



Union Properties
Public Joint Stock Company and Its Subsidiaries

CORPORATE GOVERNANCE REPORT
March 2019

1. Statement of procedures that were taken for completion of corporate governance system during 2018, and methods of application

Majority of the flaws in compliance with some controls, regulations and laws that the company shall follow were corrected in accordance with the periodic inspection that was carried out by the Securities and Commodities Authority. For example, Investors' relations page in Arabic and copy of the articles of association were provided on the company's website. Head of internal control department was appointed and the "Management, Follow-up and Supervision of Insiders' Trading" committee was composed. The company also completed vacancies in the number of board members (seven (7) members are required in accordance with the articles of association of the company) after the general assembly dismissed number of former members, approved the auditing committee charter and reviewed and updated many internal policies and procedures.

2. Statement of transactions of board members and their spouses and children in securities of the company during 2018

Name	Position/ Relation	Owned shares as on 2018/12/31	Total of sale process	Total of purchase process
H.E. Hamad Al Mass	Vice Chairman	202,229	6,086,999	-
Mrs. Raja Al Mazrouei	(Former) Board member	4,320	-	-

3. Board Formation

Statement of Formation of the President Board according to the following table:

Chairman Mr. Naser Butti Omair Bin Yousef Al Mehairi	
Vice Chairman H.E. Hamad Abdulla Mohamed Abdulla Al Mass	Board Member and Managing Director Mr. Ahmed Yousef Abdulla Hussain Khouri
(Former) Board Member Mrs. Raja Mohammed Ghanim Saeed Al Mazrouei	Board member Mr. Khalifa Hasan Ali Saleh Al Hammadi
Board Member Mr. Mohamed Abdelaziz Ali Abdalla Al Owais	Board Member Mr. Rishi Raj Vig
(Former) Board Member Ms. Amna Hasan Ali Saleh Al Hammadi	Board Member Mr. Ahmed Mostafa Eldmnhoury
	Independent
	Non-Independent

Board of Directors Profiles



Mr. Naser Butti Omair Bin Yousef Al Mehairi

Position: Chairman

Period served as Board member of the company since his first election date:

From the general assembly meeting dated 26 April 2017 to date

Category

Non-executive/ Independent

Experience and qualifications

The Chairman began his ascent in entrepreneurship immediately after completing his education in the United Kingdom. He established his leadership skills while heading several committees and leading national and regional associations which contributed to the growth of UAE, in alignment with his personal vision of economic prosperity for UAE. He also served as a Board member for Abu Dhabi Chamber of Commerce where he successfully headed several trade missions and established strong ties with several parties to cultivate business opportunities in Abu Dhabi.

Memberships and positions in other joint-stock companies

N/A

Positions in supervisory or governmental entities

N/A

Present positions in business entities

Chairman of Bin Butti International Holding (BBIH), NBB Capital, OBN Oil, Sky Telecom Group, Member of UAE-UK Business Council.

Previous Positions

Chairman of Abu Dhabi Public Relations Association, Travel & Tourism Agencies Council, Gulf Travel & Tourism Agencies Association Committee, Tourism and Rent-a-Car Committee at the Abu Dhabi Chamber of Commerce and Industry, Board Member of Abu Dhabi Chamber of Commerce and Industry, Omeir Bin Yousef Group, Honorary Chairman of United Federation of Travel Agents Association.



H.E. Hamad Abdulla Mohamed Abdulla Al Mass

Position: Vice Chairman

Period served as Board member of the company since his first election date:

From the general assembly meeting dated 26 April 2017 to date

Category

Non-executive/ Independent

Experience and qualifications

His Excellency holds a Master's Degree in Business Administration, Master of Science with concentration in Finance, Bachelor of Arts major in Management, Marylhurst University in the United States. His Excellency is an experienced business leader.

Memberships and positions in other joint-stock companies

N/A

Position in supervisory or governmental entities

Abu Dhabi Department of Economic Development - Executive Director, International Economic Relations Sector

Present positions in business entities

Support Committee for the UAE-UK Business Council - Chairman



Mr. Mohamed Abdelaziz Ali Abdalla Al Owais

Position: Board Member

Period served as Board member of the company since his first election date:

From the general assembly meeting dated 26 April 2017 to date

Category

Non-executive/ Independent

Experience and qualifications

Mr. Al Owais graduated with a BSC in Communications Engineering from Etisalat College of Engineering, UAE with First Class (Honors). He is a fellow member of the Institute of Electric and Electronics Engineers (IEEE). He holds a Master's Degree in Business Administration from the American University of Sharjah, and is currently a Chartered Financial Analyst Level 2 candidate. Mr. Al Owais is presently the Vice Chairman of United Foods Company.

Memberships and positions in other joint-stock companies

- Mawared Finance PSC - Board Member
- United Foods Company PJSC - Vice Chairman
- Dubai Refreshment Company PJSC- Board Member
- Emirates Refreshment Company PJSC- Board Member

Positions in supervisory or governmental entities

N/A

Positions in business entities

- Formerly Board Member of various companies, such as:
- Emirates Islamic Bank PJSC
- Unikai Foods PJSC



Mrs. Raja Mohammed Ghanim Saeed Al Mazrouei

Position: (Former) Board Member

Period served as Board member of the company since her first election date:

From the general assembly meeting dated 26 April 2017 to 2 July 2018 (the date on which the Board reviewed her resignation and accepted it is 3 July 2018)

Category

Non-executive/ Independent

Experience and qualifications

Mrs. Al Mazrouei is an executive graduate from Harvard Business School, she holds an MBA in Global Leadership and Management from the Unites Arab Emirates University, and a Bachelor's Degrees in Business Information Technology from the Higher Colleges of Technology in the UAE. Mrs. Mazrouei is a member of the Harvard Business School MENA and Central Asia Advisory Board based in Boston and is the Vice President of Harvard Business School Club for the GCC.

