

GOVERNANCE

1 IMPLEMENTATION OF GOVERNANCE IN ALDAR PROPERTIES

The Board of Directors is in charge of and responsible before the Company's shareholders for ensuring that the Company's objectives are in line with the shareholders' expectations and aspirations. The Board is also commissioned to ensure effectiveness of the Company's management activities, with a focus on the Company's objectives being in conformity with the legislative requirements and code of professional conduct set by the Securities & Commodities Authority and Abu Dhabi Securities Exchange.

The first step in terms of implementing an effective system for corporate governance was through drawing the features of the governance framework and developing it, in order to be an effective mechanism to efficiently contribute to completing this optimal application of the governance framework. In the course of the constant control efforts to measure the effectiveness of implementing the Company's governance system, the Board of Directors reviews the governance framework periodically and makes the necessary modifications to its elements (wherever needed) so as to ensure it is in conformity with the regulatory controls and the changing business environment.

The following chart shows the governance framework and the key elements resulting from the process of applying the corporate governance system.

As set out above, the implementation of the governance system involves different levels, including: Board of Directors, Executive Management, and Internal Control System.

Securities & Commodities Authority & Abu Dhabi Securities Exchange		
Shareholders		
Audit Committee	Board of Directors	Nominations & Remunerations Committee
Internal Control Department		Executive Committee
Auditor		
Executive Management		

The Board of Directors shall undertake periodical review for the implementation of the governance standards and systems in the Company, taking into account to meet the legal and regulatory requirements and controls of these systems, and the implementation of highest international standards in this field. Here is below an overview of the corporate governance elements at the level of the Board of Directors, Executive Management, Internal Control System and Compliance Officer.

GOVERNANCE ELEMENTS RELATING TO THE BOARD OF DIRECTORS

The basic elements of corporate governance at the Board of Directors' level include a set of regulations specifying the general framework of the objectives, responsibilities and framework of the Board of Directors and its committees, where these elements include:

- Charter of the Board of Directors.
- Charter of the Audit Committee.
- Charter of Nominations and Remunerations Committee.
- Charter of the Executive Committee.
- Charter Professional Conduct Rules.
- Table of Authorities. The Board of Directors has developed and implemented the table of authorities as one of the other important complementary elements, where the table of authorities is considered as a regulatory tool through which the

authorities are delegated to all members of the Executive Management so that they can perform their duties and assignments to the fullest, and contributes in creating a regulated work environment characterised by optimal management of the works and activities exercised by the Company.

GOVERNANCE ELEMENTS RELATING TO THE EXECUTIVE MANAGEMENT

The Executive Management shall undertake applying the Company's strategy and managing its daily business according to the action plan approved by the Board of Directors. The Executive Management shall have power to manage the Company's affairs and business, taking into consideration the protection of the shareholder's interests, application of the best international practices and to practically meet the daily operation's needs. In addition to the table of authorities, the Company's key governance elements at the Executive Management level shall include a set of regulations specifying the general framework of objectives, responsibilities and assignments of the Executive Management. These elements are as follows:

- Charter of the Management Committee.
- Charter of the Tenders Committee.
- Charter of the Risks Management Committee.
- Charter of the Code of Professional Conduct Rules.

GOVERNANCE ELEMENTS RELATING TO INTERNAL CONTROL SYSTEM

The Company's Board of Directors has developed the regulatory principles and rules of the Company's operation so as to make all staff fully aware of the importance of the internal control system, promoting their participation in ensuring continuity of this system very effectively.

The main elements of the internal control system include:

- Development and adoption of the policies, charters and regulations that control the Company's business and activities at the level of all its departments and divisions.
- External auditing and internal control management.
- The Company's shareholders and the General Assembly.
- The Company's social responsibility.
- Violations reporting policy.
- Continuous disclosure to the market.

COMPLIANCE OFFICER

The Compliance Officer has been appointed vide a resolution made by the Company's Board of Directors, and entrusted with ensuring compliance of the Company and its staff with the laws, regulations and issued resolutions, along with the other internal policies and measures. This step is in line with SCA Chairman's Decision No. (7/R.M) of 2016 concerning the standards of institutional discipline and governance of public shareholding companies.

Mr. Mohammed Abdul Rahman has been appointed to assume the Compliance Officer duties vide the decision made by the Company's Board of Directors at its Meeting No. (05/2013) held on 6 August

2013. Mr. Mohammed Abdul Rahman has practical experience in the field of legal business, compliance affairs and institutional discipline for about ten years. He holds a bachelor degree from the Faculty of Sharia and Law, UAE University.

2 BOARD OF DIRECTORS

The Board of Directors' role is to supervise the Company's business and affairs assumed by those in charge thereof, based on the directives of the Chief Executive Officer and the Management Committee formed by the Board of Directors, which includes a number of the Company's Executive Management members, headed by the Chief Executive Officer.

The Board of Directors is responsible for following up the effectiveness of the governance framework, and following up and supervising the management and controls applied in the Company. The Board has delegated some of its authorities to its committees (Audit Committee, Nominations & Remunerations Committee, Executive Committee – as will be stated later), which will work in accordance with charters and regulations approved by the Board.

The Board has also entrusted the Company's business daily management duties to the Chief Executive Officer, in accordance with the controls of his authority set forth in this regard. These delegations of authority shall be documented in the table of authorities which in turn shall be reviewed periodically to ensure balance and conformity between the control and risk management level and the business operation requirements. The table of authorities was comprehensively reviewed in July 2013, and substantially amended to keep pace with the requirements, latest developments and

changes made in the operational activities. The table of authorities was afterwards approved and ratified by the Board of Directors at its meeting No. (04/2013), held on 1 July 2013, along with making some partial amendments and reviews to some items of the table of authorities by the Board of Directors and its Executive Committee during the meetings held in 2017 according to the requirements, and for the interest, of the Company's business conduct.

2.1 CHAIRMAN

HE Mohamed Khalifa Al Mubarak is holding the position of the Chairman of the Board of Directors of Aldar Properties PJSC based on the resolution passed by the Company's Board of Directors at its Meeting No. (06/2017) held on 12 November 2017, following the changes made to the Company's Board of Directors at that date. The Chairman shall be responsible for leading the Board and ensuring undertaking its responsibilities and duties effectively. The Chairman is also considered as a key link connecting between the Board of Directors and the Executive Management, and works continuously with the Company's Executive Management. The Chairman assumes in particular the following duties and responsibilities:

- To ensure that the Board of Directors is working effectively, carrying out its responsibilities and discussing all major and appropriate issues on time.
- Setting and approving every Board meeting agenda, taking into account any issues proposed by the Directors, the Executive Management, the Company's Secretary, Compliance Office or Internal Control Director to be included in the agenda. The Chairman has the power to entrust this responsibility to a certain

Director or the Company's Secretary under his supervision.

