

Eshraq Investments PJSC

Governance report for the fiscal year 2019



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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 2019 witnessed significant developments consisting in the transformation of the Company from a pure Real Estate entity to investment by adding new activities and changing the name of the Company, in compliance with the provisions of the Federal Law (2) of 2015 concerning the commercial companies and following the approvals by the relevant authorities (Securities and Commodities Authority and the Department of Economic Development) and the Company's General Assembly convened on 11/02/2019.

On 05/11/2019, the management of the Company requested from SCA the renewal of the buy-back program 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, which approval was obtained on 29/12/2019. Moreover, and during its meeting on 24/03/2019, the Board of Directors of the Company resolved to cross-list the shares of the Company on the Saudi Stock Market- Tadawul. SCA and ADX approved the Cross-listing, and the General Assembly of the Company in its meeting on 05/01/2020 approved the Cross-listing and empowered the Board for a period of three years to execute the cross-listing.

Finally, we present to your esteemed Authority the Governance Report of the Company for the fiscal year 2019 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 2019 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 as amended from time to time.

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 2019 and modalities of implementation**

The most significant actions taken in 2019 are the following:

- Adopting a totally revised and new 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.
 - ◀ Insiders' Trading Follow-up and Supervision Committee.
 - 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 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 2019

After reviewing the Company's records and registers, and upon receiving the confirmation of the Board Members, 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 2019. It is worth pointing out that the only Board member of Eshraq who holds share in the Company, Mr. Fraih Alqubaisi has sold all his shares during the year 2019, as follows:

Name	Position/ Relationship	Shares held as at 31/12/2019	Total sale Transactions	Total purchase Transactions
Mr. Fraih Saeed Alqubaisi	Board member	0	555,000 (12/05/2019)	-

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

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/Shuaa Capital PJSC.
Membership in other joint stock companies	Chairman of the Board of Directors of Islamic Arab Insurance Company (Salama) PJSC, 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
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	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	Chairman of Drake & Scull International PJSC
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	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. He is currently the CEO of FAB Properties and MISMAC
Membership in other joint stock companies	Board member in Aseel finance PrJSC, Dubai First PrJSC and ADFG/Shuaa Capital PJSC.
Position in any other important supervisory, governmental or business entities	Vice-Chairman of the Board of the Emirates Institute for the Banking and Financial Studies

Mrs. Natasha Ibrahim Hannoun

Capacity	Board member
Category	Non executive/ non independent
Membership term from	17/10/2017
Qualifications and experiences	Bachelor in Physics and Mathematics (Bristol University, UK) with ten years experience in investments, investment companies and business administration consultations. She is the Head of Investments Solutions at Shuaa Capital/ADFG PJSC
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	Non-Executive/ non-independent
Membership term from	14/06/2017
Qualifications and experiences	Bachelor of Engineering in computer science, Master Degree in Business Administration from the Indian Institute for Management Lucknow. He works as Head of Public and Private Markets at ADCM Altus Investment Management Ltd

Membership in other joint stock companies	Board member in Gulf Navigation Holding PJSC and Takaful Emarat Insurance PJSC.
Position in any other important supervisory, governmental or business entities	NA

3-B-Female representation in the Board of Directors during the fiscal year 2019

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.

3-C- Reasons for absence of Female representation in the Board of Directors during the fiscal year 2019

Not Applicable

3-D- Statement of Remunerations

3-D-1 Aggregate remunerations of the members of the Board of Directors paid during the fiscal year 2018

The Company has paid the member of the Board of Directors for the year 2018 a total remuneration of AED 330,000.00 which was distributed equally between Mr. Shafiq Abdelhamid, Mr. Fraih Alqubaisi and Mr. Jasim Alali. All the other Board members have waived their right to collect the Remunerations to the benefit of the Company.

3-D-2 Aggregate proposed remunerations to be paid to the Board of Directors during the fiscal year 2019 and that will be submitted to the vote of the Annual General Assembly

The Board of Directors will not propose to the vote of the General Assembly the payment of any remuneration to members of the Board of Directors for the Fiscal year 2019.