Memberships and positions in other joint-stock companies

N/A

Positions in supervisory or governmental entities

N/A

Present positions in business entities

She presently assumes the following positions:

- Fin Tech Hive, DIFC – Executive Vice President where she oversees the innovation initiative that brings together key stakeholders to develop technologies for the financial industry.

Previous Positions

She previously assumed the following positions in DIFC:

- Senior Vice President of Marketing and Corporate Communication
- Commissioner of Data Protection
- Head of Operations and Information Technology, DIFC Authority.

She had previously assumed important positions in the following companies:

- National Bonds Company - Head of Information Technology
- Dubai Holding - Head of Information Technology
- Higher College of Technology - Development Supervisor.



Mr. Ahmed Yousef Abdulla Hussain Khouri

Position: Board Member and Managing Director

Period served as Board member of the company since his first election date:

From the general assembly meeting dated 17 May 2018 to date. Mr. Khouri was elected Managing Director of the company through a Board resolution dated 3 July 2018

Category

Executive/ non-independent

Experience and qualifications

Ahmed Yousef Khouri is the Managing Director of Union Properties. He currently holds managerial positions in several companies whose annual revenues exceeds five billion dirhams, including Union Properties. Since joining the company in 2017, Khouri has been responsible for overall leadership and strategic direction to increase Union Properties' share of the market by adopting a holistic approach to business development.

Khouri's strategic expertise covering a variety of business areas, including real estate asset management, international trade, utilities, environmental management and hospitality management.

Ahmed Khouri holds Master of Financial Management Science from the United Kingdom and certificate of leadership in energy management and environmental design, in addition to being an approved Facility Manager and active member of Emirates Financial Business Society.

Positions in supervisory or governmental entities

N/A

Memberships and positions in other joint-stock companies

Vice Chairman of Gulfa Mineral Water and Manufacturing Industries Company PJSC.

Present positions in business entities

- Vice Chairman of BBIH International Holding
- Vice Chairman of OBN Holding
- Board Member of Nelssen Middle East
- Board Member of ACECO Emirates
- Board member of Cleanco Group



Mr. Khalifa Hasan Ali Saleh Al Hammadi

Position: Board Member

Period served as Board member of the company since his first election date:

From the general assembly meeting held on 17 May 2018 to date

Category

Executive/ non-independent

Experience and qualifications

Mr. Al Hammadi is currently the Advisor to the Chairman in UPP Capital Investment, a subsidiary of Union Properties PJSC. Mr. Al Hammadi has extensive experience in IT management, financial brokerage, investments, property management, operations management and contracts negotiation.

Mr. Al Hammadi holds a Master's Degree in Strategic Business with Information System (SBIT) from the University of Hertfordshire in London, Post graduate Diploma in Strategic Business Information Technology from the NCC Education, Manchester UK. Higher National Diploma in Business Management from the Elegant International College in London, Diploma in Web Development and a Certificate in Information Technology at Abu Dhabi Higher College of Technology.

Positions in supervisory or governmental entities

N/A

Memberships and positions in other joint-stock companies

Chairman of Gulfa Mineral Water and Manufacturing Industries Company PJSC.

Positions in business entities

Mr. Al Hammadi is currently holding the following positions:

- Advisor to the Chairman in UPP Capital Investment L.L.C. He previously filled senior positions in various companies within several sectors, including:
- System analyst at the Ministry of Interior, Abu Dhabi, United Arab Emirates
- Director at Liechtensteinische Landesbank (UAE) Limited.



Ms. Amna Hasan Ali Saleh Al Hammadi, representative of NBB Capital Investment L.L.C

Position: (Former) Board Member

Period served as Board member of the company since her first election date

From the general assembly meeting on 17 May 2018 to 4 December 2018 (M/s. NBB Capital Investment L.L.C. requested changing their representative in the Board of Union Properties PJSC effective 5 December 2018)

Category

Non-Executive/non-independent

Experience and qualifications

Ms. Amna Al Hammadi has three years of experience in Etihad Airways and is currently the Head of Procurement and Supplies Department. Ms. Amna Al Hammadi holds a Bachelor of International Relations from Zayed University.

Positions in supervisory or governmental entities

N/A

Memberships and positions in other joint-stock companies

Board Member of Gulfa Mineral Water and Manufacturing Industries PJSC

Present positions in business entities

Ms. Amna is presently the Head of Procurement and Supplies Department in Etihad Airways



Mr. Rishi Raj Vig

Position: Board Member

Period served as Board member of the company since his first election date:

From 3 July 2018 (date of appointment of Mr. Rishi by the Board of Union Properties PJSC) to date (His appointment will be presented to any next general assembly meeting)

Category

Non-executive/ Independent

Experience and qualifications

Mr. Rishi Vig is the Group CFO of NBB Capital Investment and is responsible for the financial management. He has been a strategic business partner and credible advisor to the Board of Directors of NBB Capital and has 28 years of experience of which 14 years in financial leadership positions, and is specialized in mergers and acquisitions, large size fund raises both in debt & capital markets.

He drives efficiency and productivity through the implementation of process improvement and financial management systems across the company, in order to pursue the company's aggressive growth strategy. Also, he utilizes financial analysis skills, organizational abilities, vision & tenacity, blend motivation, leadership, creative and analytical abilities to develop and implement innovative ideas that produce bottom-line results. Mr. Rishi holds multiple qualifications and certifications - Certified Public Accountant from USA and Qualified Accountant from INDIA.

Positions in supervisory or governmental entities

N/A

Memberships and positions in other joint-stock companies

N/A

Previous positions in business entities

- Group CFO of Zafco Company.
- CFO of Pathway World School.
- CFO of "House of Pearl Fashions"
- Financial Controller - "Texmaco Group"
- Manager- Finance and Accounting, Philips India Ltd.



Mr. Ahmed Mostafa Eldmnhoury
Representative of NBB Capital Investment

Position: Board Member

Period served as Board member of the company since his first election date:

From 5 December 2018, at the request of M/s. NBB Capital Investment L.L.C to change their representative in the Board of Union Properties PJSC to date.