- Encouraging all Directors to fully and effectively participate to ensure that the Board of Director is behaving according to the best interests of the Company.
- Taking the appropriate measures to ensure effective communication with the shareholders and reporting their views to the Board of Directors.
- Facilitating effective contribution of the Directors, in particular the non-executive ones, and creating constructive relations between the executive and non-executive directors.

2.2 COMPETENCIES OF THE BOARD OF DIRECTORS

The Board of Directors has made a list for the matters subject to its supervision (along with the duties and responsibilities set forth in the Company's Memorandum and Articles of Association and Federal Law No. (02) of 2015 regarding Commercial Companies, as amended, and SCA Chairman's Decision No. (7/R.M) of 2016 concerning the standards of institutional discipline and governance of public shareholding companies, which are considered as matters of strategic nature and characterised by high sensitivity, and at the same time exceed the limits of authority delegated to the Company's Executive Management.

These matters include:

- Developing and reviewing the Company's policies and strategic plans.
- Supervising and monitoring the Company's operations and following up its Executive Management in respect of carrying out their assignments.
- Promoting the Company's culture and main values as the perfect destination for job seekers.

2 BOARD OF DIRECTORS CONTINUED

2.2 COMPETENCIES OF THE BOARD OF DIRECTORS CONTINUED

- Developing and implementing the policies, procedures and controls necessary for the Company.
- Approving and following up the budgets, business plans, and financial statements and policies.
- Following up the adequacy and efficiency of risk management and the Company's governance framework.
- Ratifying and approving the proposals for major investments and spending policies proposed by the Executive Management.
- Following up the adequacy of the administrative resources policy to ensure efficiency of these resources and adequacy of the administrative hierarchy plans, in direct coordination with the Nominations and Remunerations Committee in this regard.
- Ensuring that the shareholders are timely provided with accurate and high quality information, and making sure that the investors in general are enabled to trade in the Company's securities listed in the financial market that is characterised by a high degree of efficiency, competitiveness, know-how and transparency.
- Following up the nomination and appointment process of the Board Director/s according to SCA regulations in direct coordination with the Nominations & Remunerations Committee.
- Appointing or dismissing each of: Chief Executive Officer, Compliance Officer, Company's Secretary, Internal Control Director.
- Providing recommendations to the Annual General Assembly on the appointment of the external auditor (based on a recommendation made by the Audit Committee in this regard).

2.3 COMPOSITION OF THE BOARD OF DIRECTORS

Aldar Properties Board of Directors is currently composed of nine directors:

Directors	Position
1 HE Mohamed Khalifa Al Mubarak	Chairman
2 HE Abubaker Seddiq Al Khoori	First Deputy Chairman
3 Mr. Waleed Ahmed Salem Al Meqreb Al Meheiri	Second Deputy Chairman
4 Mr. Hamad Salem Mohamed Al Ameri	Director
5 Mr. Mansour Mohammed Al Mulla	Director
6 Mr. Ahmed Khalifah Mohammed Al Meheiri	Director
7 Mr. Ali Saeed Abdullah Saleem Al Falasi	Director
8 Mr. Mohammed Hajji Al Khoori	Director
9 Mr. Martin Lee Edelman	Director

Notes:

- The Company's Board of Directors has assumed its duties and responsibilities based on the resolution passed by the Company's Shareholders General Meeting held on 16 March 2016.
- The Company's Board of Directors is composed till, 12 November 2017, of: HE Abubaker Seddiq Al Khoori, Chairman, Mr. Waleed Ahmed Salem Al Meqreb Al Meheiri, Deputy Chairman, Mr. Ali Eid Al Meheiri, Director, Mr. Mansour Mohammed Al Mullah, Director, Mr. Ahmed Khalifah Mohammed Al Meheiri, Director, Mr. Hamad Salem Mohammed Al Ameri, Director, Mr. Ali Saeed Al Falasi, Director, Mr. Martin Lee Edelman, Director and Mr. Mohammed Hajji Al Khoori, Director.
- Mr. Ali Eid Al Meheiri resigned from the Company's Board of Directors and the Committees thereof as of 12 November 2017 and the Board resolved in its meeting no. (06/2017) held on 12 November 2017 to accept his resignation. The Board resolved also at the same meeting to appoint HE Mohamed Khalifa Al Mubarak to succeed him, provided that this appointment shall be represented to the shareholders at the next general meeting for approval according to the applied systems and laws.
- HE Abubaker Seddiq Al Khoori resigned from his position as Chairman on 12 November 2017 and the Board resolved in its meeting no. (05/2017) held on 16 November 2017 to accept his resignation from presidency of the Board.
- HE Mohamed Khalifa Al Mubarak was elected as Chairman vide the resolution made by the Board of Directors in its meeting no. (06/2017) held on 12 November 2017 by secret voting, also in the same meeting, the resignation of HE Mohamed Khalifa Al Mubarak from his position as the Company's Chief Executive Officer was accepted.
- In the meeting of the Company's Board of Directors no. (06/2017) held on 12 November 2017, HE Abubaker Seddiq Al Khoori, was elected as First Deputy Chairman and Mr. Waleed Ahmed Salem Al Meqreb Al Meheiri as Second Deputy Chairman. These procedures had been conducted by secret voting.
- The Board of Directors in its current composition has no female member as stated above, as no female person was nominated to the Board of Directors in the course of the nomination process and Board composition undertaken in 2016.

It should be noted in this regard that the Board of Directors has mostly consisted – since the establishment of the Company – of independent members according to SCA Chairman's Resolution No. (7/R.M) of 2016 concerning the Standards of Institutional Discipline and Governance of Public Shareholding Companies, and the Board of Directors Charter ratified by the Board of Directors.

All Directors are non-executives, seven of them are independent directors. The Board of Directors has adopted a policy concerned with the independence of Directors, by which the independence of every Director shall be evaluated annually, which falls within the responsibilities of the Nominations and Remunerations Committee, according to SCA Chairman's resolution no. (7/R.M) of 2016 concerning the Standards of Institutional Discipline and Governance of Public Shareholding Companies. Accordingly, any conflict of interests or newly established relationships for the independent directors that may in turn lead to breaching their independence, shall be disclosed. The relevant procedures shall be taken in accordance with the applicable regulations if the Board finds any breach or defect in the status of independence.

The following table shows the classification of Directors (executive/non-executive/independent/non-independent) and their respective year of appointment:

Directors	Position	Status		Year of Appointment
		Independent	Executive	
HE Mohamed Khalifa Al Mubarak	Chairman	No	No	2017
HE Abubaker Seddiq Al Khoori	First Deputy Chairman	Yes	No	2013
Mr. Waleed Ahmed Salem Al Meqreb Al Meheiri	Second Deputy Chairman	Yes	No	2017
Mr. Hamad Salem Mohamed Al Ameri	Director	No	No	2015
Mr. Mansour Mohammed Al Mulla	Director	Yes	No	2011
Mr. Ahmed Khalifah Mohammed Al Meheiri	Director	Yes	No	2013
Mr. Ali Saeed Abdullah Saleem Al Falasi	Director	Yes	No	2013
Mr. Mohammed Hajji Al Khoori	Director	Yes	No	2013
Mr. Martin Lee Edelman	Director	Yes	No	2011

Notes:

- a HE Mohamed Khalifa Al Mubarak was elected as Chairman of the Company by the Board of Directors in its meeting no. (06/2017) held on 12 November 2017.
- b Mr. Abubaker Seddiq Al Khoori was elected as First Deputy Chairman of the Company by the Board of Directors in its meeting no. (06/2017) held on 12 November 2017.
- c Mr. Waleed Ahmed Salem Al Meqreb Al Meheiri was elected as Second Deputy Chairman of the Company by the Board of Directors in its meeting no. (06/2017) held on 12 November 2017.