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

The Board members have decided the payment of an amount of AED 250,000 as a compensation for the year 2019 **for each independent Board Member who is a member in a Committee**, namely, Mr. Shafiq Abdelhamid, Mr. Fraih Alqubaisi and Mr. Jasim Al Ali, and this to compensate them for the extra effort they spent in supporting and advising the management of the Company in their respective fields, whether at Board level or in the committees and even outside the context of the regular meetings of the Board and the Committees.

3-D-4 Additional allowances, salaries or fees received by a Board member other than allowances for attending committees and reasons

No additional allowances, salaries or fees were received by a Board member for works performed during or other than as a result of their membership in the Board of Directors or the Committees.

3-E- Number of the Board of Directors' meetings convened during the fiscal year 2019

The list of meetings of Eshraq Board of Directors convened during the year 2019 is as follows:

Ser	#	Meetings	Jassim Alseddiqi	Saleh Alhashemi	Shafiq Abdelhamid	Fraih Alqubaisi	Jasim Al Ali	Natasha Hannoun	Ajit Joshi
1	1/2019	16/01/2019	X	X	X	X	X	X	X
2	2/2019	24/03/2019	X	X	X	X	X	X	X
3	4/2019	09/05/2019	X	X By Proxy of Mr. Jassim Alseddiqi	X	X	X	X	X
4	5/2019	23/07/2019	X	X	X	X	X	X	X
5	9/2019	22/10/2019	X	X	X	X	X	X	X
		Total	5	5	5	5	5	5	5

3-F- Number of the Board resolutions passed during the 2019 fiscal year, along with its dates

The Board of Directors adopted (6) resolutions by circulation during the fiscal year 2019 dated as follows:

- No. 3 of 2019 dated 16/04/2019;
- No. 6 of 2019 dated 27/08/2019;
- No. 7 of 2019 dated 08/10/2019;
- No. 8 of 2019 dated 14/10/2019;
- No. 10 of 2019 dated 27/11/2019;
- No. 11 of 2019 dated 05/12/2019;

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

#	Name of the authorized person	Power /authority	Duration of authorization
1	Mr. Ajit Joshi- Delegated Member And/or Mr. Jasim Al Ali- Board member POA signed in front of notary dated 25/04/2019, no. 1949002841.	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,	23/04/2022

		<p>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.</p> <p>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.</p>	
2	<p>Mr. Ajit Joshi- Delegated Member And/or Mr. Jasim Al Ali- Board member</p> <p>Board of Directors no. 2 of year 2019- Dated 24/03/2019</p>	<p>acting individually or jointly, or their representative as appointed from time to time, to do all the necessary for the Cross-Listing of the shares of the Company in Saudi Arabia, and in general to represent the Company in the discussion, negotiation, appointment, contracting and signing with the Securities and Commodities Authority-UAE, the Abu Dhabi Exchange, the Capital Market Authority-KSA, the Saudi Stock Exchange-KSA, the banks, the financial institutions, law firms, consultants, the shareholders and others, and to do all the necessary in order to complete the Cross-Listing in Tadawul-KSA, and to execute the decision referred to in this Resolution, etc.</p>	<p>Power renewed by the General Assembly on 05/01/2020 and limited to three years</p>
3	<p>Mr. Ajit Joshi- Delegated Member And/or Mr. Jasim Al Ali- Board member</p> <p>Board of Directors no. 5 of year 2019- Dated 23/07/2019</p>	<p>acting individually or jointly to do all the necessary in order to represent the Company in the sale of the sukuk and agree and approve the terms of the sale, and to execute the decision referred to in this Resolution including but not limited to negotiating, discussing, signing on contracts, resolutions, settlement agreements, acknowledgment, waivers and discharges (and their respective assignment, amendment, novation or transfer), transfer orders, recognition of balance, as well as others documents needed for the execution of the Resolution in the name and for the benefit of the Company, etc.</p>	<p>NA - Executed in full</p>
4	<p>Mr. Ajit Joshi- Delegated Member Mr. Jasim Al Ali- Board member Mrs. Natasha Hannoun- Board member</p> <p>Board of Directors no. 5 of year 2019- Dated 23/07/2019</p>	<p>Establishing the Treasury Committee: The Treasury Committee will be vested with the widest powers to decide on all Treasury matters other than the general investments in projects and other companies and businesses that the Company undertakes. The scope will encompass the cash and liquidity management and the mitigation of its operational, financial and reputational risk. It also includes the collections, disbursements, trading in bonds, stock and equity, debt, sukuk, deposits with banks and financial institution for short terms, and other matters that comes under the treasury as per the international standards.</p>	<p>April 2021</p>
5	<p>Mr. Ajit Joshi- Delegated Member And/or Mr. Jasim Al Ali- Board member</p> <p>Board of Directors no. 7 of year 2019- Dated 08/10/2019</p>	<p>acting individually or jointly, to do all the necessary in order to represent the Company in the discussion and negotiation of the terms of the Credit Facility with Financial institutions and to agree and approve the Facilities and mainly the terms of financing, and to execute the decision referred to in this Resolution and signing the Credit Facility Offer Letter and the Facility Agreement, its ancillary documents and the Security Documentations in the terms and conditions agreed upon, including but not limited to the Pledge Agreement, Assignment of Revenues Agreement, Power of Attorney, the agreement for opening, closing and operating bank accounts, all contracts, forms, bills, guarantees, promissory notes, trade confirmations and/or confirmation notes for any Transactions entered into between the Company and the Institution, and any settlement instructions and any other instructions pertaining to the Transactions, and any acceptances, forms, notices or other documents incidental or ancillary to or expedient in connection with the Transactions and/or the Facilities and/or the Pledge and/or any collateral or Security Documentation, and others documents needed for the execution of the Facilities</p>	<p>NA</p>