Category

Non-Executive/ Independent

Experience and qualifications

Mr. Eldmnhoury began his career in a fast-paced environment as an Internal Auditor at KPMG, providing consulting services to blue chip companies, worldwide. Mr. Ahmed then joined Bin Butti International Holdings – BBIH (formerly known as NBB Group) as the Group Internal Auditor. His role expanded in 2011 as Chief Operating Officer for Mojumaat and Advanced FM. In 2013, Mr. Ahmed was appointed Executive Director for BBIH Group and Managing Director overseeing the operations of Advanced Employment and Etihad Service Centre. In 2017, Ahmed became the Group Chief Operating officer & in 2018 he was appointed the Group Chief Executing Officer of BBIH and its Subsidiaries. Furthermore, he is one of the Board Members of Advanced Integrated Services & lately has been appointed as Vice Chairman to Sky Telecom Sim Trading LLC of Egypt & UAE. Ahmed Eldamnhoury holds a degree from Egypt and the United Kingdom, including MBA from the University of Manchester. Ahmed has a decade of consulting experience in corporate services, which include budgeting, legal affairs, business formation, mergers and acquisitions.

Positions in supervisory or governmental entities

N/A

Memberships and positions in other joint-stock companies

Board Member of Gulfa Mineral Water and Manufacturing Industries PJSC

Present positions in business entities

He presently assumes the following positions in various companies:

- Group Chief Executive Officer of BBIH.
- Board Member of Advanced Integrated Services.
- Vice Chairman of “Sky Telecom SIM Trading L.L.C.” in Egypt and United Arab Emirates.

B - Statement of Percentage of Women in the Board of Directors in 2018

Mrs. Raja Al Mazrouei has been a member of the Board of Directors of the company since her election in the general assembly meeting dated 26 April 2017 until 3 July 2018, which is the date when her resignation was accepted by the Board (i.e. 14% of the Board during the tenure of Mrs. Raja). Ms. Amna Al Hammadi was also a member of the Board of Directors of the company representing NBB Capital Investment L.L.C from the date of her election in the general assembly meeting dated 17 May 2018 till 4 December 2018, which is the date when M/s. NBB Capital L.L.C. requested changing their representative in the Board of Union Properties PJSC on 5 December 2018 (i.e. 14% of the board during the tenure of Ms. Amna). Presently, there is no women representation in the board as of 5 December 2018.

C - Statement of the reasons no women were nominated for Board Membership

Mrs. Al Mazrouei was the only woman who applied for nomination in the general assembly meeting dated 26 April 2017 and was elected as a Board member till she resigned in 2018. In addition, on opening of nomination to board membership again in 2018, Ms. Amna Al Hammadi was the only woman who applied for nomination (as representative of NBB Capital Investment LLC) and was elected as a Board member in the general assembly meeting on 17 May 2018 until the legal representative of NBB Capital Investment LLC was changed. Nomination of women will be open in any general assembly meeting to be held for Board membership elections in compliance with the resolutions of the Securities and Commodities Authority.

D - Statement of the following:

1. Total remuneration paid to the Board members for year 2017.
No remuneration was paid to Board members for the year 2017, as the Board did not submit any proposal in the annual general meeting dated 19/04/2018 concerning Board members’ remuneration for the year 2017.
2. Total proposed Board of Directors’ remuneration for the year 2018 which will be presented in the annual general meeting for approval.
The board proposed in its meeting dated 19/03/2019 that no amount shall be paid against the total remuneration of Board members for the year 2018. Therefore, no remuneration proposal shall be presented to the annual general meeting to be held before the end of April 2019.

3. Statement of details of allowances for attending Board sub-committee meetings which were received by the Board members for the fiscal year 2018 in accordance with the following table:

Board members did not receive any allowances for their attendance of the Board sub-committees for the fiscal year 2018. However, the total due amounts in this respect is AED 250,000 divided as follows:

Name	Attendance allowances of the board subcommittees		
	Committee	Allowance (AED)	Number of meetings
H.E. Hamad Abdulla Al Mass	Auditing	40,000	4
	Nominations & Remunerations	60,000	6
	Risk	10,000	*1
Mr. Mohamed Abdelaziz Al Owais	Auditing	10,000	1
	Nominations & Remunerations	10,000	1
	Risk	10,000	*1
Mrs. Raja Al Mazrouei	Auditing	10,000	1
	Nominations & Remunerations	40,000	4
	Risk	10,000	*1
Mr. Rishi Raj Vig	Auditing	30,000	3
	Nominations & Remunerations	20,000	2

Details of attendance allowance of the board subcommittees which were received by the board members for the fiscal year 2018

* Risk Committee was cancelled See section 8 of this report

E - Number of board meetings held during 2018, statement of their dates and frequency of personal attendance of all members as well as statement of members who attended by proxy

No	Date of meeting	No. of attendees in person	No. of attendees by proxy	Names of attendees in person	Names of absent members by excuse acceptable to the board
1	3 July 2018	4	1*	1. Mr. Nasser Butti Omair bin Yousef 2. H.E. Hamad Abdulla Al Mass 3. Mr. Ahmed Yousef Khouri* 4. NBB Capital Investment LLL, represented by Ms. Amna Hasan Ali Saleh Al Hammadi	1. Mr. Mohamed Abdelaziz Al Owais 2. Mrs. Raja Al Mazrouei 3. Mr. Khalifa Al Hammadi*
2	5 September 2018	4	-	1. H.E. Hamad Abdulla Al Mass 2. Mr. Ahmed Yousef Khouri 3. Mr. Khalifa Al Hammadi 4. NBB Capital Investment LLL, represented by Ms. Amna Hasan Ali Saleh Al Hammadi	1. Mr. Naser Butti Omair Bin Yousef 2. Mr. Mohamed Abdelaziz Al Owais 3. Mr. Rishi Raj Vig
3	12 November 2018	5	-	1. H.E. Hamad Abdulla Al Mass 2. Mr. Ahmed Yousef Khouri 3. Mr. Khalifa Al Hammadi 4. Mr. Rishi Raj Vig 5. NBB Capital Investment LLL, represented by Ms. Amna Hasan Ali Saleh Al Hammadi	1. Mr. Naser Butti Omair Bin Yousef 2. Mr. Mohamed Abdelaziz Al Owais
4	27 December 2018	4	-	1. H.E. Hamad Abdulla Al Mass 2. Mr. Ahmed Yousef Khouri 3. Mr. Khalifa Al Hammadi 4. Mr. Rishi Raj Vig 5. NBB Capital Investment LLL, represented by Mr. Ahmed Eldmhoury	1. Mr. Naser Butti Omair Bin Yousef 2. Mr. Mohamed Abdelaziz Al Owais 3. Mr. Khalifa Al Hammadi

The Board also passed four resolutions by circulation in 2018.