2 BOARD OF DIRECTORS CONTINUED

2.3 COMPOSITION OF THE BOARD OF DIRECTORS CONTINUED

In line with the Board of Directors Charter, all Directors have extensive experience in the field of business and management, particularly in the real estate sector. The following table shows the qualifications and experiences of the Directors:

Directors	Qualifications
HE Mohamed Khalifa Al Mubarak	<ul style="list-style-type: none"> • Dual specialisation in economics & political science from North Eastern University, USA.
HE Abubaker Seddiq Al Khoori	<ul style="list-style-type: none"> • Bachelor of financial sciences from Linfield College in McMinnville, State of Oregon, USA. • Certified Financial Analyst (CFA) and member of AIMR. • Completed the executive program of businessmen at the College of Business Administration at Harvard University.
Mr. Waleed Ahmed Salem Al Meqreb Al Meheiri	<ul style="list-style-type: none"> • Master in Public Policies with a specialisation in Business Administration and Government from Harvard University in the USA. • Bachelor of Science in International Affairs from Georgetown University.
Mr. Hamad Salem Mohamed Al Ameri	<ul style="list-style-type: none"> • MBA from the Canadian University. • Bachelor of Civil Engineering from the American University in Dubai.
Mr. Mansour Mohammed Al Mulla	<ul style="list-style-type: none"> • Bachelor of Business Administration from the University of Portland, Oregon in the USA.
Mr. Ahmed Khalifah Mohammed Al Meheiri	<ul style="list-style-type: none"> • Bachelor of Commerce – Financial Sciences from Concordia University in Canada. • Completed successfully general administration program from Business Administration College in Harvard University.
Mr. Ali Saeed Abdullah Saleem Al Falasi	<ul style="list-style-type: none"> • MBA from the University of Sharjah. • Bachelor of Science – production and operations management from the University of California. • Bachelor of accounting from the UAE University.
Mr. Mohammed Hajji Al Khoori	<ul style="list-style-type: none"> • Bachelor of Economics from the California State University in San Bernardino, USA.
Mr. Martin Lee Edelman	<ul style="list-style-type: none"> • Doctorate of Legal Sciences from Columbia University, USA. • Bachelor of political sciences from Princeton University.

Duration of experience in business and management (in years)	Field of expertise						
	Real estate & construction	Oil, energy & utilities	Banking, finance & insurance	Telecommunications	Government, non-profit foundations and public and other organisations	Health care & pharmaceutical industries	Media
+10							
+23							
+16							
+12							
+17							
+13							
+21							
+27							
+44							

2 BOARD OF DIRECTORS CONTINUED

2.4 ORIENTATION PROGRAMME

The new Directors, following their appointment, shall be subject to an orientation programme, through which their rights, duties and responsibilities as Directors of the Company, shall be explained. The new Directors shall join this orientation programme that aims at getting comprehensive information by the Management, and conduct field visits to the sites of the Company. In addition, the Company has provided all tools and means of communication that would provide the Directors with comprehensive information in respect of the Company and its activities, so that the Directors can undertake their responsibilities to the fullest, in addition to providing them with the latest developments reported to them by the Executive Management during the Board meetings. The Directors shall also obtain periodic information from specialists from inside and outside the Company in respect of the main business and sector developments and the substantial issues related to their duties as Directors.

2.5 ELIGIBILITY FOR INDEPENDENT CONSULTING

Pursuant to the Board of Directors Charter, every Director is entitled to request external independent consulting on the basis of non-conflict of interests after consulting the Board of Directors or its committees. The Company shall incur the cost of such external consulting as decided by the Board of Directors or its committees.

2.6 BOARD MEETINGS

The Board of Directors held seven meetings in 2017 to discuss the strategic and operational issues relating to the Company and to take the necessary resolutions thereon. The following table shows the dates of holding these meetings:

Meeting	Date of Holding
01/2017	13 February 2017
02/2017	20 March 2017
03/2017	08 May 2017
04/2017	02 August 2017
05/2017	22 October 2017
06/2017	12 November 2017
07/2017	18 December 2017

Notes:

In addition to the Board meetings, the Executive Committee held one meeting in 2017 to discuss the strategic and operational issues and to accordingly provide recommendations thereof to the Board of Directors (See: clause (6-3) for more information about the Executive Committee). Also, the Board of Directors has passed a set of resolutions by circulation (See: clause (2-8) for more details).

The aforesaid meetings were attended as follows:

Director	Meeting 01/2017	Meeting 02/2017	Meeting 03/2017	Meeting 04/2017	Meeting 05/2017	Meeting 06/2017	Meeting 07/2017	Number of personal attendance
HE Mohamed Khalifa Al Mubarak								2
HE Abubaker Seddiq Al Khoori								7
Mr. Waleed Ahmed Salem Al Meqreb Al Meheiri								7
Mr. Hamad Salem Mohamed Al Ameri								7
Mr. Mansour Mohammed Al Mulla								7
Mr. Ahmed Khalifah Mohammed Al Meheiri		-						6
Mr. Ali Saeed Abdullah Al Falasi	-	-						5
Mr. Mohammed Hajji Al Khoori								7
Mr. Martin Lee Edelman								7

Notes:

- HE Mohamed Khalifa Al Mubarak did not attend the Company's Board meetings nos. (01/2017) and (02/2017) and (03/2017) and (04/2017) and (05/2017) in his capacity as Chairman, these meetings were attended by His Excellency in his capacity as the CEO of the Company, as he was elected as Chairman by the Board by the resolution issued by the Board in its meeting no. (06/2017) held on 12 November 2017.
- Mr. Ali Eid Al Meheiri attended the Board meetings nos. (01/2017) and (02/2017) and (03/2017) and (04/2017) and (05/2017) and (06/2017) during the period in which he was Director of the Company till he resigned as of 12 November 2017, where his resignation was accepted by the Board in its meeting no. (06/2017) held on 12 November 2017.
- All excuses made by the Directors for not being able to attend some meetings shall be considered and taken into account at the beginning of every meeting pursuant to the Company's Memorandum and Articles of Association and in line with the applicable laws and regulations in this regard.