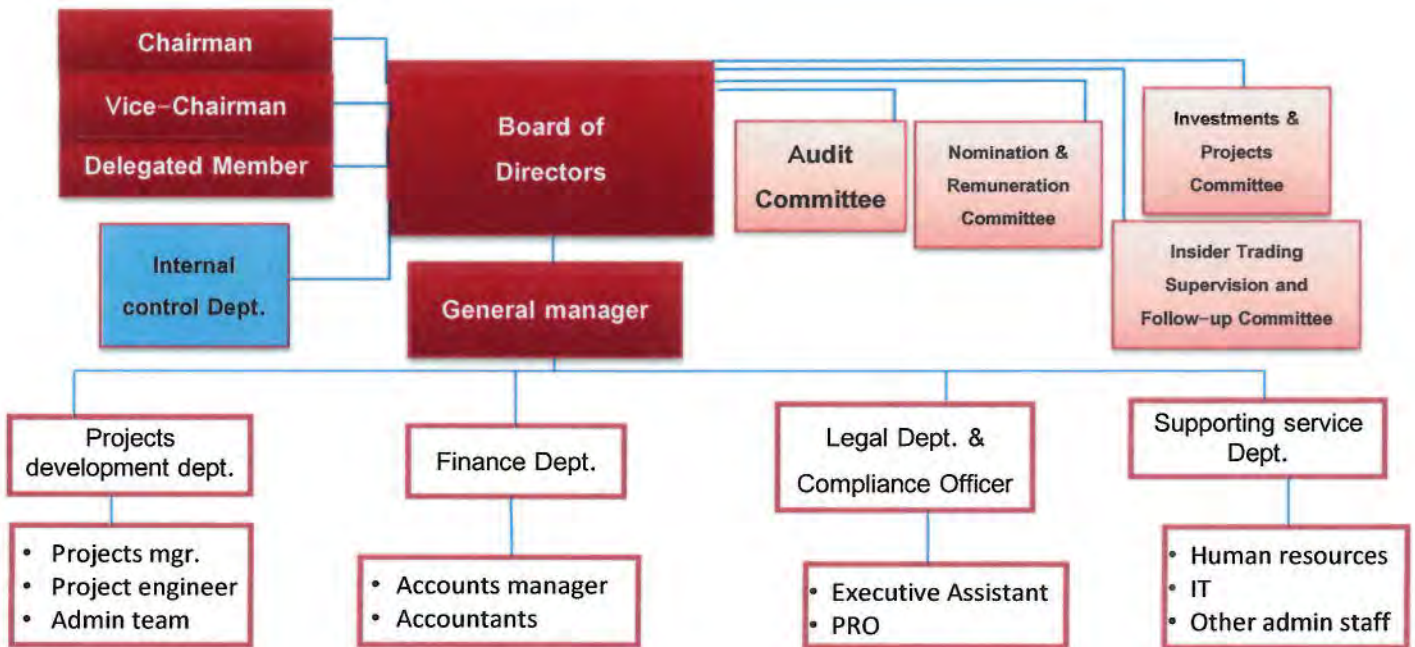
		in the Company's name and granting the Pledge on the Shares or any other guarantee, along with any amendments, changes, addition, novation, transfer or assignment related hereto; furthermore, the Representatives are empowered to negotiate, conclude and sign any document, correspondences, addendums, supplement, forms, contracts, agreements, memorandum, minutes of meetings, assignment, novation, and any future enhancement, restructuring, renewal or extension of the Facilities or the Security Documentations, etc.	
6	Mr. Ajit Joshi- Delegated Member And/or Mr. Jasim Al Ali- Board member Board of Directors no. 8 of year 2019- Dated 14/10/2019	acting individually or jointly, to do all the necessary in order to represent the Company in the discussion and negotiation of the repayment terms of the Old MashreqBank ("MB") Loan, the terms of the New MB Loan with MB and to do all the necessary in order to agree and approve the New MB Loan and mainly the terms of financing, and to execute the decision referred to in this Resolution and signing the termination/ repayment of the Old MB Loan, the New MB Term Loan Agreement, the amendments to the Nuran Asset's Mortgage Agreement, the Mortgage Agreement of the Daman Units, the POA Daman, ancillary documents and the Security Documentations, in the terms and conditions agreed upon, including but not limited to the Mortgage Agreements, Assignment of Revenues Agreement, Power of Attorney, the agreement for opening, closing and operating bank accounts, all contracts, forms, bills, guarantees, promissory notes, trade confirmations and/or confirmation notes for any Transactions entered into between the Company and MB, and any settlement instructions and any other instructions pertaining to the Transactions, and any acceptances, forms, notices or other documents incidental or ancillary to or expedient in connection with the Transactions and/or the New MB Loan, the Old MB Loan (repayment) and/or the Mortgages and/or any collateral or Security Documentation, and others documents needed for the execution of the New MB Loan in the Company's name and granting the Mortgages on the Daman Units and the Nuran Asset or any other guarantee, along with any amendments, changes, addition, novation, transfer or assignment related hereto;	Executed in full