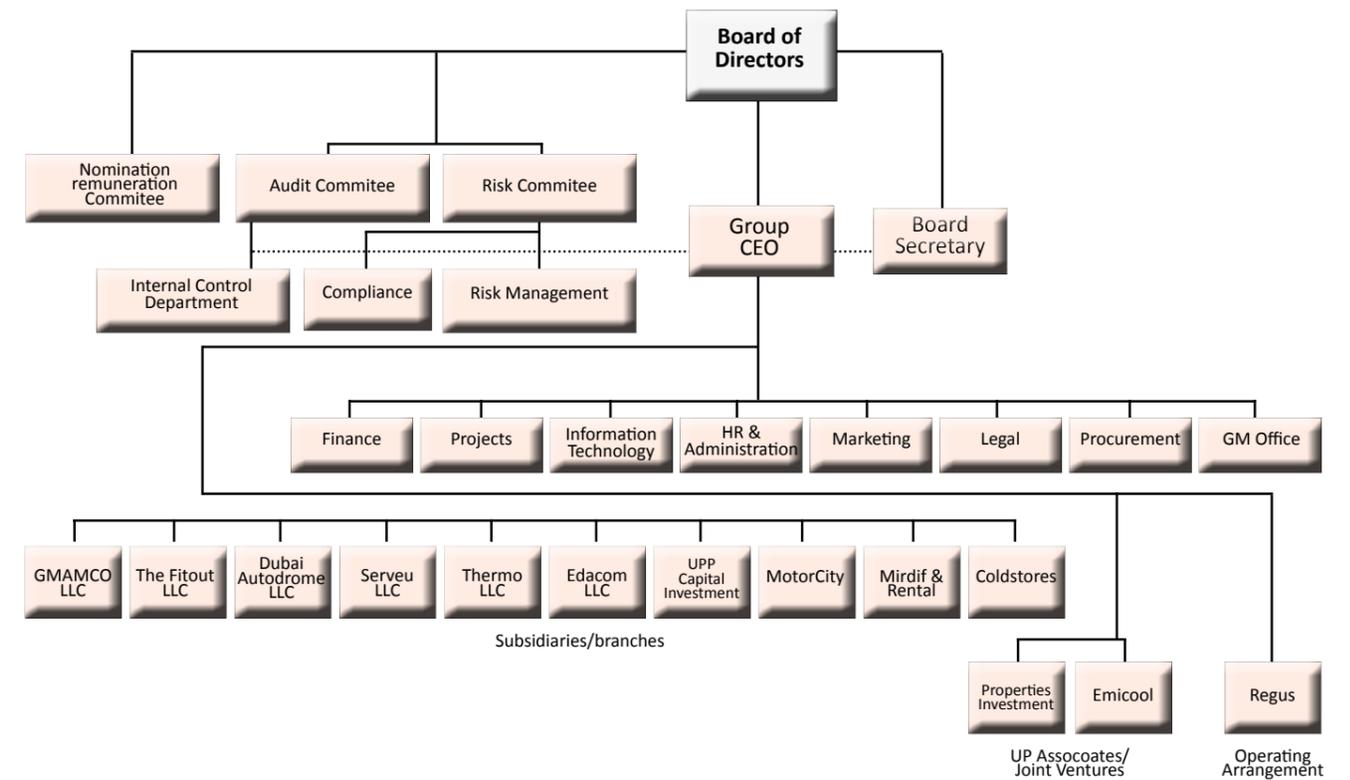
F. Statement of duties and competences of the board which were performed by one of the Board members or executive management based on authorization by the Board, stating the period and validity of the authorization in accordance with the following table:

No	Name of authorized person	Capacity of authorization	Period of authorization
1	Mr. Ahmed Yousef Khouri	Chairman authorized Mr. Ahmed Khouri to execute and perform set of disposals related to the company and its subsidiaries and this authorization was attested by the notary public.	From 29/01/2018
2	Mr. Ahmed Yousef Khouri	Follow up on the restructuring process of the subsidiaries' management in the correct legal manner by calling for a General Assembly for each subsidiary and proposing the formation of a new Board of Directors for each subsidiary. The CEO, Mr. Ahmed Yousef Khouri is authorized to choose whomever he deems appropriate in this regard.	From the board meeting dated 03/07/2018
3	Mr. Ahmed Yousef Khouri	Authorizing the Chief Executive Officer, Mr. Ahmed Yousef Khouri, to sign and execute all documents relating to Noor Bank's facilities including mortgage documents with the Land and Property Department and any other documents relating to the transaction.	From the board meeting dated 05/09/2018
4	H.E. Hamad Al Mass Mr. Khalifa Al Hammadi	The Board has reviewed the financial statements for Q3-2018 along with its notes and disclosures and authorized any two Board members to sign them on behalf of the company.	From the board meeting dated 12/11/2018
5	Mr. Ahmed Yousef Khouri	Authorize Mr. Ahmed Khouri to register and deregister mortgage of the company's assets and properties.	From the board meeting dated 12/11/2018

G. Statement of details of transactions done with the related parties (stakeholders) indicating the nature of the relation and type of transaction.

