictions on dealings in ALDAR shares.

In line with SCA regulations, ALDAR also maintains a complete register of all insiders, including persons who may be considered as temporary insiders who have the right to access the Company internal information prior to publication. The Register shall also include prior and subsequent disclosures of insiders.

The company manages, follows up and supervises the transactions of the insiders and their properties. ALDAR notifies the SCA and the Market of an updated list of insiders at the beginning of each fiscal year and any amendments thereto during the fiscal year.



## **Aldar Properties PJSC**

### **Corporate Governance Framework**

#### **10. CORPORATE SOCIAL RESPONSIBILITY**

ALDAR's Corporate Social Responsibility objective is to create sustainable value for Shareholders, employees, suppliers, customers, business partners and the communities in which ALDAR operates. It is about ensuring that the Company's business remains viable and contributes lasting benefits to the UAE and other societies by considering the social, environmental, ethical and economic aspects in all that ALDAR does. ALDAR's comprehensive Corporate Social Responsibility policy is managed through an effective governance structure which includes commitment from the Board level to individual employees.

The Company's aim is to meet all social, environmental and corporate responsibilities imposed by the jurisdictions in which it operates. To this end, ALDAR is working to integrate environmental and social considerations into its decision-making and operational practices. This assists the Company in understanding the impact (direct and indirect) created by its operations. Ultimately this leads to better decisions and improved business performance, adding value to the Company's business by reducing risk, improving operational efficiency, as well as creating a great place to work.

#### **11. REFERENCES**

- i. Board Charter
- ii. Audit Committee Charter
- iii. Nomination and Remuneration Committee Charter
- iv. Executive Committee Charter
- v. Management Committee Charter
- vi. Tender Committee Charter
- vii. Risk Management Committee Charter
- viii. Code of Business Conduct
- ix. Appointment of External Auditor Policy
- x. Corporate Social Responsibility Policy
- xi. Delegation of Authority Manual
- xii. Policy for Dealings in ALDAR Securities
- xiii. Internal Control Department Charter