7	Mr. Ajit Joshi- Delegated Member And/or Mr. Jasim Al Ali- Board member Board of Directors no. 8 of year 2019- Dated 14/10/2019	acting individually or jointly, as representatives of the Company for the signature/cancellation /amendment/Novation/assignment of the corporate guarantees granted on behalf of Nuran Marina Serviced Residences LLC for the benefit of MB.	Executed in full
8	Mr. Ajit Joshi- Delegated Member And/or Mr. Jasim Al Ali- Board member Board of Directors no. 10 of year 2019- Dated 27/11/2019	acting individually or jointly, to do all the necessary in order to represent the Company for the opening of a Brokerage Accounts with Brokerage Firms and to negotiate, agree, sign, terminate and cancel all documents, contracts, general trading terms and conditions, account opening form and agreement, tax residency self-certification Form, FATCA declaration form, general payments, transfers, and other documentation needed for performing the Transactions including give "buy" and/or "sell" trading orders, shares transfer "in" and/or "out", ancillary documents and any Security documentation, if any is required, in the terms and conditions agreed upon, the agreement for opening, closing and operating the Brokerage Accounts, all contracts, forms, bills, guarantees, promissory notes, trade confirmations and/or confirmation notes for any Transaction, and any settlement instructions and any other instructions pertaining to the Transactions, and any acceptances, forms, notices or other documents incidental or ancillary to or expedient in connection with the Transactions and/or any collateral or security documentation, and others documents needed for the execution of the Transactions, along with any amendments, changes, addition, cancellation, novation, transfer or assignment related hereto; furthermore, the Representatives are empowered to negotiate, conclude and sign any document, correspondences, addendums, supplement, forms, contracts, agreements, memorandum, minutes of meetings, and any future instruction regarding Transactions, in addition to attend and represent the Company in front of the Brokerage Firms, the Notary Public, or any governmental authority or non-governmental authority in order to do the necessary with regard to executing the current Resolution and obtaining and executing or cancelling any Transactions or other documents regarding the same.	Quarterly reporting to Board of Directors