No transactions with related parties were presented to the Board according to the resolutions contained in the Board up to 31/12/2018

H. Organizational structure of the company including at least the first and second levels, provided it includes General Manager and/or Chief Executive Officer, Deputy General Manager and company's Managers such as the Financial Manager.



Updating the structure and appointing it by the Board is underway in accordance with the Board resolutions passed during 2018. In accordance with governance decisions, managers of the subsidiaries were not added because these resolutions relate only to listed companies.

I. Detailed statement of senior executive staff in the first and second levels in accordance with the organizational structure of the company (as set out in 3H), their positions and dates of appointment along with statement of the total salaries and benefits paid to them, according to the following table:

No	Name	Title	Date of appointment	Total salaries and allowances paid during 2018 (AED)	Total bonuses paid for the year 2018 (AED)	Any other cash/in-kind benefit for 2018 or payable in the future
1	Ahmed Yousef Abdulla Hussain Khouri	Managing Director	25/05/2017	3,690,109.00	-	-
2	Kawther Mohamed Ahmed Alhamed	Director - HR & Administration	06/05/2018	795,444.85	-	-
3	Ahmad Ibrahim	Director - Marketing & Communications	10/05/2018	503,594.83	-	-
4	Shrikant Kabboor	Senior Director - Information Technology	14/05/2018	788,627.11	-	-
5	Parvaiz Hussain Bhutto	Head of Internal Audit	05/08/2018	240,112.27	-	-
6	Iain Charles Mc Gallivray	General Legal Counsel	30/09/2018	368,127.44	-	-
7	Erik Robert Perino	Director - Business Development	05/08/2018	435,032.32	-	-
8	Parag Pankaj Udeshi	Senior Manager - Procurement	26/08/2018	287,895.57	-	-
9	Abrar Ul Haq Atif	Director - Finance	24/06/2018	377,990.70	-	-

No	Name	Title	Date of appointment	Total salaries and allowances paid during 2018 (AED)	Total bonuses paid for the year 2018 (AED)	Any other cash/in-kind benefit for 2018 or payable in the future
10	Mustafa Abdul Ahad	Associate Director - Finance	15/05/2018	378,782.74	-	-
11	Prakash Narayan Bhalchandra	Projects Director	11/03/2018	795,007.28	-	-
12	Byron Terence Gumbs	Director - Projects Department	01/05/2018	558,819.59	-	-

Former Employees

No	Name	Title	Date of appointment	Total salaries and allowances paid during 2018 (AED)	Total benefits paid for the year 2018 (bonuses) (AED)	Any other cash/ kind bonuses during 2018 or that may be due in the future	Remarks
1	Rajesh Pareek	Group CFO	27/03/2018	1,238,988.00	-	-	For the period from 27/03/2018 to 31/12/2018
2	Ahmad Khalaf Obaid Bin Touq Almarri	General manager	06/12/2009	1,759,830.00	-	-	For the period from 01/01/2018 to 06/11/2018
3	Mohammad Samer Samir Sunalla	Group CFO	09/07/2006	1,428,059.00	-	-	For the period from 01/01/2018 to 19/08/2018
4	Saw Ying Huei	Chief Construction Officer	01/10/2017	813,256.00	-	-	For the period from 01/01/2018 to 16/08/2018
5	Saeed Ahmad Saeed Saif Almarri	Chief Administrative Officer	20/06/2017	256,746.00	-	-	For the period from 01/01/2018 to 01/05/2018
6	Syed Qaiser Mehdi Rizvi	Commercial Director (Procurement & Contracts)	20/02/2018	838,667.84	-	-	For the period from 20/02/2018 to 16/11/2018

4. External Auditor

A- Presentation of background of the company's auditor to shareholders.

Ernst & Young (EY) is a multinational professional services firm and is one of the largest professional services firms in the world.

EY operates as a network of member firms which are separate legal entities in individual countries. It has 250,000 employees in over 700 offices around 150 countries in the world as of 30 June 2018. The global revenue is US\$ 34.8 billion. It provides assurance (including financial audit), tax, consulting and advisory services to companies.

EY has been present in MENA since 1923 and in the UAE since 1966. EY's Dubai office has over 1,400 staff and serves a wide variety of Government, private and multinational clients.

B- Statement of Auditing costs and fees or services provided by external auditor, according to the following table:

Name of Auditing Firm	Ernst & Young
Number of years served as an external auditor for the company	One year
Total fees for auditing the financial statements of 2018 (in AED)	AED 548,000
The fees and costs of the special services other than the auditing of the financial statements of 2018 (AED), if any, and in case there are no other fees, this shall be expressly stated.	AED 3,726,650
The details and nature of other services provided (if any), and in case there are no other services, this shall be expressly stated.	Fees against the quarterly reviews, implementation of value added tax, project feasibility study, risk advisory services, financial due diligence, forensic services

A statement of the other services performed by an **external auditor other than** the Company's auditor in 2018 (if any), and in case there is no another auditor, this shall be expressly stated.

KPMG	AED 90,000	Advisory against the new IFRS implementation
PWC	AED 496,000	Business Strategy refresh and operating model re-design
PWC	AED 566,927	Structuring and IPO advisory services
Jivanjee and Company LLC	AED 44,000	Auditing for Subsidiary

C- Statement that indicates qualifications included by the company's auditor in the interim and annual financial statements of 2018. In case there's are no qualifications, this shall be explicitly specified.

There are no qualifications included by the company's auditor in the interim financial statements up to the end of the third quarter of 2018.

5. Audit Committee

A- Names of audit committee members, and a statement of its functions and duties.

Members of audit committee for the period from 1 January 2018 to 2 July 2018

No	Name	Title	Category
1	Mr. Mohamed Al Owais*	Chairman	Non-executive/ Independent
2	H.E. Hamad Al Mass	Member	Non-executive/ Independent
3	Mrs. Raja Al Mazrouei	Member	Non-executive/ Independent

Members of the audit committee for the period from 3 July 2018 to 31 December 2018

No	Name	Title	Category
1	Mr. Mohamed Al Owais*	Chairman	Non-executive/ Independent
2	H.E. Hamad Al Mass	Member	Non-executive/ Independent
3	Mr. Rishi Raj Vig	Member	Non-executive/ Independent

* Financial and accounting expert of the committee.

Functions and duties of the audit committee, according to resolutions of the Securities and Commodities Authority (SCA) and the committee's approved charter, include the following short topics:

Financial and accounting policies and procedures, financial statements and reports, coordination with the Board and executive management for performance of its duties, important and extraordinary items which are contained or should be included in the reports, matters raised by financial manager, compliance officer or auditor, all matters concerning the auditor (referral of recommendation on auditors to the Board, choosing him, resignation, dismissal, monitoring his independence, compliance with laws and regulations, meeting with the auditors at least once without senior executive management, work plan, auditor's notes, suggestions and company management's response thereto), internal control systems and discussing them with the Board, risk management, main investigations in the matters of internal control, auditor's evaluation of internal auditing measures, coordination between internal auditor and external auditor, availability of resources required for internal control department (ICD), effectiveness of ICD, ICD reports, corrective measures contained in the ICD reports, controls of reporting violations, codes of professional conduct, dealings of related parties, conflict of interests and recommendation thereon to the Board, presentation of recommendations to the Board, assurance of compliance with international accounting standards and laws and resolutions by the control authorities and codes of conduct, correspondences with regulatory authorities in respect of important matters, review of legal matters that may have considerable effect on financial statements, fraud and noncompliance, fees of executive members and information protection systems.

B- Number of meetings held by audit committee during the year and their dates for discussion of the matters related to financial statements and any other matters, and statement of the number of times of personal attendance by members in the meetings that were held.

	Date of Meeting	Mr. Mohamed Al Owais	H.E. Hamad Al Mass	Mrs. Raja Al Mazrouei	Mr. Rishi Raj Vig
1	11/03/2018	X	√	√	
2	13/08/2018	√	√		√
3	12/11/2018	X	√		√
4	27/12/2018	X	√		√

6. Nomination and Remuneration Committee:

A- Names of Nomination and Remuneration Committee, and statement of its functions and duties.

Members of nomination and remuneration committee for the period from 1 January 2018 to 2 July 2018

No	Name	Title	Category
1	Mrs. Raja Al Mazrouei	Chairman	Non-executive/ Independent
2	H.E. Hamad Al Mass	Member	Non-executive/ Independent
3	Mr. Mohamed Al Owais	Member	Non-executive/ Independent

Members of Nomination and Remuneration Committee for the period from 3 July 2018 to 31 December 2018

No	Name	Title	Category
1	H.E. Hamad Al Mass	Chairman	Non-executive/ Independent
2	Mr. Mohamed Al Owais	Member	Non-executive/ Independent
3	Mr. Rishi Raj Vig	Member	Non-executive/ Independent

Summary of the topics addressed by Nomination and Remuneration Committee in accordance with the resolutions of SCA and approved charter of the committee: Policy for nomination to Board membership and executive management and related procedures, assurance of independence of independent members, bonuses, benefits, incentives and salary policy of Board members and company's staff, review of required needs of suitable skills for Board membership, board structure, company's needs of competencies, human resources policy, support of Board in evaluation of Chief Executive Officer and determining his bonuses, compliance with applicable legal and organizational requirements related to the matters of bonuses, presentation of reports to the Board on appraisal of Board members' performance, professional development plans, employees' succession planning and Board members' development programs.

B- Statement of number of meetings that were held by the committee during the fiscal year and their dates, stating the frequency of personal attendance for all committee members.

No	Date of Meeting	Mrs. Raja Al Mazrouei	H.E. Hamad Al Mass	Mr. Mohamed Al Owais	Mr. Rishi Raj Vig
1	08/02/2018	√	√	√	
2	11/03/2018	√	√	X	
3	08/04/2018	√	√	X	
4	10/05/2018	√	√	X	
5	02/10/2018		√	X	√
6	27/12/2018		√	X	√

7. “Management, Follow-up and Supervision of Insider’s Trading” Committee.

A- Names of members of the Committee, and a statement of the functions and duties assigned to them.

The committee of “Management, Follow-up and Supervision of Insider’s Trading” was created on 17/07/2017 through executive order issued by the then Chief Executive Officer. However, the committee was not active in 2017 because of restructuring. Afterwards, the Board decided on 03/07/2018 to restructure the committee as follows:

Mrs. Kawther Alhamed Head of Human Resources and Administration Department, Chairman

Mr. Rajesh Pareek (resigned) Group CFO, Member

Mr. Fadi Samara Board Secretary, Member

According to a resolution of the Board, the Committee’s responsibilities shall be:

- Put in place written rules regarding the trading of Board members and employees in the securities issued by the company or its parent company, subsidiaries, or its sister companies.
- Authorize the committee to prepare a special and comprehensive register of all insiders, including persons who could be considered as insiders on a temporary basis and who are entitled to or have access to inside information of the company prior to publication. The record shall also include prior and subsequent disclosures of insiders.
- Management, follow-up, and supervision of insiders’ trading and their holdings, maintain the register and submit periodic statements and reports to the Market

B- Summary of the Committee’s activities during 2018

The committee met on 18/12/2018 and proposed a definition of insiders and compiled a preliminary list of the names of insiders based on the proposed definition. Some members of the committee started afterwards to develop a draft “Policies, Procedures and Rules of insiders’ trading in the securities issued by the company”, and form of “insiders’ acknowledgement”. After approval by the committee, the committee will present the definition, acknowledgement form and policy draft to legal consultants to complete the final form and circulate it to all insiders after obtaining the board’s approval on them.

8. Any other committee (s) approved by the Board.

A- Name of committee (s)

Risk Committee:

The Risk committee was created through Board resolution dated 04/05/2017. On 03/07/2018, the Board decided to terminate the work of the risk committee and transfer all its functions and powers to internal control department.

