

Eshraq Investments PJSC
(Previously Eshraq Properties PJSC)

Governance report for the fiscal year 2018



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Recitals

Eshraq Investments PJSC ("**Eshraq**" or "**Company**") exerts its entire capabilities to accomplish the objectives for which it was incorporated, maximizing the Company's revenues, developing and promoting its businesses by adopting an ambitious strategic business plan to contribute to supporting the overall economic development of the Emirate of Abu Dhabi.

The fiscal year 2018 witnessed significant developments regarding the governance of the Company as a result of the amendment of Article (5)- Objective of the Company- and Article (24)- Authorities of the Board of Directors, as well as adopting a new restated Articles of Association of the Company compliant with the provisions of the Federal Law (2) of 2015 concerning the commercial companies and approved by the Company's General Assembly convened on 30/07/2018.

It is worth noting that the Board of Directors and the Executive Management exerted great efforts in order to keep the Company profitable throughout the year 2018.

On 30/09/2018, the General Assembly of the Company has resolved, by virtue of a special resolution, to buy-back up to 10% of the total shares of the Company as per the terms and conditions of the Federal Law (2) of 2015 concerning the commercial companies and the SCA's Board of Directors decision no. (40) of year 2015 concerning the Controls and Procedures relating to a Company Buying back its Shares with a View to Resell Them.



Finally, we present to your esteemed Authority the Governance Report of the Company for the fiscal year 2018 including the main items in accordance and pursuant to the requirements of the Securities and Commodities Authority("SCA").

1- Company's corporate discipline standards applications (Governance)

This section will include the following items:

- ◆ First item: The pillars upon which the Company's Governance principles are based
- ◆ Second item: The procedures taken to finalize the Governance Manual for the fiscal year 2018 and modalities of implementation.

We will address those two items in details as follows:

- ◆ First item: The pillars upon which the Company's Governance principles are based

Eshraq has abided by the terms and conditions of the following Sources ("Sources") in the draft of its Articles of Association, Internal Policies and Administrative Regulations:

- Federal law (2) of 2015 pertaining to the commercial companies.
- SCA's board of directors' Decision No. (3) of 2000 concerning the regulations as to Disclosure and Transparency and its amendments.
- SCA's Chairman of board of directors' resolution No. (7/R.M.) of 2017 concerning the standards of institutional discipline and governance of public joint stock companies.
- The provisions of the Company's Articles of Association amended to comply with the provisions of Federal Law (2) of 2015 pertaining to the commercial companies and the governing provisions of the Organization for Economic Co-operation (OECD).

It is worth noting that the Company endorsed the Governance Manual in accordance with the best local and international practices and was drafted in a way to comply entirely with the abovementioned Sources and based on which this report was prepared. Furthermore, the Board of Directors review the Manual regularly and amend it as needed regarding the Board of Directors, Executive Management, financial or administrative regulations or Company's regulating policies.

The Company deals with the Governance Manual as a document of prime importance that incorporates the Company's Corporate Discipline Standards which may not be breached or altered for any reason. The Governance Manual addresses the internal policies and procedures of the



Executive Management hence the entire adherence to disclosure, transparency and monitoring by all the departments of the Company.

◆ Second item: The procedures taken to finalize Governance Manual for the fiscal year 2018 and modalities of implementation

The Company developed a new Governance Manual during the year 2016. Through 2018, the Company has promptly responded to the new amendments established by the Securities and Commodities Authority and Abu Dhabi Securities Exchange as they are the official concerned entities to which the Company is affiliated from legal and regulatory aspects. The most significant actions taken in 2017 and pursued throughout the year 2018 are the following:

- Ongoing and regular update and activation of the website in Arabic and English where the website contains a special icon for Company's Governance and constantly keeping abreast with legal and administrative developments, and where all the advertisements and the resolution passed by the Board of Directors and the General Assembly are published.
- The Board of Directors of the Company spared no effort in meeting the shareholders, stakeholders ...etc and ongoing communication with them, resolving any issues or obstacles to ensure that the Company's function efficiently and in a controlled way. The following steps have been taken to ensure adherence of everyone at the Company to the Governance Manual:
 - Following up the implementation of the Corporate Discipline in compliance with the Governance Manual of the Company.
 - Establishing Board of Directors Committees, fixing their roles and authorities namely:
 - ◀ Audit committee
 - ◀ Nomination and rewards committee.
 - ◀ Investments and Projects Committee whose roles and authorities are fixed and the members appointed.
 - Establishing the new Committee of the Board of Directors known as the Insiders' Trading Follow-up and Supervision Committee and fixing its role and authorities.
 - Making sure to avoid cumulating between the positions of the Chairman of the Board of Directors, delegated member, CEO or the general manager.
 - Ensuring, through the Internal Audit and Compliance department, that all the members of the Board of Directors, Executive Management and all Company's employees have committed to



disclose their trades and the trades of their first tier relatives in the Company's securities.

- Adherence by the members of the Board of Directors, the Executive Management and all Company employees to the code of Ethics and the Corporate Discipline Standards and their amendments through regular instructions on the updates in this regard.
- Confirmed the appointment of an experienced and qualified Compliance Officer to assume such critical position.

2- Report of the trades in the Company's securities concluded by the members of the Board of Directors, their spouses and sons, during the fiscal year 2018

The Company approved a procedure whereby the members of its Board of Directors and its employees who have access to critical information about the Company or its securities abide by the laws and regulations, promote transparency and disclosure, and ensure equality with the normal shareholders in transacting with Company's securities ("Insiders").

Among the steps taken by the Company to adhere to and promote the regulations of transparency and disclosure:

1. Providing Abu Dhabi Securities Exchange ("ADX") with a list of the members of the Board of Directors and the Insiders.
2. Preparing a register of Insiders.
3. Updating the Company's Insiders' list on ADX website to help it control the trades of such Insiders and suspending them as stipulated by law.

The adherence to the procedures and laws pertaining to the Insiders' trading constitutes an important tool to protect the Company's reputation and promote the trust of the shareholders and investors.

After reviewing the Company's records and registers, we can conclude that the Company is aware of the following Insiders' holding of members of the Board of Directors, their spouses or sons during the fiscal year 2018

Name	Position/ Relationship	Shares held as at 31/12/2018	Total sale Transactions	Total purchase Transactions
Mr. Fraih Saeed Alqubaisi	Board member	555,000	-	-

The members of the Board of Directors of Eshraq are committed to regularly disclose their trading with the Company's securities.



3- Board of directors

The Board of Directors exerts sincere endeavors to ensure constant and sustainable growth of the Company, and the accomplishment of the Company's objectives as incorporated in its strategic plan and their regular review and update when needed and in accordance with the laws and regulations of the UAE. Furthermore, the Board of Directors endeavors its utmost efforts to recruit the most professional human resources as they deem necessary for the growth of Eshraq's business.

In this Section we will develop the following items:

- ◆ Composition of the Board of Directors of the Company elected on 29/04/2018.
- ◆ Female representation in the Board of Directors of the Company during the fiscal year 2018.
- ◆ Reasons why no woman were nominated for the membership of the Board of Directors
- ◆ Statement of Remunerations:
 - Aggregate remunerations of the members of the Board of Directors paid during the fiscal year 2017.
 - Aggregate proposed remunerations to be paid to the Board of Directors during the fiscal year 2018 and that will be submitted to the vote of the Annual General Assembly.
 - Report of the attendance allowances paid to the members of the Committees of the Board of Directors.
- ◆ Number of the Board of Directors meetings convened during the fiscal year 2018.
- ◆ Authorities of the the Board of Directors assumed by the Executive Management based on special authorization.
- ◆ Report on the related parties detailed transactions.
- ◆ Company's organization chart during the fiscal year 2018.
- ◆ Executive Management.

3-A Composition of the Board of Directors of the Company

The Board of Directors of the Company has been established pursuant to the provisions of the amended article (20) of the Company's Articles of Association to comply with the provisions of the Federal Law no. (2) of 2015 pertaining to the commercial companies. The members were elected



by the General Assembly on 29/04/2018 by way of secret cumulative ballot. The Board of Directors comprises (7) highly skilled and qualified members who are experts in their respective fields. Such expertise and qualifications help the Board of Directors to take the proper resolutions for the benefit of the Company. These members are listed below:

Mr. Jassim Mohamed Alseddiqi	
Capacity	Chairman of the Board of Directors
Category	Non executive/ non independent
Membership term from	24/07/2016
Qualifications and experiences	Bachelor of Electrical Engineering from University of Wisconsin-Madison. MSc in Electrical Engineering from Cornell University, USA with vast experience in business, real estate investment and private investments. He is the CEO of Abu Dhabi Financial Group.
Membership in other joint stock companies	Chairman of the Board of Directors of (Shuaa Captial PJSC-UAE), (GFH Financial Group BSC-Bahrain) and (Khaleeji Commercial Bank BSC-Bahrain), and Board member in (First Abu Dhabi Bank PJSC), (Dana Gas PJSC) and (ADNOC Distribution PJSC).
Position in any other important supervisory, governmental or business entities	NA

Dr. Saleh Hashem Alhashemi	
Capacity	Vice-Chairman of the Board of Directors
Category	Non executive/ independent
Membership term from	29/04/2018
Qualifications and experiences	PhD in Chemical Engineering from Tufts University- Boston-USA, with vast experience in business Management. He is currently the CEO of Algorithma and the Managing Director of Krypto Labs in Abu Dhabi. Most recently, he acted as the Executive Director of the Infrastructure and Environment at the General Secretariat of Abu Dhabi's Executive Council



Membership in other joint stock companies	Chairman of (Reem Finance PrJSC) and (Gulf Finance Corporation PrJSC), Board Member (Integrated Capital PrJSC)
Position in any other important supervisory, governmental or business entities	NA

Mr. Fraih Saeed Alqubaisi

Capacity	Board member
Category	Non executive/ independent
Membership term from	19/09/2017
Qualifications and experiences	Bachelor in Law and Police Sciences from the Faculty of Police-UAE, with more than 24 years experience in law and business administration fields.
Membership in other joint stock companies	Chairman of (Integrated Capital PrJSC) and Board Member of (Gulf Finance Company PrJSC) and (Islamic Arab Insurance Company (Salama) PJSC)
Position in any other important supervisory, governmental or business entities	NA

Mr. Shafiq Ahmed Abdulhamid

Capacity	Board member
Category	Non executive/ independent
Membership term from	25/07/2017
Qualifications and experiences	Master Degree in Civil Engineering (Manhattan College, USA) with more than 30 years experience in contracting, real estate development and business administration fields. He currently chairs the Board of Directors of City Engineering LLC and acts as CEO of City Plaza Real Estate and City Living Property.
Membership in other joint stock companies	NA
Position in any other important supervisory, governmental or business entities	NA



Mr. Jasim Hussain Al Ali	
Capacity	Board member
Category	Non executive/ independent
Membership term from	14/06/2017
Qualifications and experiences	and Master Degree in Business Administration, Leicester University, UK with more than fifteen years' experience in business administration, real estate investment field and real estate investment and development companies.
Membership in other joint stock companies	Board member in (Aseel finance PrJSC), (Dubai First PrJSC) and (Shuaa Capital PJSC).
Position in any other important supervisory, governmental or business entities	Board Member of the (Emirates Institute for the Banking and Financial Studies)

Mrs. Natasha Ibrahim Hannoun	
Capacity	Board member
Category	Non executive/ independent
Membership term from	17/10/2017
Qualifications and experiences	Bachelor in Physics and Mathematics (Bristol University, UK) with ten years experience in invesments, investment companies and business administration consultations. She works as Director of Integrated Alternative Finance Ltd
Membership in other joint stock companies	NA
Position in any other important supervisory, governmental or business entities	NA

Mr. Ajit Vijay Joshi	
Capacity	Board member and Board delegated member
Category	Executive/ non-independent
Membership term from	14/06/2017
Qualifications and experiences	and Bachelor of Engineering in computer science Master Degree in Business Administration from the Indian



Membership in other joint stock companies	Institute for Management Lucknow with experience in investments and business administrations fields. He works as Director Investments at ADCM Altus Investment Management Ltd Board member in (Integrated Capital PrJSC) and (Gulf Navigation Holding PJSC) (Takaful Emarat Insurance PSC).
Position in any other important supervisory, governmental or business entities	NA

3-B-Female representation in the Board of Directors during the fiscal year 2018

The Board of Directors of the Company has one female member, Ms. Natasha Hannoun, as a result of her re-election on 29/04/2018.

Discrimination between man and women is prohibited by the Company's policies and by-laws, and consequently there are no hurdles impeding or refraining the election/appointment of females assuming any administrative, professional, leadership or board membership office.

C- Reasons for absence of Female representation in the Board of Directors during the fiscal year 2018

The Company has taken valid procedures to publish the invitation for the election of Board members in the newspapers and the Company's website where the invitation was open to all with no limitations and the Company received only one application for nomination by Mrs. Natasha Hannoun, who was elected as Board member on 29/04/2018.

3-D- Statement of Remunerations

-D-1 Aggregate remunerations of the members of the Board of Directors paid during the fiscal year 2017

The Company has paid the members of the Board of Directors for the year 2017 a total remuneration of AED 1,110,000.00 which was distributed



equally amongst the six existing Board Members at the date of the General Assembly of 29/04/2018.

3-D-2 Aggregate proposed remunerations to be paid to the Board of Directors during the fiscal year 2018 and that will be submitted to the vote of the Annual General Assembly

The Board of Directors will propose to the voting of the Annual General Assembly a remuneration to the members of the Board of Directors for the year 2018 in an aggregate amount of AED 525,000-/(Five hundred and twenty five thousand Dirhams only), to be distributed equally between the seven current Board of Directors' members.

3-D-3 Report of the attendance allowances paid to the members of the Committees of the Board of Directors

No allowances were disbursed to members of the Committees of the Board of Directors for their attendance during the year 2018.

The Board of Directors will propose to the voting of the Annual General Assembly a remuneration of AED 75,000-/(Seventy five thousand Dirhams only), for each of the three Members of the Nomination and Remuneration Committee for their efforts and involvement in all the Committees.

3-E- Number of the Board of Directors' meetings convened during the fiscal year 2018

Pursuant to and in accordance with article (29) of the Company's Articles of Association, the Board of Directors shall hold at least (4) meetings during the fiscal year, and at least once every three months.

The meetings of the Board of Directors as well as its Committees are convened in the presence of the majority of members. During the year 2018 **five meetings** of the Board of Directors were convened based on written convocation sent by the Chairman of the Board of Directors or upon a written request submitted by two Board members. The convocation along with the agenda are served one week at least before the scheduled date. The details of the deliberations and the adopted resolutions are recorded and noted in minutes of meetings and maintained with the Board secretary. The minutes of meetings must take into consideration any



preservations, objections or dissenting opinions by Board members concerning any resolution that is adopted by majority votes.

The items of the agenda that are linked to Related Parties or to conflict of interests are raised prior to every meeting and recorded in the minutes of meeting and approved by attending members. The Related Parties or conflicted parties shall not vote on such items of the agenda.

Below, list of the meetings of Eshraq Board of Directors convened during the year 2018:

Meetings	Jassim Alseddiqi	Saleh Alhashemi	Jasim Al Ali	Shafiq Abdelhamid	Fraih Alqubaisi	Natasha Hannoun	Ajit Joshi
26/03/2018	✓	<i>He was not a member yet</i>	✓	✓	✓	✓	✓
10/05/2018	✓	✓ By proxy of Jassim Alseddiqi	✓	✓	✓	✓	✓
08/07/2018	✓	✓	✓	✓	✓	✓	✓
12/08/2018	✓	Outside the country	✓	✓	✓	✓	✓
04/11/2018	✓	✓	✓	✓	✓	✓	✓
Total	5	3	5	5	5	5	5

The Board of Directors adopted 4 resolutions by circulation during the fiscal year 2018 dated as follows:

- 02/05/2018;
- 16/05/2018;
- 25/07/2018;
- 26/12/2018.

All laws and regulations requirements were considered particularly for the following:

- Approval by the majority of members that the case requires the adoption of a resolution by circulation.
- Handing to the members the resolutions in writing and accompanied by all required documents and instruments to study the case and approving the same in writing.
- Proposing the same to the next Board of Directors meeting to adopt it in the minutes of meeting.



3-F- Authorities of the the Board of Directors assumed by the executive management based on special authorization

On 09/10/2017, the following authorities were delegated to the Delegated Member of the Board of Directors Mr. Ajit Joshi, as well as Mr. Jasim Al Ali, Member of the Board of Directors, acting jointly or individually, pursuant to a power of attorney no. 1705029439, and this to allow them to administer the Company's daily activities taking into consideration that the delegated member performs his duties under the control and power of the Board of Directors:

Transactions: approaching, receiving, handing, delivering and signing all papers, documents and transactions, with the related governmental and semi-governmental departments, Ministries and departments. The attorney has the right to renew the license and to add, delete or change its activities, moreover, to open branches for it inside the state and to receive, apply and sign all applications, documents and transactions, and to sign all the documents related to the commercial license and to manage and supervise the same.

Labor: Appointing employees and labors, terminating them, fixing their salaries and dues, paying their salaries, executing their contracts, paying their salaries, applying for different types of visas and cards (identity – employment – health) and residencies and renewing them, receiving and canceling them and to effect and release them, paying and receiving the relevant bank guarantees, deporting and discharging them as well as signing settlement agreements.

Services: Applying and register with telephone, fax, internet, electricity services and other services.

Banks: Opening and closing accounts with all operating banks in the country in the name of the Company and manage existing accounts.

Concluding contracts: Executing all types of contracts, and agreements with others within the normal course of business of the Company, amending, novating, transferring, assigning and terminating them as well as the articles of association, executing memorandums of association for such companies incorporated by the Company, partnership amendment annexes and service agent contract and amending, renewing, novating, transferring terminating, canceling contracts and authenticating them by the Notary Public.

Selling and assignment: Executing the contracts of selling, purchasing, mortgaging lands and properties owned by the Company as well as the right to purchase lands and properties in the name of the Company and the attorney will be also entitled to assign the lands and



properties owned by the Company, executing sub-musataha contracts and long-term leases and to authenticate and register them with concerned authorities.

Receiving money: Receiving all dues and sums due to the Company, collecting debts from others whether individuals, companies, government or private firms and whether in cash or by checks, executing the same, executing the receipts vouchers of bank guarantees and securities and depositing them into the Company's account in the name of the first beneficiary only.

Vehicles: Purchasing, leasing, selling and transferring all Company's vehicles, renewing their ownership, registering them and to cancel them, pay fees and fines incurred by the vehicles, releasing lien thereupon, receiving cars and to approach the Critical Infrastructure and Borders Protection Authority, machinery leasing and Licensing Division as well as the right of assigning and transferring the plate numbers of the vehicles owned by the said license.

Courts: Approaching all courts of different instances and types, all judicial and administrative committees, reconciliation committee, rental dispute resolution committee and Ministry of Labor and Social Affairs regarding all cases instituted by or against us, filing complaints in front of the security, police and Public Prosecution departments, instituting petitions, submitting demands, memorandums, statements and any other documents requiring submission, paying all fees and following up litigation process as well as the right to submit and receiving papers and transactions, executing them, receiving adjudicated sums in the name of the Company whether in cash or by checks in favor of the first beneficiary, depositing them in the Company's accounts, assigning discharging the legal cases, appointing advocates where necessary, attending hearings, investigations, observations and experts sessions, dismissing them and appointing their substitutes, pleading, defense, denial, discharging, appealing and executing judgments, orders and ordinances issued for the favor of the Company, administering, accepting and denying conclusive oath, submitting impediments of execution, effecting, lifting and canceling liens and memos filed against the Company and appealing by any manner of appeal, objections, appointing experts and arbitrators, submitting memorandums and documents, claiming counterfeit, judge or expert recusal and taking all necessary legal procedures necessary thereto.

This mandate expires on 01/10/2020.