3-H Report on the Related Parties detailed transactions

During the year 2019, the Company has not contracted any transaction with a Related Party, as defined in the Law and the Regulations of SCA.

3-I- Company's organization chart during the fiscal year 2019

The Company is currently organized as follows:



3-J- Executive Management, Jobs, salaries, bonuses and other payments

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 of the Board of Directors who is supervising and monitoring 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.

Below, the most significant positions occupied by the Executive Management of the Company for the fiscal year 2019 and identification of their entitlements such as salaries, allowances and remunerations paid during 2019:

Position	Date of Appointment	Total Salaries and Allowances (AED)	Total Bonuses paid in 2019 (AED)	Any Other cash (AED)/ in-kind benefits for 2019 or payable in the future
Head of Engineering	31/05/2018	660,000	No Payment	55,521 (yearly tickets)
Financial controller	04/12/2016	360,000	No Payment	11,169 (yearly tickets)
General Counsel and Compliance Officer	01/05/2017	1,080,000	No Payment	18,433 (yearly tickets)

4- External Auditors

4-A- Brief about the External Auditor

Deloitte, Touche Tohmatsu Limited, or Deloitte, is considered worldwide as one of the most renowned professional services firm. Established in 1845. Deloitte is the largest professional services network in the world by revenue and number of professionals with headquarters in London-UK. Deloitte provides audit, tax, consulting, enterprise risk and financial advisory services with approximately 312,000 professionals globally.

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

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

Audit firm	Deloitte Touche Tohmatsu Ltd
Partner in charge	Mr. Obada Alkowitz
Number of years served as the Company External Auditor	One year; 2019
Total fees of auditing financial statements of 2019 (in AED)	293,000 (Excluding VAT)
The fees and costs of the special services other than the auditing of the FS 2019 (in AED), if any, and in case of absence of any other fees, this shall be expressly stated.	38,285.82 (Excluding VAT)

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The details and nature of other services provided (if any). If there are no other services, this matter shall be stated expressly	Eshraq needed to have the auditors preparing a report about the accumulated losses to be submitted to SCA in order to approve the Decrease of capital. Such report was submitted for the Shareholders' review prior to voting the decrease of capital
A statement of the other services that an external auditor other than the company accounts auditor provided during 2019 (if any). In the absence of another external auditor, this matter is explicitly stated,	No other services provided by other external Auditors

4-C- Statement of the qualified opinions made in the interim and annual financial statements for 2019

No statement of qualified opinions by the External auditors in the interim and annual financial statements for the financial year 2019.

5- Audit Committee

5-A Audit Committee Chairman's acknowledgment

I, Fraih Alqubaisi, Audit Committee Chairman, acknowledge my responsibility for the committee system in the Company, review of its work mechanism and ensuring its effectiveness.

5-B 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 / Non- independent

5-C Meetings of the Audit Committee

Meeting	Name Date	Mr. Fraih Alqubaisi	Mr. Jasim Al Ali	Mrs. Natasha Hannoun	Total
1	19/03/2019	Did not Attend	Attended	Attended	2
2	07/05/2019	Attended	Attended	Attended	3
3	23/07/2019	Attended	Attended	Attended	3
4	22/10/2019	Attended	Attended	Attended	3

6- Nomination and Remuneration Committee

6-A The Nomination and Remuneration Committee Chairman's acknowledgment

I, Shafiq Abdelhamid, Nomination and Remuneration Committee Chairman, acknowledge my responsibility for the committee system in the Company, review of its work mechanism and ensuring its effectiveness.

6-B 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-C Meetings of the Nomination and Remuneration Committee

Meeting	Name / Date	Mr. Shafiq Abdelhamid	Mr. Jasim Al Ali	Mr. Fraih Alqubaisi	Total
1	16/12/2019	Attended	Attended	Attended	3

7- Insiders' Trading Follow-up and Supervision Committee

7-A The Insider's Trading Follow-up and Supervision Committee Chairman's acknowledgment

I, Jasim Al Ali, acknowledge my responsibility for the follow-up and supervision system on transactions of the insiders in the Company, review of its work mechanism and ensuring its effectiveness.