B- Names of members of each committee and statement of its competences and duties

The risk committee shall consist of the following board members (from 01/01/2018 to 02/07/2018):

No	Name	Title	Category
1	H.E. Hamad Al Mass	Chairman	Non-executive/ Independent
2	Mr. Mohamed Al Owais	Member	Non-executive/ Independent
3	Mrs. Raja Al Mazrouei	Member	Non-executive/ Independent

Risk committee was concerned, in summary, with addressing of the following matters:

Policies and overall direction of “risk appetite”, preparation of specific plan for each category of risks review and supervision of risk profile, risk management practices, business continuity plan, guarantee of adequacy of risk intelligence levels, risk measurement approach, definition of size and priorities of risks and comparison thereof as well as their terms of reference, continuous evaluation of risk management strategies, consideration of any updates from the company’s management and delivery of opinion, when necessary, on the effect of risks on any strategic decision, disclosures related to risk management, changes of risk policies in accordance with the approved delegation of authorities, review of reports by risk department.

B- Statement of the number of meetings held by the committee during the fiscal year and statement of personal attendance of all committee members.

Risk Committee held only one meeting in 2018 as indicated below before its dissolution.

No	Date of Meeting	H.E. Hamad Al Mass	Mrs. Raja Al Mazrouei	Mr. Mohamed Al Owais
1	08/02/2018	√	√	√

9. Internal Control System:

A- Acknowledgement by the Board of its responsibility for internal control system in the company and review of its functioning mechanism and ensuring its effectiveness.

The Board of Directors acknowledges its responsibility for design, implementation and effectiveness of the internal control system. Further, the Board is also committed to promote and implement best practices in governance, risk management and ensure compliance with rules, regulations of applicable laws. The Internal Control System is designed to ensure compliance with article (50) of SCA's resolution (7/R.M) regarding Standards of Institutional Discipline and Governance of Public Shareholding Companies. Additionally, Internal Control Department performs its duties through adherence to its manual to ensure operating effectiveness of company's internal control. The Audit Committee is responsible for monitoring the Internal Control System and updating the Board on quarterly basis on the resourcing, testing and effectiveness of internal controls in the Company.

In addition, in the Board meeting dated 12/11/2018, the Board ratified the internal audit charter which states that head of internal audit department shall be responsible to the Board through audit committee which reports to the Board, for sufficient presentation of the adequacy and effectiveness of the process for control of the company's activities and risk management.

B- Name, qualifications and date of appointment of head of Internal Control Department

On 12/11/2018, the Board of Directors resolved to appoint Mr. Parvaiz Bhutto as the Head of Internal Control Department with effect from the date his joining the company on 05/08/2018.

Mr. Parvaiz Bhutto is a passionate, result-oriented and high performing chartered accountant with over 15 years of experience in Accountancy, Governance, Auditing and Financial Feasibility Assessments with regional and global organizations in UAE and Pakistan. His work experience consists of a blend of conducting risk advisories, performance improvement, internal and external audits, forensic investigations and strengthening the governance structures within various industry sectors. Parvaiz has spent a significant amount of time in building and developing audit teams; working on audit charters, methodologies, plans and has executed them to meet the requirement of Audit Committees, Management Teams and Board of Directors. Parvaiz holds a Bachelor's Degree in Accounting and Commerce and is also a Chartered Certified Accountant, Certified Public Accountant, Certified Internal Auditor and a UAE Chartered Accountant. Prior to joining Union Properties in August 2018, he had worked with Dubai Properties Group and Pricewaterhouse Coopers amidst other companies.

C- Name, qualifications and date of appointment of compliance officer

Mr. Fadi Samara has been the compliance officer since November 2017. Mr. Samara has broad experience in corporate governance and resolutions of SCA and Dubai Financial Market regulations. He is also the Company Secretary and had previously worked in the same position in Dubai Properties Group.

D- How Internal Control Department handled any significant issues or those that were disclosed in the annual reports and accounts (in case there are no significant issues, it shall be mentioned that the company did not encounter any significant issues).

Internal Control Department refers all internal control gaps which may result in major risks to appropriate level of management. In case of pending unresolved issues posing major risks, such matters are elevated for attention of audit committee and finally to Board with remarks and recommendations. It should be noted that in 2018, the Audit Committee did not receive any significant issue.

10. Details of violations committed during the fiscal year, statement of its reasons, how they were managed and how to avoid their future recurrence

On 03/04/2018, SCA advised the company that it did not comply with the disclosure of annual financial statements through XBRL system for the year 2017.

On 03/07/2018, SCA advised the company that it delayed providing SCA with some exhibits and data which are required as part of periodic inspection works.

During 2018, SCA conducted periodic inspection of the company

11. Statement of cash and in-kind contributions made by the company in 2018 toward development of local community and conservation of environment (in case there are no contributions, it shall be mentioned that the company didn't provide any contributions)

Nature of Contribution	Type of contribution	Value of contribution (AED)
Sponsored Abu Dhabi Police Festival for people of determination	Cash	50,000
Training, engaging in work, and awarding nine volunteers of United Arab Emirates citizenship, including people of determination, in Cityscape 2018 Exhibition	Cash	15,600
Sponsor of Al Dhafr Shooting Club	Cash	323,600
Participation in Umm Suqaim Beach Cleaning Campaign in coordination with Dubai Municipality and supply of some water, beverages and snacks	In-kind	-
Participation in three blood donation campaigns in coordination with Dubai Health Authority and Latifa Hospital, and supply of some water, beverages and snacks	In-kind	-
Dubai Autodrome holds an event every Wednesday between 6PM and 9PM called TrainDubai where the public are able to safely cycle, run or walk around Dubai Autodrome circuit at no charge.	In-kind	-

12. General Information

A- Statement of the company's share price (closing price, highest price and lowest price) at the end of every month during the fiscal year 2018.

End of month	Lowest price	Highest price	Closing price
January 2018	0.951	1.050	0.985
February 2018	0.863	0.985	0.901
March 2018	0.845	0.915	0.869
April 2018	0.786	0.906	0.807
May 2018	0.794	0.848	0.808
June 2018	0.661	0.821	0.787
July 2018	0.702	0.773	0.711
August 2018	0.672	0.721	0.690
September 2018	0.672	0.735	0.678
October 2018	0.612	0.693	0.622
November 2018	0.520	0.633	0.555
December 2018	0.377	0.55	0.402

B- Statement of comparative performance of the company's share with general market index and sector index to which the company belongs during 2018.

End of month	Closure price of Union Properties	Dubai Financial Market indicator	Real estate index
January 2018	0.985	3394.36	6759.69
February 2018	0.901	3244.12	6231.82
March 2018	0.869	3108.53	6021.34
April 2018	0.807	3065.96	5884.84
May 2018	0.808	2964.13	5394.44
June 2018	0.787	2821	5089.16
July 2018	0.711	2955.95	5292.43
August 2018	0.690	2840.16	5045.03
September 2018	0.678	2834.95	4979.05
October 2018	0.622	2784.6	4974
November 2018	0.555	2668.66	4557.62
December 2018	0.402	2529.75	4103.01

C- Distribution of shareholders' ownership as on 31/12/2018 (individuals, companies, governments) classified as: Local, GCC, Arab and Foreignerr

No	Shareholder's classification	Percentage of shares owned				
		Individuals	Companies & corporations	Banks	Government	Total (%)
1	Citizens	47.4404	36.6078	0.4824	0.0307	84.5613
2	GCC	1.0249	1.0559	0.0213	-	2.1021
3	Arab	7.4437	0.4165	0.0635	-	7.9237
4	Foreigner	2.8109	2.4152	0.1867	-	5.4128
5	Total	58.7199	40.4954	0.7539	0.0307	100%

D- Statement of shareholders who own 5% or more of the company's capital as on 31/12/2018 according to the following table:

No	Name	Number of shares owned	Percentage of shares owned of the company's capital
1	Bluestone Fund	429.019.616	10.0015%

Statement of how shareholders are distributed by equity size share as on 31/12/2018 according to the following table:

No	Shareholding (share)	Number of shareholders	Number of owned shares	Percentage of held capital shares
1	Less than 50,000	6,131	89,987,834	2.10%
2	50,000 to less than 500,000	3,896	609,880,41	14.22%
3	500,000 to less than 5,000,000	759	976,417,264	22.76%
4	5,000,000 and above	94	2,613,254,635	60.62%

E. Statement of measures taken in respect of controls of Investors' relations indicating the following:

The company disclosed the material information of the company at the proper time on the website of Dubai Financial Market and the company's website, in compliance with the resolutions of SCA to guarantee easy access to information by investors and the public. The company's website includes overview of the company and its subsidiaries, projects, investors' relations, press releases and contacts. Investors' relations section of the company's website contains "Fact Sheet" page that highlights summary of some financial information, audited and reviewed financial statements, annual report, company's disclosures, dividends, financial calendar and corporate governance.

Name and contact details of Investors' Relation Manager

In 2018, the company was in the process of looking for Investors' Relation Manager. However, an employee was assigned in 2018 temporarily to receive investors' queries and secure responses to them after consulting management.

Email: IR@up.ae

Tel: 04-8066667

Link of investors' relations page on the company's website.

<https://www.up.ae/invester-relations.php>

F- Statement of the special resolutions presented to the general assembly meeting held in 2018 and measures taken in their respect

On 17/05/2018, the general assembly meeting adopted the following special resolutions:

General Assembly Resolution on 17/05/2018	Measures Taken
Issuance of Sukuk not offered for public subscription, not listed on the market and not convertible into shares with a total value not exceeding AED (1) one billion and profitability not exceeding 9%, to be offered through a private placement to one or more qualified investors, and shall be due for repayment within a period not exceeding ten (10) years; and to authorize the board of directors of the company to implement the resolution through one issuance or several issuances or a program and to specify the date of issuance(s) and to negotiate the conditions and to obtain approvals from the official entities. This authorization shall expire no later than one year from the date of ratification of the resolution; subject to the approval of the Securities and Commodities Authority and the competent authorities.	The company's management requested from the Securities and Commodities Authority ("SCA") an approval to issue Sukuk as set out in the resolution of the general assembly meeting. SCA stated that it has no objection for the company to pursue the measures of issuance of Sukuk based on the resolution by the general assembly, noting that issuance of Sukuk, which was expected in 2018, is in progress, and is estimated to be completed by the second quarter of 2019.
Article (7) of the Articles of Association shall be amended to read as follows: "All the shares in the Company are nominal. The percentage of the State national at any time during the existence of the Company shall not be less than 51% of the share capital. The ownership of citizens, other than citizens of the State, shall not exceed 49%."	Articles of Association of the company were amended following this resolution and were published in the official gazette.
Paragraph (2) of the Article (19) of the Articles of Association shall be amended to read as follows: "2. In all cases, majority of the Board of Directors, including the Chairman, shall be nationals of the State."	After the general assembly has approved this resolution, the Board added two new non-UAE national members, notwithstanding that Board majority kept for UAE nationals.

G- Name of Board Secretary and date of appointment

Mr. Fadi Abdulrahim Samara, Company Secretary, has been the rapporteur for Board meetings since January 2016.

H- Statement of the material events that the company encountered during 2018

All material events that the company encountered during 2018 were disclosed, including:

- Appointment of Mr. Ahmed Yousef Khouri as Managing Director.
- Handover of Oia Project
- Launching District Avenue Project
- Offering Oia units for sale
- Announcement of annual profits
- Approval of the company's purchase of its shares at a rate not exceeding 10% of paid up capital for the purpose of re-selling them, after obtaining approval of the appropriate authorities.

I- Statement of Emiratization percentage in the company by the end of 2018 (workers of contracting companies shall be excluded).

Emiratization in the company (excluding subsidiaries) has reached 9.89% of the total employees.

J- Statement of innovative projects and initiatives implemented or being developed by the company during 2018.

There are no innovative projects and initiatives developed or being developed by the company during 2018.

Chairman's signature

Company's official seal

Date / /2019