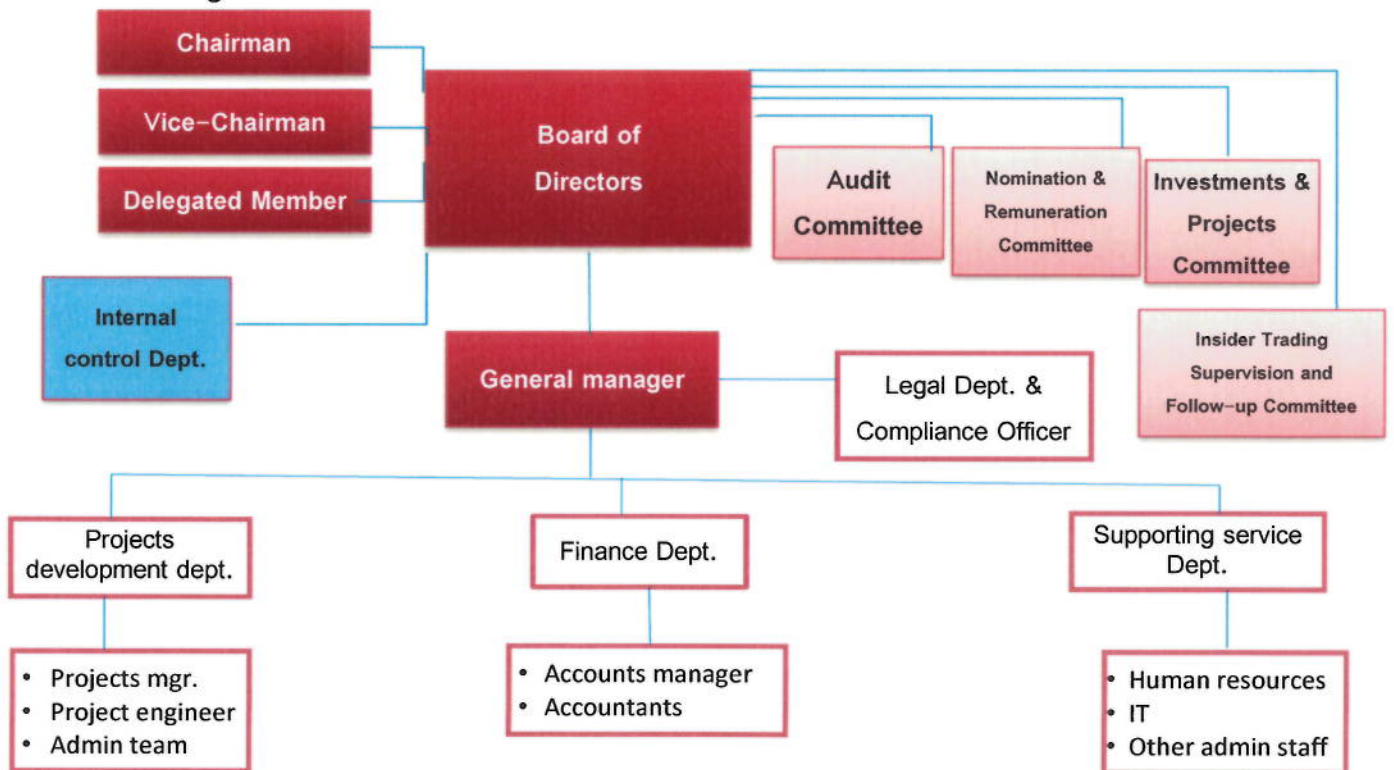


3-G Report on the Related Parties detailed transactions

During the year 2018, the Company has not contracted any transaction with a Related Party.

3-H- Company's organization chart during the fiscal year 2018

The Company updated, developed and restructured a number of departments which has led to a new Organizational Chart that demonstrates and complies with such update and incorporates the first and second layer encompassing the general manager and/or the CEO, deputy general manager, directors and workforce such as the financial manager.



3-I- Executive Management

The Executive Management of the Company performs all duties, roles and responsibilities referred to it by the Board of Directors and administers the

daily activities of the Company. The Executive Management is currently chaired by a “Delegated Member” who is responsible for the daily operations and the administrative activities of the Company, and will regularly and effectively contribute to developing the Company, enhancing its performance and adding value to its shareholders. The general manager, together with the Executive Management team, shall be responsible towards the Board of Directors for the follow-up of the recommendations of the Board, the implementation of the strategies and the policies as well as the audit/ control.

Below, the most significant positions occupied by the Executive Management of the Company for the fiscal year 2018 and identification of their entitlements such as salaries, allowances and remunerations paid during 2018:

Position	Date of Appointment	Total Salaries and Allowances (AED)	Total Bonuses paid in 2018 (AED)	Any Other cash/ in-kind benefits for 2018 or payable in the future
Head of Engineering	30/05/2018	386,775	Not Available	Not Available
Projects Director	08/01/2017	600,000	Not Available	Not Available
Financial controller	05/12/2015	333,000	Not Available	Not Available
General Counsel and Compliance Officer	01/05/2017	1,035,000	Not Available	Not Available

4- External Auditors

4-A- Brief about the External Auditor

PriceWaterhouseCoopers is considered worldwide as one of the most renowned professional services firm. Established in 1998, PriceWaterhouseCoopers was formed as a result of the merger between Price Waterhouse with Cooper and Lybrand.

Furthermore, it is ranked as one of the big four companies alongside Ernst & Young, Deloitte and KPMG.



4-B- Statement of the fees or costs of auditing or the services provided by External Auditor

Audit firm	PriceWaterhouseCoopers
Number of years served as the Company External Auditor	Three years; 2016, 2017 and 2018
Total fees of auditing financial statements of 2018 (in AED)	AED 325,000
The fees and costs of the special services other than the auditing of the FS 2018 (in AED), if any.	Nil
The details and nature of other services provided (if any).	services Nil
A statement of the other services performed by and external auditor other than the Company's External Auditor in 2018 (if any).	Nil

4-C- Statement of the qualified opinions made in the interim and annual financial statements for 2018

No statement of qualified opinions by the External auditors in the interim and annual financial statements for the financial year 2018.

5- Audit Committee

5-A Functions and duties of the Audit Committee and name of the members

- Key duties and authorities of the Audit Committee:
 - Developing and implementing policy on contracting with external auditors, submitting a report to the Board whereby it outlines the matters it deems necessary to take action upon along with submitting its recommendations on necessary steps to be taken ... etc.
 - Monitoring the soundness of the Company's financial statements and reports (annual – semi-annual – quarterly) and reviewing them as part of this regular activities during the year.
 - Coordinating with the Board, the Executive Management and the Finance Director regarding the fiscal policy and the roles of each team member within the finance department ... etc.



- Ensuring the Company's compliance with all legal and regulatory rules, monitoring the Company accounts and developing the Corporate Discipline and the Governance Standards of the Company.
- Reviewing internal financial control, internal control and risk management of the Company.
- Ensuring the coordination between the Internal Auditor and the External Auditor.
- Ongoing review of policies, financial and accounting procedures and seeking their sustainable development.
- Monitoring the extent to which the Company is adhered to the code of conduct.
- The right to study any matter falling within its authorities and it is authorized to have access without limitation or restriction to the External Auditor and to obtain any professional consultation pertaining to the Company.

The Committee is vested with the power to request any needed information from any employee or Board member, and the Board members and employees are directed to cooperate with any request raised by the Committee.