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

- 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 Non-executive and Independent
Mr. Ajit Joshi	member	Delegated Member of the Board of Directors
Mr. Ziad Touma	member	Executive- Compliance Officer

7-C Summary of the Insider's Trading Follow-up and Supervision Committee work

Meeting	Name Date	Mr. Jasim Al Ali	Mr. Ajit Joshi	Mr. Ziad Touma	Total
1	16/12/2019	Attended	Attended	Attended	3

8- Investments and Projects Committee

8-A The Investments and Projects Committee Chairman's acknowledgment

I, Jasim Al Ali, Investments and Projects Committee Chairman, acknowledge my responsibility for the committee system in the Company, review of its work mechanism and ensuring its effectiveness.

8-B 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	Non-executive / Non-independent
Mrs. Natasha Hannoun	Member	Non-executive / Non- Independent

8-C 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	14/01/2019	Attended	Did not Attend	Attended	Attended	3
2	29/05/2019	Attended	Did not Attend	Attended	Attended	3
3	09/09/2019	Attended	Did not Attend	Attended	Attended	3
4	11/11/2019	Attended	Did not Attend	Attended	Attended	3

NB: Although he was absent from most of the meetings, due to conflicting agendas, however, Mr. Shafiq Abdelhamid spent a lot of time reviewing all matters on one to one meeting with the Delegated Member of the Board and the Head of Projects, and was involved and contributed pretty much in the decision making and in giving his directions and recommendations.

9- Internal Audit/Control System

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	Title	Internal control department Appointment date	Qualifications and experiences
M/s. KPMG	Outsourced Internal Audit Function	20/02/2020	Top 4 International Companies in auditing, financial advisory and other

9-C Compliance Officer

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

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

M/s. KPMG has been appointed on 20/02/2020, and requested to review the internal chart and policies and to amend them and adapt them to the international standards and the Regulations of SCA and the UAE laws.

The Company did not face any major issue or breach during the year 2019.

9-E Number of Reports issued by the Internal Control Department to the Board of Directors

Due to the absence of an Internal Audit function, no reports were performed during the year 2019.

The newly appointed Internal controller (in 20/02/2020) will issue at least a yearly full comprehensive report and quarterly reviews of the same.

10- Details of the violations committed during 2019, demonstrating their causes and the manner of their resolution and avoiding repetition in future

No specific violations were detected during 2019

11- Cash and in-kind contributions made during 2019 toward the local community Development and environmental conservation

During the year 2019, the Company did not contribute to any monetary and/or in-kind contributions for the development of the local communities and environmental conservation.

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 2019

Month	Opening price	Highest Price	Lowest Price	Closing Price	No. of shares
January 2019	0.48	0.48	0.48	0.48	1,305,202
February 2019	0.44	0.44	0.43	0.44	3,010,381
March 2019	0.46	0.46	0.45	0.46	2,050,888
April 2019	0.47	0.47	0.46	0.46	2,196,782
May 2019	0.39	0.40	0.38	0.40	3,549,074
June 2019	0.39	0.39	0.39	0.39	1,837,085
July 2019	0.44	0.44	0.44	0.44	1,029,802
August 2019	0.41	0.41	0.40	0.40	2,710,793
September 2019	0.40	0.40	0.40	0.40	2,488,537
October 2019	0.37	0.37	0.36	0.37	725,881
November 2019	0.35	0.35	0.34	0.34	1,516,150
December 2019	0.31	0.32	0.31	0.32	1,569,430



12-B Share comparative performance to market index and Company's related sector index to which the Company belongs during year 2019



12-C Statement of distribution of shareholders on 31/12/2019 (individuals, Companies, Government) classified as follows: Local, GCC, Arab and Others

INDIVIDUALS				
Nationality Types	Volume	Net Value (AED)	%age	Number of Shareholders
ARB	167,987,381	54,259,924.06	7.225	664
GCC	331,386,220	107,037,749.06	14.253	93
OTH	36,775,356	11,878,439.99	1.582	188
UAE	878,642,537	283,801,539.45	37.791	1,390