2 BOARD OF DIRECTORS CONTINUED

2.7 DIRECTORS' REMUNERATIONS & ALLOWANCES FOR ATTENDING MEETINGS OF THE BOARD AND ITS COMMITTEES

Article (28) of Aldar Properties Articles of Association provides for the following:

"The remuneration of the Directors shall be a percentage of the net profit of the Company provided that it shall not exceed 10% of the net profits for the fiscal year. It shall also be permissible for the Company to pay additional expenses or fees or remuneration or monthly salary, as shall be determined by the Board to any of its Directors if such Director is involved in any committee, exerts special efforts or carries out additional works for the Company's interest beyond his normal duties as a Director of the Company.

The fines that might be levied against the Company for any violations of the law or Articles of Association by the Board of Directors during the ended fiscal year shall be deducted from the remunerations of the Board of Directors. However, the general assembly may resolve not to deduct such fines if it considers that such fines were levied for reasons other than a default or error of the Board of Directors".

Article (48) hereof determines how to distribute the net profits, as the annual net profits of the Company shall, after deducting all overheads and other costs, be distributed as follows:

- Ten percent (10%) is deducted and allocated for the statutory reserve account. This deduction shall be stopped if the statutory reserve reaches 50% of the paid up capital of the Company, and shall be resumed if the reserve goes

down. The statutory reserve may not be distributed to the shareholders.

However, the surplus exceeding one half of the paid up capital may be used to distribute dividends to the shareholders in the years in which the Company does not achieve net profit sufficient for distribution.

- The General Meeting shall determine the percentage from the net profit to be distributed to the shareholders after deducting the statutory reserve, provided that during any year, if the net profit does not allow distribution of dividends, the shareholders may not demand paying dividends from the profits of the subsequent years.
- The Directors shall receive a remuneration to be specified by the General Meeting on an annual basis, provided that such remuneration does not exceed 10% of the net profit for the ended fiscal year after deducting depreciations and statutory reserve.
- The remaining net profit or part thereof shall be distributed, thereafter, among the shareholders or carried forward to the next year, or allocated to create a voluntary reserve, as decided by the Board of Directors.
- The Company may distribute annual, semiannual or quarterly dividends to its shareholders pursuant to a dividends policy and/or resolutions proposed by the Board of Directors and approved by the General Assembly of the Company.

Directors' total remunerations for the year 2016

Based on the resolution passed by the General Assembly of the Company at its meeting held on 20 March 2017, the total remunerations received by the Directors for the fiscal year ending on 31 December

2016 amounted to AED 23 million (Twenty-three million dirham), i.e. by 0.84% of the net profit for that period after deduction of depreciations, deduction of reserves and distribution of cash dividends to shareholders by 11% of the Company's capital (i.e. by 11 fils per each share).

Directors' total remunerations proposed for the year 2017

The remuneration of the Company's Directors for the fiscal year ending on 31 December 2017 have not been determined and no recommendation thereon has been issued yet, and this report shall be updated immediately upon issuing a resolution in this regard by General Meeting in its meeting to be held in March 2018.

Allowances for attending the meetings of the Board of Directors and its committees during 2017

The Directors did not receive any allowances for attending the meetings of the Board of Directors and its committees during 2017.

2.8 RESOLUTIONS PASSED BY CIRCULATION

During 2017, the Board of Directors passed four resolutions by circulation, observing the controls set forth in article (24) of the Company's Articles of Association and SCA Chairman's Decision No. (7/R.M) of 2016 concerning the Standards of Institutional Discipline and Governance of Public Shareholding Companies, where:

- Four resolutions were passed by circulation. Therefore, the condition that the cases of passing resolutions by circulation shall not exceed four times a year.
- The Directors have agreed by majority

that the cases for which the resolution was taken by circulation were considered as emergency cases.

- The resolution has been delivered to the Directors in writing for approval, accompanied by all supporting documents and papers as necessary for review of the same.
- The Board's resolutions passed by circulation have been approved in writing by majority of Directors, and presented in the next meeting of the Board to be included in its minutes.
- The resolution passed by circulation has not been considered as a meeting for the Company's Board of Directors, thus, committing to the minimum number of meetings of the Board as set forth in the Articles of Association (See: clause (2-6) which indicates this).

2.9 BOARD'S RESPONSIBILITY FOR THE INTERNAL CONTROL SYSTEM

As explained in clause (2.0) of this report, the Board of Directors shall be responsible for supervising the Internal Control System in the Company, and reviewing its effectiveness and efficiency. In addition, the Board has formed the Audit Committee and Internal Control Department to assist in undertaking its responsibility for the Company's governance in respect of the risk management and internal control systems of the Company. Moreover, the Board of Directors has authorised the Audit Committee to be directly responsible for the Internal Control Department by official authorisation issued by the Board of Directors in this regard. The results of this authorisation shall be submitted to the Board according to the regulations and legislations prescribed by the Securities and Commodities Authority, the matter which would contribute to increasing the

effectiveness of this Department, thus reflect positively on the Board of Directors in exercising its powers and assuming its responsibilities.

The Board of Directors has developed standards and rules for internal control in the Company with the aim to provide objective, independent and reliable advice, along with providing ideal environment for internal control that meets the Board of Directors' requirements, and contributes to boosting the role of the Board of Directors, Audit Committee and Executive Committee, in order to contribute to undertaking their duties, assignments and responsibilities to the fullest. It is also worth mentioning here that the responsibilities of the Internal Control Department are subject to the charter ratified by the Audit Committee and the Board of Directors in line with SCA Chairman's Decision No. (7/R.M) of 2016 concerning the Standards of Institutional Discipline and Governance of Public Shareholding Companies. Such charter is the coherent policy through which the Internal Control Department operates, and that contributes to achieve the Company's objectives and keep up with its aspirations.

The Internal Control Department shall submit its reports to the Audit Committee and shall practice its work under its supervision as stated above, the matter which enables it to work independently and objectively, and also allows it to interact with the Chief Executive Officer and the Executive Management Team in a distinct manner, ensures facilitating identification of the performance improvement and business development initiatives as well as providing guarantees that ensure achieving the Company's objectives

effectively. To ensure that the Internal Control Department has a high degree of independence in performing its activities and assignments, the Internal Control Director shall have direct contact with the Directors, and shall be functionally accountable to the Audit Committee and administratively accountable to the Chief Executive Officer.

When the Company faces some substantial issues or urgent matters as disclosed in the annual financial statements or any other means of disclosure, the role of the Internal Control Department in this regard shall be as follows:

- Include these matters and issues in the audit planning stages.
- Provide advice and consulting services (as necessary) to contribute to explaining these issues and developments and finding solutions thereto.
- Ensure the regular follow up of the steps and procedures taken to address these matters and issues.
- Submit periodic reports to the Board of Directors and Audit Committee on the status of these matters and issues.

The Internal Control Department of the Company is headed by Mr. "Haider Nejm" by a resolution of the Company's Board of Directors in its meeting no. (05/2013) held on 6 August 2013. Mr. "Haider Nejm" holds the position of the Internal Control Director since 2007, as he carries out the audit and internal review operations in an independent and regular way. Also, he provides advice to the Executive Management, in a way that ensures effectiveness, improvement and development of the internal control and governance processes in the Company.

Mr. "Haider Nejm" has a practical experience exceeding 20 years in the field of accounts auditing, operations, compliance and violations inspection. It should also be noted that Mr. "Haider Nejm" holds a bachelor of commerce from McGill University in Montreal/Canada, in addition to being a certified chartered accountant (CPA) licensed by the state of Delaware, USA, and he holds the certificate of "certified internal auditor" (CIA).

2 BOARD OF DIRECTORS CONTINUED

2.10 DIRECTORS' MEMBERSHIP IN OTHER COMPANIES AND ESTABLISHMENTS

The following table shows the membership of the Directors in the companies and other public entities and their current positions in the supervisory, government, economic or business entities:

Member	Authority/Company	Title/Position
HE Mohamed Khalifa Al Mubarak	Abu Dhabi Executive Council	Member in the Executive Council
	Department of Culture & Tourism – Abu Dhabi	Chairman
	Meeral Real Estates Management L.C.C.	Chairman
	Tourism Development and Investment Company	Chairman
	Etihad Aviation Group	Director
	Image Nation Company	Chairman
	Qatarah Investment Company	Director
	Media Zone Authority	Director
HE Abubaker Seddiq Al Khoori (First Deputy Chairman)	Al-Jazirah Real Estate Investment & Development Company	Director
	Abu Dhabi Airports Company	Chairman
	Al Waha Capital PJSC	Deputy Chairman
Mr. Waleed Ahmed Salem Al Meqreb Al Meheiri (Second Deputy Chairman)	Abu Dhabi Ports Company	Director
	Mubadala Investment Company PJSC	Deputy CEO of the Group & CEO of Alternative Investments & Infrastructure Sector
	Cleveland Clinic Hospital Abu Dhabi	Chairman
	Cleveland Clinic Hospital USA	Member of Board of Trustees
	Abar Investment P.S.C.	Chairman
	Abu Dhabi Future Energy Company P.S.C. (Masdar)	Director
	Mubadala Petroleum Company	Director
	Tumouh Investment Company L.L.C.	Director
	Investcorp Bank	Director
	Abu Dhabi Tamkin Company	Director
	Emirates Investment Authority	Director

Member	Authority/Company	Title/Position
Mr. Hamad Salem Mohamed Al Ameri (Director)	Trojan Holding Group	Deputy Chairman & Managing Director
	International Holding Company PJSC	Director
	Mena Holding Company L.L.C.	Director
	Tumouh Investment Company L.L.C.	Director
	Royal Development Company L.L.C.	Director
	Eltizam Asset Management Group L.L.C.	Director
	Al-Reem Building Materials L.L.C.	Director
	Al-Jazirah Technical Solutions & Investments L.L.C.	Director
Mr. Mansour Mohammed Al Mulla (Director)	Hydra Properties Company L.L.C.	Director
	Mubadala Investment Company	CFO of Petroleum & Petrochemicals Sector
Mr. Ahmed Khalifah Mohammed Al Meheiri (Director)	Al Waha Capital PJSC	Director
	Abu Dhabi Investment Council	Chief Investment Analyst – Direct Investments
	National Health Insurance Company – DAMAN	Director
Mr. Ali Saeed Abdullah Saleem Al Falasi (Director)	Resco Company L.L.C.	Director
	Hydra Properties Company L.L.C.	CEO
	Royal Group	Audit Committee Member
Mr. Mohammed Hajji Al Khoori (Director)	Khalifa Bin Zayed Al Nahyan Foundation	General Manager
	Abu Dhabi Housing Authority	Director
Mr. Martin Lee Edelman	Mubadala Investment Company PJSC	Consultant

Remark:

This information is based on the disclosures provided by the Directors as of 31 December 2017.

3 BOARD COMMITTEES

The Board of Directors has formed three Committees to assist in the implementation of its duties and delegated to them the powers and responsibilities ensuring the implementation of the resolutions issued thereby.

The Committees derived from the Board of Directors are represented in the following committees:

- The Audit Committee.
- The Nominations and Remunerations Committee.
- The Executive Committee.

Each committee has a charter determining its objectives and responsibilities, structure and framework and mechanism for reporting as issued by it. The Board restructured all the committees to ensure the harmony and consistency of the tasks and responsibilities assigned to them with the resolution of the Chairman of Securities and Commodities Authority No. (7/R.M) of 2016 concerning the Standards of Institutional Discipline and Governance of Public Shareholding Companies. The Board also restructured these committees during its meeting No. (07/2017), held on 18 December 2017, following the recent changes in the Board.

3.1 AUDIT COMMITTEE

The Audit Committee contributes in undertaking by the Board of Directors for responsibilities imposed by the Corporate Governance with respect to risks management, internal control systems, accounting work policies, preparation of the financial reports, and the functions of the internal and external audit, where the Audit Committee provides a guarantee to the Board of Directors that the main aims of the Company are achieved effectively and efficiently and in a firm framework of supervision and internal controls, risks management and governance.

The Audit Committee consists of three non-executive members, all of them are independent. The Charter of the Audit Committee requires that all the members of the Committee shall be familiar with the financial aspects and at least one of its members shall have experience in the field of accounts and financial works. On the other hand, the chairman of the Committee shall hold periodic meetings with the Executive Management and the Director of Internal Control Department to ensure that the Committee's members are informed regarding the major issues. The Committee shall also meet with the external auditor, and without the presence of members of the Executive Management, as it deems appropriate.

The Audit Committee comprises the following members named below:

Members of The Audit Committee	Position
Mr. Mansour Mohammed Al Mulla	Committee Chairman
Mr. Ali Saeed Abdullah Salim Al Felasi	Member
Mr. Ahmed Khalifah Mohammed Al Meheiri	Member

Notes:

- The Audit Committee has been reformed under the resolution issued by the Board of Directors in its meeting no. (07/2017) held on 18 December 2017.
- Mr. Mansour Mohammed Al Mulla has been elected to undertake the position of Audit Committee Chairman based on the resolution issued by the Company's Board of Directors at its meeting no. (07/2017) held on 18 December 2017.
- The Audit Committee included in its membership till 18 December 2017 each of Mr. Mansour Mohammed Al Mulla as Committee Chairman and Mr. Ali Saeed Abdullah Salim Al Felasi as member and Mr. Martin Lee Edelman as member.

The Charter of the Audit Committee determines its responsibilities as follows:

A) Financial Reports

- To consider any significant and unusual clauses mentioned or which must be mentioned in the annual, semi-annual and quarterly financial reports and statements, and pay due attention to them and discuss them with the Executive Management and the external auditor and to issue recommendations in respect thereof to the Board of Directors for their approval.
- To ensure the existence of a mechanism for continuous disclosure to the Securities and Commodities Authority and Abu Dhabi Securities Exchange.

- To ensure the integrity of the Company's financial statements and reports (annual, semi-annual and quarterly reports) and their review as part of its normal work during the year, and to specially focus on the following:
 - Any changes in the accounting policies and practices.
 - To highlight the aspects subject to management's estimate.
 - The substantial amendments resulting from the audit.
 - To assume the continuity of the Company's work.
 - To comply with the accounting standards prescribed by the Securities and Commodities Authority and Abu Dhabi Securities Exchange.
 - To comply with the rules of listing, disclosure and other legal requirements relating to the preparation of financial reports.

B) Corporate Governance

- The supervision and control of the internal application of the framework of corporate governance, and to ensure the full compliance with the legal and legislative systems pertaining thereto.
- The periodic regular review of the extent of the Company's management commitment and compliance with the framework of governance which was approved and adopted by the Company's Board of Directors.
- The review of the governance report, which is periodically sent to the Securities and Commodities Authority and Abu Dhabi Securities Exchange and to issue the necessary recommendations to the Board of Directors in this regard.

C) System of the Internal Control & Risks Management

- The appointment of any external party to carry out the functions of internal audit in accordance with the work requirements and to determine their fees and to consider their resignation applications and their services termination.
- The periodic review for the internal control systems in the Company, in order to evaluate the efficiency and effectiveness of the Company's internal control systems.
- Discussion of the internal control system with the Executive Management of the Company, and assess their effectiveness and efficiency in the performance of its mission and functions in a manner contributing to a high effectiveness in the development of the internal control systems of the Company.
- Discussion and review of the policies and procedures followed in the Company with its Executive Management to ensure the performance of its mission effectively in a manner contributing to the development of these policies and procedures.
- The control and follow up of the implementation of the framework of the risks management and internal control systems according to their policy and their work strategies, the follow-up and evaluation of the efficiency and effectiveness of these policies and strategies, through carrying out the operations of auditing the records and information base, networks security systems and the control of the operational and strategic units of these departments.

- To study the outcomes of the main audit operations regarding the internal control issues (which include fraud issues occurring within the Company) entrusted by the Board of Directors or by initiative from the Committee based on the Board's approval.

D) External Auditor

- Development and implementation of the contracting policy with the external auditor, to submit a report and recommendations to the Board of Directors determining therein the issues which they deem the importance of taking action in respect thereof and to submit their recommendations with the necessary steps to be taken.
- Coordination with the Board of Directors, Executive Management and CFO of the Company in order to perform its functions, and the Committee shall meet with the external auditor of the Company at least once a year.
- Discuss the nature, scope and effectiveness of the audits, taking into consideration their compatibility with the approved auditing standards.
- Follow-up and monitor the independence of the external auditor and the extent of his objectivity and to discuss him about the nature and scope of the audits, and the extent of their effectiveness in accordance with the approved auditing standards.
- Discuss with the external auditor regarding the extent of appropriateness of the accounting policies applied in the financial reports.
- Review the performance of the external auditor and submit the recommendations to the Board of Directors in this regard.
- Review the external auditor letter, his action plan and any substantial enquiries raised by the auditor to the Board of Directors or the Executive Management regarding the accounting records, financial accounts or control systems, and to make sure that they have been reviewed and discussed and taking the actions necessary in respect thereof and to provide the responses in respect thereof in a timely manner.
- Discuss any problems which may be faced by the external auditor during his performance of the audit and financial review including the restrictions which may limit the work scope or obtaining the information necessary for completing the work.
- Ensure coordination between the internal and external auditors and the availability of the resources necessary for the management of internal control, reviewing and monitoring the efficiency of this administration.

E) Internal Control Management

- Review the activities, resources and the organisational structure of the internal control management, review the framework of internal control management, review and approve the annual audit plan.
- Consider the process of selecting and appointing the director of the Internal Control Department and providers of the internal auditing services or their resignations or termination of their services.
- Review the reports submitted to the Committee by the director of the Internal Control Department, and the replies received from the Company's

management thereon, and ensuring that the results and recommendations submitted from the internal auditor and the proposals and replies issued by the Executive Management were received, discussed and the necessary actions were taken in their respect, and discuss with the director of the Internal Control Department whether there were any difficulties encountering him in carrying out the audit missions such as the restrictions imposed on the scope of his job or the difficulty of obtaining the information necessary to practice his responsibilities.

- Evaluate the quality of the missions of the Internal Control Department and the auditor (if any), particularly in relation to the planning, follow up and preparation of the reports, and evaluating the performance of the director of the Internal Control Department and providing him with the advice and guidance on time.
- Ensure that the Internal Control Department has a sufficient number of the cadre, besides having the suitable power and position inside the Company.
- Meet with the director of the Internal Control Department one time at least per year, to ensure the non-existence of any pending issues which may be a subject of interest.
- Prepare reports to the Board of Directors regarding all of the matters to be considered by the Committee.

3 BOARD COMMITTEES CONTINUED

F) Compliance

- Review the extent of compliance by the Company’s employees with the professional behaviour codes.
- Consider the appointment of the compliance officer or his resignation or dismissal.
- Review the extent of the suitability of the practices and procedures related to the applicable laws, systems and regulations.
- Review and follow up:
 - The effectiveness of the follow up system of the compliance with the rules of listing, disclosure and other legal and legislative requirements related to the Company’s activity (including the internal rules, regulations and systems).
 - The developments and updates which occur to the legislative and legal regulations and which may affect the Company’s substantially.
 - The efforts exerted by the Company’s management to ensure the commitment and compliance with the professional behaviour codes.

- Obtain regular updates from the management (and from the legal advisor of the Company or compliance officer, when necessary) about matters relating to the compliance, in addition to investigating and considering the matters that affect the integrity of the Management Team in the Company, and which includes the cases of interests conflict or violation of the professional behaviour codes according to what is stipulated in the policies and regulations applicable inside the Company.

G) Other Responsibilities & Competencies

- Establishing channels of free and open communication between each of: the Auditing Committee, external auditors, internal auditors and the Company’s management.
- Considering any matters or other subjects based on the directives issued by the Board of Directors.

H) Proclamations & Disclosures of the Employees

- Laying down the policies, procedures and controls which enable the Company’s employees to report any potential violations in the financial or internal control reports or other matters confidentially, and the steps which ensure the conducting of independent and fair investigations for such violations, and conducting a periodic review to these policies and procedures.
- Following up the investigation procedures in these violations, to ensure the independence and integrity of the investigations.
- Reviewing the investigation procedures taken by the Company’s management in dealing with the reported violations, and correcting what vitiates them of deviations.

The Auditing Committee at its meeting no. (04/2013) reviewed the policy of reporting the violations at the Company, and followed up the development and implementation of the systems related thereto, to ensure its effectiveness, and the committee presented a recommendation to the Board of Directors in this regard, which in turn approved it at its meeting no. (06/2013) held on 06 November 2013.

The auditing committee held five meetings during the year 2017, as follows:

Meeting No.	Date of Holding
01/2017	February 09, 2017
02/2017	February 13, 2017
03/2017	May 08, 2017
04/2017	August 02, 2017
05/2017	November 09, 2017

Attendance of the aforementioned meetings was as follows:

Member	Position	Meeting 01/2017	Meeting 02/2017	Meeting 03/2017	Meeting 04/2017	Meeting 05/2017	Number of attendance times
Mr. Mansour Mohamed Al Mulla	Chairman of Committee	✓	✓	✓	✓	✓	5
Mr. Ali Saeed Abdullah Salim Al Falasi	Member	✓	-	✓	✓	✓	4
Mr. Ahmed Khalifah Mohammed Al Meheiri	Member						

Notes:

- Mr. Martin Lee Edelman attended all the meetings of the Audit Committee held during 2017 in his capacity as member of the committee at that time, where the Audit Committee has been reformed by the resolution issued by the Board of Directors in its meeting no. (07/2017) held on 18 December 2017.
- Mr. Ahmed Khalifah Mohammed Al Meheiri did not attend any of the meetings of Audit Committee held during 2017, where he was not a member in the Committee at that time, as he joined the membership of Audit Committee based on the resolution issued by the Company's Board of Directors in its meeting no. (07/2017) held on 18 December 2017 regarding the reformation of this Committee.
- All excuses presented by the members of the Committee for their inability to attend some of the meetings are considered and taken into account at the beginning of each meeting in accordance with the Company's Memorandum and Articles of Association and in line with the laws and systems applied in this regard.

3 BOARD COMMITTEES CONTINUED

3.2 NOMINATIONS AND REMUNERATIONS COMMITTEE

The Nominations and Remunerations Committee submit its reports to the Board of Directors about the human resources department and the policies of compensations which reflect the best practices. Also, it submits its recommendations regarding the plans of the succession of the Board's positions subject to the challenges and opportunities which encounter the Company and what it needs of future skills and experiences.

The Nominations and Remunerations Committee consists of three non-executive members, all of them are independent, and the chairman of the committee holds periodic meetings with the executive management and the director of human resources department to ensure that the committee's members are aware of the essential matters which are included within the competencies of the committee.

The Nominations and Remunerations Committee consists of the following members:

Members of the Nominations and Remunerations Committee	Member
Mr. Martin Lee Edelman	Chairman of Committee
Mr. Mansour Mohamed Al Mulla	Member
Mr. Mohamed Haji Al Khouri	Member

Notes:

- The Nominations and Remunerations Committee has been reformed under the resolution issued by the Board of Directors in its meeting No. (07/2017) held on 18 December 2017.
- Mr. Martin Lee Edelman has been elected to undertake the position of Nominations and Remunerations Committee Chairman based on the resolution issued by the Company's Board of Directors at its meeting No. (07/2017) held on 18 December 2017.
- The Nominations and Remunerations Committee included in its membership till 18 December 2017 each of Mr. Ali Eid Khamees Al Meheiri as Committee Chairman and Mr. Ahmed Khalifah Mohammed Al Meheiri as member and Mr. Mohamed Haji Al Khouri as member.

The Charter of Nominations and Remunerations Committee determines the committee's responsibilities, as follows:

- Ensure the independence of the independent members on an ongoing basis, and if it is proven to the Company that any of the members has lost one of the prerequisites of independence, it should submit the matter to the Board to take the necessary measure in this regard in accordance with the applicable laws and regulations.
- Set the policy of granting the bonuses, privileges, incentives and salaries of the directors and employees of the Company and review the same on an annual basis. The committee should ensure that the remunerations and privileges granted to the higher executive management are reasonable and commensurate with the Company's performance.
- Determine the needs of competencies at the level of higher executive management and staff in addition to their selection criteria.
- Prepare the Company's human resources and training policy, monitoring the application thereof, and reviewing the same periodically.
- Develop and adopt a policy and mechanism regulating nomination for the Board of Directors' membership, organising and following up the procedures of nomination in a way that is consistent with the laws and regulations in force.
- Review the proper skills needed and required for the board membership, prepare a description of the capabilities and qualifications required for the board membership.
- Review the structure of the Board of Directors, submitting the recommendations issued concerning the changes that can be made thereto to the Board of Directors for the adoption of its implementation.
- Any other competencies and functions to be determined by the Board from time to time.

Pursuant to the decision issued by the Company's Board of Directors in its meeting No. 04/2013 which was held on 01 July 2013, the Board decided that the Nominations and Remunerations Committee shall hold one meeting at least annually to undertake its responsibilities, and fulfil its legislative requirements according to the regulations and systems applied in Abu Dhabi Securities and Commodities Authority.

Accordingly, the Nominations and Remunerations Committee held two meetings during 2017 in the following manner:

Date of Holding	Meeting No.
29 January 2017	01/2017
12 October 2017	02/2017

The attendance of the aforesaid meetings was as follows:

Member	Position	Meeting 01/2017	Meeting 02/2017	Number of times of Attendance
Mr. Martin Lee Edelman	Chairman	-	-	0
Mr. Mansour Mohamed Al Mulla	Member	-	-	0
Mr. Mohamed Haji Al Khouri	Member	✓	✓	2

Notes:

- Mr. Ali Eid Al Mehairi attended the meetings of the Nominations and Remunerations Committee no. (01/2017 and (02/2017) in his capacity as chairman of the Committee at that time during the period in which he was member in the Company's Board of Directors and the committees thereof, where he resigned from the membership of the Board and the committees thereof as of 12 November 2017 and the resignation was accepted by the Board on that date.
- Each of Mr. Martin Lee Edelman and Mr. Mansour Mohamed Al Mulla did not attend the meetings of the Nominations and Remunerations Committee nos. (01/2017 and (02/2017) as they were not members in the Committee at that time. They joined the membership of the Nominations and Remunerations Committee based on the resolution issued by the Company's Board in its meeting no. (07/2017) held on 18 December 2017 concerning the reformation of the Committee.
- All excuses presented by the members of the Committee for their inability to attend some of the meetings are considered and taken into account at the beginning of each meeting in accordance with the Company's Memorandum and Articles of Association and in line with the laws and systems applied in this regard.

3 BOARD COMMITTEES CONTINUED

3.3 EXECUTIVE COMMITTEE

The Executive Committee plays an advisory role to the Board of Directors and it seeks to ensure security and control over the Company's strategy, setting the priorities related to projects and performance.

The Executive Committee consists of three non-executive members, two of them are independent and the third member is not independent. The Chairman of the Committee holds periodic meetings with the executive management of the Company to ensure that all the members are well informed about substantial matters on regular basis.

The Executive Committee includes the following members:

Members of the Executive Committee	Position
Mr. Waleed Ahmed Salem Al Meqreb Al Mehairi	Chairman of Committee
Mr. Abu Bakr Siddiq Al Khouri	Member
Mr. Hamad Salem Mohamed Al Amri	Member

Notes:

- The Executive Committee has been reformed by the resolution issued by the Board in its meeting no. 06/2017, held on 12 November 2017 after the changes occurred to the Company at the level of its Board and executive management, which has been announced after approving them by the Company's Board in its meeting no. (06/2017) held on 12 November 2017.
- Mr. Waleed Ahmed Salem Al Meqreb Al Mehairi was appointed to undertake the position of Executive Committee Chairman based on the resolution issued by the Company's Board of Directors at its meeting no. (06/2017) held on 12 November 2017.

The Charter of the Executive Committee has determined responsibilities vested in it as follows:

- In the field of investment strategy and adoption of the policies:

- Supervise the investment strategy and policies of the Company as a whole.
- Approve the decisions related to investments and development projects of the Company.
- Review and adopt policies and strategies for developmental projects and Company's assets management.
- Approve the strategy of tenders and procurement management and awarding the bids related to the Company's main tenders.

- In the field of supervision and review

- Review and approve key performance indicators for developmental projects and follow-up the level of performance therein.
- Follow up investments and tenders' performance.
- Review the requirements of the need for a capital increase and issuance of appropriate recommendations in this regard.
- Review investment operations effects.
- Review the objectives and the key financial ratios set by the Executive Management.

The Executive Committee held one meeting during 2017, as follows:

Date of Holding	Meeting
22 October 2017	01/2017

The attendance of the aforesaid meeting was as follows:

Member	Position	Meeting 01/2017	Number of times of Attendance
Mr. Waleed Ahmed Salem Al Meqreb Al Mehairi	Chairman of Committee	✓	1
Mr. Abu Bakr Siddiq Al Khouri	Member	✓	1
Mr. Hamad Salem Mohamed Al Amri	Member	✓	1

4 RISKS MANAGEMENT

The Company considers that the effective risks management is one of the pillars of good management practices and it commits to provide risk management system to protect shareholders' investments, the rights of the concerned parties and the Company's assets, preventing any violations of the applicable laws and regulations.

The Board of Directors is responsible for the adoption of risks management policies, and reviewing the effectiveness of the process of this management, ensuring the probability of facing risks by the Company. The Risks Management Committee, in direct coordination with the Company's executive management on the one hand, and with the Audit Committee on the other hand shall undertake the mission of applying the Company's risk management framework, ensuring the continuity of its performance effectively. Also, Audit Committee at the same time provides advice to the Board of Directors with respect to the efficiency and effectiveness of risk management activities and efforts. In addition, the Audit Committee enhances the role played by the Board in fulfilling its obligations and duties related to risks management, in accordance with the Board's decision issued in its meeting No. 04/2013 held on 01 July 2013. Consequently, the administrative affiliation of the Risks Management Committee is to the Audit Committee, as stipulated explicitly in the Audit Committee's Charter and Risks Management Committee Charter, which were adopted and ratified in the above mentioned Board's meeting.

The Company's Risks Management Committee adopted the risks management standards and criteria, and also has developed risks register for the Company that has been adapted to conform to the highest standards in this field. The risks management system ensures the compatibility and consistency of the methods used to assess and monitor risks and communicating with respect to them and ensuring the harmony and synchronisation between the efforts exerted for risks management with the Company's strategic goals and activities.

The Risks management policy in the Company is considered one of the most important components of the risk management system, where a committee has been formed to manage risks in 2013 to serve as an administrative committee with its mission being as follows:

- Determine and assess the risks that encounter the Company's business.
- Consider the practices that could mitigate the impact of current risks.
- Set and develop the framework for the Company's risk management, which includes the following:
 - Risks Assessment.
 - Risks Record.
 - The possibility of risk tolerance.
 - Setting Risks Priorities.
 - Risks mitigation and management.
 - Supervision, follow-up and reporting.

This Committee includes in its membership members of the Executive Department, Director of Legal Affairs Department and Director of Risks Management and Strategic Affairs and Business Plans

Department in the Company as Rapporteur of this Committee. This Committee held four meetings during 2017 and has carried out the following:

- Develop and discuss the Charter of the Risks Committee.
- Strengthen the risks management framework.
- Develop and updates the Company's risks record.

5 COMMUNICATION WITH SHAREHOLDERS

The Company applies market-related disclosure policy based on the standards of corporate governance and all relevant requirements and procedures that aim to provide all shareholders and investors in the market with accurate and timely information. The policy adopted by the Company's administration shows the procedures that the Board has directed all departments to implement and adhere thereto, to ensure they abide by them and continuous disclosure as per the requirements of the Securities and Commodities Authority and Abu Dhabi Securities Exchange Market.

Furthermore, due to the Company's keenness to apply the highest levels of disclosure, transparency and credibility in the disclosed information, the following incumbents are the only persons authorised to disclose any public statements on behalf of the Company or any other statements attributed thereto:

- Chairman and members of the Board of Directors.
- Chief Executive Officer.
- Executive Management Team.
- The rapporteur of the Company.

The Company holds from time to time meetings with analysts and investors to provide them with the necessary information. In these situations, no information will be disclosed unless it has been previously disclosed in the market or at the same time. The Company refrains from making any comments on the market forecasts or rumours therein, unless related to a formal query issued by control authorities such as Abu Dhabi Securities and Commodities Authority and the Abu Dhabi Securities Exchange Market.

The General Assembly is considered as an essential opportunity for shareholders to meet face-to-face with the Board of Directors and CEOs, where the shareholders receive a notice of the meeting detailing the time and place thereof, in addition to the topics listed on the agenda of this meeting. Moreover, a proxy form will be attached to the notice along with instructions of how to fill it in an envelope to be sent by the Company to the shareholders via registered mail in order to encourage a greater number of shareholders to participate in this meeting.

During the meeting, the opportunity is given to the attending shareholders to raise their queries and the chairman of the meeting shall commit to discuss the largest number of topics and issues that are raised during the available time. The members are also keen to be present after the meeting to hold talks with the shareholders. In addition, the external auditor shall attend the General Meeting to answer any queries.

6 EXTERNAL AUDITOR

"Ernst & Young" has been appointed as an external auditor of the Company for the fiscal year ending on 31 December 2017 through a resolution issued by the Company's General Meeting in its meeting held on 20 March 2017. "Ernst & Young" is considered as one of the experienced firms in external auditing as it is accredited by the Ministry of Economy, and operates independently of the Board of Directors and Executive Management in the Company. Ernst & Young Company has offices in Abu Dhabi, Dubai and Sharjah.

The following table shows the services provided by the external auditor in 2017 and the fees it received in consideration of these services:

External Auditor Name	Ernst & Young
Number of years it spent as an external auditor of the Company	Three Years
Total auditing fees for the financial statements of the financial year ended on 31 December 2017 (in UAE Dirhams)	934,500
Other services provided by the external auditor during the year 2017 and fees paid for these services	

Service	Amount (in Dirham)
Other Auditing works	60,000
Financial Consulting	97,000

Besides, the Company has sought financial consultation and accounting services, as follows:

Company	Amount (In Dirham)
Deloitte & Touche	754,400
J.L.L.	498,500
C.B.R.E.	300,000
TOTAL	2,644,400