The Board of Directors has appointed the following persons as members of the Audit Committee on 10/05/2018:

Name	Job title	Legal capacity
Mr. Fraih Alqubaisi	Chairman	Non-executive – independent
Mr. Jasim Al Ali	member	Non-executive – independent
Mrs. Natasha Hannoun	member	Non-executive – independent

5-B Meetings of the Audit Committee

Meeting	Name Date	Mr. Fraih Alqubaisi	Mr. Jasim Al Ali	Mrs. Natasha Hannoun	Total
1	16/05/2018	Attended	Attended	Attended	3
2	08/07/2018	Attended	Attended	Attended	3
3	12/08/2018	Attended	Attended	Attended	3
4	04/11/2018	Attended	Attended	Attended	3
5	26/12/2018	Attended	Attended	Attended	3



6- Nomination and Remuneration Committee

6-A Functions and duties of the Nomination and Remuneration Committee and name of the members

- Key roles, duties and authorities of the Nomination and Remuneration Committee:
 - Identifying the group of individuals and aggregate remunerations of Board members within the framework authorized by the shareholders.
 - Setting remunerations policy of the Executive Management as linked to Company's performance, determining salaries ceiling including salaries, remunerations and incentives programs.
 - Developing and reviewing the HR policies in compliance with the relevant laws and regulations.
 - Overseeing the procedures of nominating Board members.
 - Reviewing and ensuring the independency of Board members in exercising their roles and duties.
 - Developing and reviewing the policy pertaining to granting remunerations and salaries of the Board and Executive Management.
 - Identifying the Company's requirements for competent personnel at the Executive Management level.
 - Organizing and reviewing the procedures of the nomination of Board members.
 - Studying any matter falling with its authorities and it is authorized to have access without limitation or restriction to the External Auditor and to obtain any professional consultation pertaining to the Company.

The Committee is vested with the power to request any needed information from any employee or Board member, and the Board members and employees are directed to cooperate with any request raised by the Committee.

The Board of Directors has appointed the following persons as members of the Nomination and Remuneration Committee on 10/05/2018:

Name	Job title	Legal capacity
Mr. Shafiq Abdelhamid	Chairman	Non-executive – independent
Mr. Jasim Al Ali	member	Non-executive – independent
Mr. Fraih Alqubaisi	member	Non-executive – independent



6-B Meetings of the Nomination and Remuneration Committee

Meeting	Name / Date	Mr. Shafiq Abdelhamid	Mr. Jasim Al Ali	Mr. Fraih Alqubaisi	Total
1	11/08/2018	Attended	Attended	Attended	3
2	26/12/2018	Attended	Attended	Attended	3

7- Insiders' Trading Follow-up and Supervision Committee

7-A Functions and duties of the Insider's Trading Follow-up and Supervision Committee and name of the members

The Board of Directors has established during 2018 an independent Committee for the follow-up and supervision of the Insider trading which is composed by the CEO/GM/Delegated Member of the Board of Directors, one non-executive and independent member of the Board of Directors and the Compliance Officer.

- Key roles, duties and authorities of the Insiders' trading Follow-up and Supervision Committee:
 - Administering the Policy and monitoring and enforcing compliance with all policy provisions and procedures.
 - Responding to all inquiries relating to this policy and its procedures.
 - Designating and announcing special trading blackout periods during which no employees may trade in Company securities.
 - Providing copies of this Policy and other appropriate materials to all current and new directors, officers and employees, and such other persons as the Insider Trading Supervision and Follow-up Committee determines have access to Material Non-public Information concerning the Company.
 - Administering, monitoring and enforcing compliance with federal and state insider trading laws and regulations.
 - Assisting in the preparation and filing of all required SCA reports relating to trading in Company securities.
 - Selecting designated brokers through which Insiders are authorized to trade Company securities.



- Revising the Policy as necessary to reflect changes in federal or state insider trading laws and regulations.
- Maintaining the Company records, including the originals or copies of all documents required by the provisions of this Policy or the procedures set forth herein, and copies of all required SCA reports relating to insider trading.
- Maintaining the accuracy of the list of Insider Employees, and updating such list periodically as necessary to reflect additions or deletions.

The Insider's Trading Follow-Up and Supervision Committee is composed of the following persons since its creation:

Name	Job title	Position
Mr. Jasim Al Ali	Chairman	Board member
Mr. Ajit Joshi	member	Delegated Member of the Board of Directors
Mr. Ziad Touma	member	Executive- Compliance Officer

7-B Meetings of the Insider's Trading Follow-up and Supervision Committee

Meeting	Name / Date	Mr. Jasim Al Ali	Mr. Ajit Joshi	Mr. Ziad Touma	Total
1	26/12/2018	Attended	Attended	Attended	3

8-A functions and duties of the Investments and Projects Committee and name of the members

- Key roles, duties and authorities of the Investments and Projects Committee:
 - Review the Company's investment policy and guidelines to ensure they are appropriate and recommend it to the Board for approval;
 - Oversee the implementation of the Company's investments, ensuring compliance with the investment guidelines, including approval of investment transactions in accordance with these guidelines;
 - Annually review the Company's investment performance and strategy used to achieve its objectives and recommend to the Board any appropriate changes;



- Oversee investment-related risks taking into account the Company's strategies and risk appetite;
- Delegate authorities to the management to execute investment transactions on behalf of the Company that are consistent with the investment policy and guidelines, as well as consider for approval any proposed investment transactions on behalf of the Company that exceed such delegated authority;
- Evaluate the performance of those delegated by the Committee to perform the assigned duties;
- Consider investment and project development opportunities and present them to the management to perform the necessary research, feasibility, and required due diligence who will then submit such findings to the Committee and recommend it to the Board for approval;
- Perform any such other duties and responsibilities as may be assigned to the Committee, from time to time, by the Board.

The Board of Directors has appointed the following persons as members of the Nomination and Remuneration Committee on 10/05/2018:

Name	Job title	Legal capacity
Mr. Jasim Al Ali	Chairman	Non-executive – independent
Mr. Shafiq Abdelhamid	Member	Non-executive – independent
Mr. Ajit Joshi	Member	Executive – Non-independent
Mrs. Natasha Hannoun	Member	Non-executive – Independent

8-B Meetings of the Investments and Project Committee

Meeting	Name / Date	Mr. Jasim Al Ali	Mr. Shafiq Abdelhamid	Mr. Ajit Joshi	Mrs. Natasha Hannoun	Total
1	25/06/2018	Attended	Attended	Attended	Attended	4
2	25/09/2018	Attended	Attended	Attended	Attended	4
3	31/10/2018	Attended	Attended	Attended	Attended	4
4	05/12/2018	Attended	Attended	Attended	Attended	4



9- Internal Audit/Control Chart

9-A Undertaking of the Board of Director's responsibility of the Internal Audit Control Chart

- The Board acknowledges its entire responsibility for the Internal Audit/Control chart, its review and enforceability.
- The Board assumes the overall responsibility for ensuring that senior management develops and implements effective Internal Audit/Control Chart in order to provide reasonable assurances of the effectiveness and efficiency of the operations, and provides precise financial reports and abides by the provisions of the Federal Law no. (2) of 2015 pertaining to the commercial companies and the SCA's chairman resolution No. (7/R.M.) of 2016 pertaining to the standards of institutional discipline and governance of public joint stock companies.
- The Board assumes the responsibility for setting reporting policy on breaches as and according to the laws and the SCA's chairman of the board of directors' resolution No. (7/R.M.) of 2016 pertaining to the standards of institutional discipline and governance of public joint stock companies.

9-B Internal Audit Officer

Persons assuming the responsibility of Internal Audit/Control department of the Company and his/her qualifications:

Name	Internal control department Title	Appointment date	Qualifications and experiences
Ziad Naji Touma	<u>Acting</u> Internal Audit/Control manager	01/05/2017	Master degree in Lebanese and French law

9-C Compliance Officer

Name	Title	Compliance Officer Appointment date	Qualifications and experiences
Ziad Naji Touma	Compliance Officer	01/05/2017	Master degree in Lebanese and French law



9-D How Internal Audit/Control department handles any significant issues and breaches

The Governance Manual of the Company implemented the Breach Reporting policy –if occurred- by way of documented procedures by which employees can disclose any potential breaches.

The responsibility of overseeing the implementation of the Breach Reporting policy is mandated to the Internal Audit/Control department of the Company, which department is responsible for providing proper environment to facilitate this key assignment and submitting reports to the Audit Committee.

The Company did not face any major issue or breach during the year 2018.

10- Details of committed breaches during the fiscal year 2018, demonstrating their causes and the manner of their resolution and avoiding repetition in future

Eshraq abides by all applicable laws, decrees and regulations in the United Arab Emirates and during the fiscal year 2018, no breaches to laws and provisions were reported. The Company abides, through its Board of Directors and the Executive Management, to the frameworks governing the Corporate Discipline that prohibits the occurrence of procedural breaches.

11- Cash and in-kind contributions made during 2018 toward the local community Development and environmental conservation

The Company is putting, through the Board of Directors, its Committees and the Executive Management serious efforts to commit to the accomplishment of the sustainability of its business, fostering its contributions in supporting and enhancing the economic and social development in the United Arab Emirates through adopting more intelligent and effective methods.

The paramount interest of the Board of Directors of the Company, its Committees and all the Executive Management members is to provide considerable participations in the surrounding communities.

The Company stresses on the extraordinary care extended by the political leadership of the state and all governmental and social entities to which the Company is contributing by exerting its utmost endeavors to develop the surrounding communities, and mainly with regard to the educational



sector, the healthcare sector, the environment and waste treatment sector.

During the year 2018, the Company did not contribute to any monetary and/or in-kind contributions for the development of the local communities. However, and with regard to the environment conservation, the Company has put together a lot of effort in order to reduce to the maximum extent the plastic products in its head-quarters. It has made sure to distribute flyers in the hotel residences it owns in Dubai about the importance of the environment and the wasting of water. Furthermore, the Company has sold all its cars that are environmentally unfriendly.

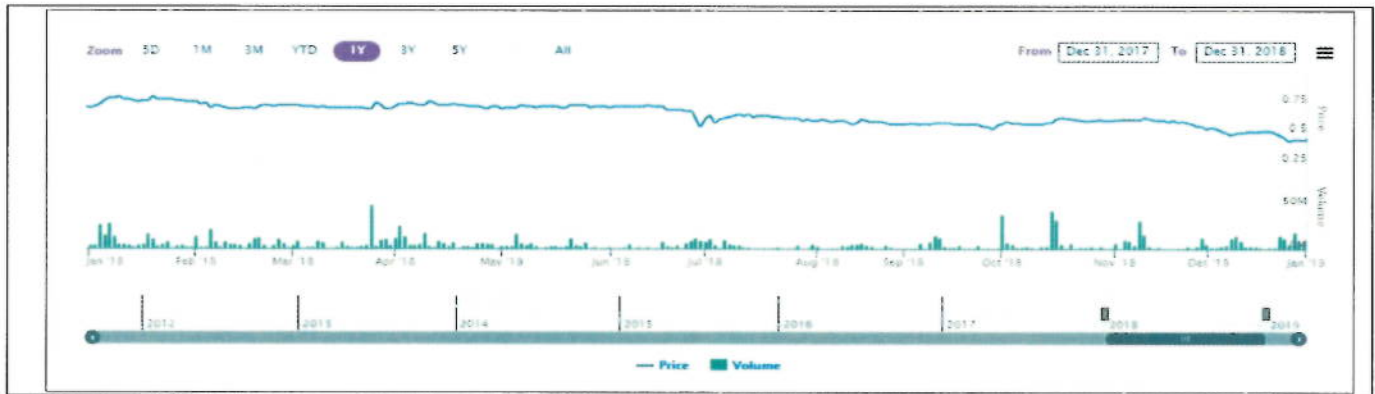
12- General information

12-A Company share price in the market (closing price, highest price, lowest price) for each month end during the fiscal year 2018

Month	Opening price	Highest Price	Lowest Price	Closing Price	No. of shares
January 2018	0.71	0.80	0.72	0.75	190,250,000
February 2018	0.75	0.76	0.70	0.73	146,990,000
March 2018	0.73	0.75	0.70	0.72	154,110,000
April 2018	0.72	0.76	0.70	0.71	160,620,000
May 2018	0.71	0.74	0.71	0.73	106,340,000
June 2018	0.73	0.73	0.56	0.60	80,320,000
July 2018	0.60	0.66	0.58	0.61	80,430,000
August 2018	0.61	0.61	0.57	0.57	51,350,000
September 2018	0.57	0.58	0.54	0.562	77,010,000
October 2018	0.562	0.628	0.562	0.60	186,050,000
November 2018	0.60	0.628	0.531	0.545	122,570,000
December 2018	0.545	0.547	0.425	0.46	143,960,000



12-B Share comparative performance to market index and Company's related sector index to which the Company belongs during year 2018



12-C Statement of distribution of shareholders on 31/12/2018 (individuals, Companies, Government) classified as follows: Local, GCC, Arab and Others

INDIVIDUALS				
Nationality Types	Volume	Net Value (AED)	%	Number of Shareholders
Arab	167,158,053	76,892,704	7.190	5,537
GCC	365,500,768	168,130,353	15.720	556
Others	38,673,103	17,789,627	1.663	1,300
UAE	901,093,719	414,503,111	38.757	7,726

COMPANIES				
Nationality Types	Volume	Net Value (AED)	%	Number of Shareholders
Arab	4,682,191	2,153,808	0.201	24
GCC	120,464,320	55,413,587	5.181	73
Others	129,621,365	59,625,828	5.575	108
UAE	597,806,481	274,990,981	25.712	208



12-D Statement of shareholders owning 5% or more of the Company's capital as of 31/12/2018

#	Investor	Quantity	Ratio%	Investor No.
1	Ajman Bank PJSC	285,542,526	12.7545%	UAE40100051228C

12-E Distribution of shareholders by size of equity as of 31/12/2018

Shares ownership (share)	No. of shareholders	No. of owned shares	Owned shares to capital ratio
Less than 50,000	996	17,573,186	0.76
50,000 to less than 500,000	1,224	205,133,031	8.82
500,000 to less than 5,000,000	380	507,385,550	21.82
More than 5,000,000	67	1,594,908,233	68.60

12-F Procedures taken pertaining to investors relations controls

The management of the Company has taken care to update all information about Investors' relations regulations in a transparent manner, whether on the Abu Dhabi Securities Exchange website or on the Company's website.

In addition to the above, the Company's management has always been keen to ensure a proper communication with the Investors through its board members and the responsible for the relations with Investors, and there was no complaint in this regard.

The Company is also working on a platform for discussions across the Web (webinar) to ensure that Investors remain confident about the Company's projects in addition to allowing them to shares ideas with the Company's management.

Investors relations officer name	Ziad Naji Touma
Tel:	02/6354854
Fax:	02/6354864
e-mail:	info@eshraquae.com



12-G Special resolutions presented to the General Assembly held in 2018 and the procedures taken thereon

- 1- On 30/07/2018, the Company's General Assembly approved by a special resolution the amendments of Article (2)- *Object of the Company*- and Article (24)- *Authorities of the Board of Directors*-, as well as the adoption of a restated Articles of Association in order to comply with the provisions of Federal Law no. (2) of 2015 pertaining to the commercial companies. On 12/08/2018, the Company received the certificate of SCA regarding the publication of the amendments and the restated Articles of Association of the Company. On 06/09/2018, the restated Articles of Association were notarized and afterwards, published in the official gazette.
- 2- On 30/09/2018, the Company's General Assembly approved by a special resolution the Buy-Back of a portion not exceeding 10% of the Company's total issued shares in accordance with the provisions of the Companies Law no. (2) of year 2015 and the SCA Board of Directors' resolution no. (40) of year 2015 concerning the Rules and Procedures of the Buy-Back. On 09/10/2018, SCA granted its final approval on the Buy-Back program provided that it ends on 09/10/2019. On 06/12/2018, the Company started the Buy-Back program and it has purchased until 31/12/2018 a total of 18,972,138 shares

12-H Board Secretary

Name	Title	Board Secretary Appointment date	Remarks
Ziad Naji Touma	General Counsel, and Compliance Officer	10/05/2018	By virtue of a resolution of the Board of Directors no. 3/2018

12-I Statement of significant events that occurred during the year 2018

The Company did not encounter any significant events during the year 2018 that would affect its operation.



12-J Emiratization ratios

Currently, the Company do not employ any Emirati national. The Company is actively looking at increasing its Emiratization ratio, and in this regard, the Nomination and Remuneration Committee is about to conduct a comprehensive study on the Company's workforce needs and will develop a report to increase Emiratization level in the Company's workforce.

12-K Innovations

The Company did not propose or develop any new innovation during 2018. However, it has contracted with an international company to develop a program to manage the process of building towers as well as managing payments for construction and maintenance of apartments. This program is expected to be implemented in 2019.

Conclusion

Eshraq management is looking forward to opportunities in the fiscal year 2019. The Company is looking forward to significant progress on the development of the Marina Rise project in Abu Dhabi (Al Reem Island) which is due for completion in Q2- 2020 as well award and commencement of the construction of three towers in Dubai (Jumeirah Village Circle). The Company is also looking forward to completing the governmental authorization concerning the re-design works of the Abu Dhabi Gateway project and initiating infrastructure construction works.

In addition to all the abovementioned targets, the Company seeks to invest the excess liquidity in investments projects as a result of the changes in its main activity from pure real estate to general investments.

During the year 2019, the Company will pursue the Buy-Back program in proportion not exceeding 10% of the total shares of the Company, in accordance with the resolution of the Board of Directors.


Chairman
Jassim Alseddiqi