COMPANIES				
Nationality Types	Volume	Net Value (AED)	Percentage	Number of Shareholders
ARB	5,032,924	1,625,634.45	0.216	24
GCC	156,982,689	50,705,408.55	6.752	30
OTH	139,452,621	45,043,196.61	5.998	50

UAE	608,740,272	196,623,107.61	26.182	32
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The Government or Governmental owned entities do not own shares in Eshraq

12-D Statement of shareholders owning 5% or more of the Company's capital as of 31/12/2019

#	Investor	Quantity	Ratio%	Investor No.
1	Ajman Bank PJSC	295,999,526	12.7312%	UAE40100051228C

12-E Distribution of shareholders by size of equity as of 31/12/2019

Shares ownership (share)	No. of shareholders	No. of owned shares	Owned shares to capital ratio
Less than 50,000	941	16,323,445	0.70%
50,000 to less than 500,000	1097	183,933,253	7.91%
500,000 to less than 5,000,000	335	495,418,273	21.308%
More than 5,000,000	65	1,629,325,029	70.07%

12-F Procedures taken pertaining to investors relations controls

Investors relations officer name	Ziad Naji Touma
Tel:	02/6354854
Mobile:	054/7929157
Fax:	02/6354864
e-mails:	info@eshraquae.com ; ziad@eshraquae.com
Investors relations link on Company website	https://eshraquae.com/investor-relation/

12-G Special resolutions presented to the General Assembly held in 2019 and the procedures taken thereon

- 1- On 11/02/2019, the Company's General Assembly approved the changing of the name of the Company from *Eshraq Properties PJSC* to *Eshraq Investments PJSC* and this after approving, by special resolutions, the amendment of the introduction of the Articles of Association of the Company, the Article (2)- *Object of the Company*- and Article (5)(B)- *Object of the Company*-.

On 06/03/2019, the Company received the certificate of SCA regarding the publication of the amendments and the restated Articles of Association of the Company.

On 18/03/2019, the Articles of Association were notarized and afterwards, published in the official gazette.

- 2- On 05/01/2020 (adjourned meeting- the first meeting planned for 29/12/2019 did not have quorum), the Company's General Assembly rejected the special resolution concerning the Decrease of the Capital of the Company to absorb the losses and accordingly the amendment of Article (6)- Issued Capital of the Articles of Association of the Company.

12-H Board Secretary/Rapporteur

Name	Board Secretary/Rapporteur		Title	Appointment date	Qualifications and experiences
Ziad Naji Touma	General	Counsel,	and	10/05/2018	Degree in French and Lebanese Law
	Compliance	Officer			

During the year 2019, the Board Secretary organized the Board meetings, arranged for the convocation and distribution of Board materials, communicated with the Board Members, arranged the agenda of such meetings.

Similarly, the Board Secretary arranged for the General Assembly meetings.

12-I Statement of significant events that occurred during the year 2019

The Company did not encounter any significant events during the year 2019 that would affect its operation.

12-J Emiratization ratios

Currently, and during the last three Fiscal Years 2017, 2018 and 2019, the Company did not employ any Emirati national. The Company is actively looking at increasing its Emiratization ratio during 2020.

12-K Innovations

The Company did not submit or develop any Innovation during the year 2019.

Conclusion

Eshraq management is looking forward to opportunities in the fiscal year 2020. The Company is looking forward to completing the Marina Rise project in Abu Dhabi (Al Reem Island) which is due for completion



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in Q4- 2020 as well award and commence 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 profitable investments projects.

During the year 2020, 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 and after obtaining the approval of SCA to extend the period until 09/10/2020.

<u>Chairman of the Board of Directors</u> Jassim Alseddiqi 	<u>Audit Committee Chairman</u> Fraih Alqubaisi 
Date:	Date:

<u>Nomination and Remuneration Committee Chairman</u> Shafiq Abdelhamid 	<u>Supervision and Follow-up of Insider Trading Committee Chairman</u> Jassim Al Ali 
Date:	Date:

<u>Investments and Projects Committee Chairman</u> Jasim Al Ali 	<u>Internal Control Department Director</u> NA
Date:	Date:

