

[TRANSLATION FROM ARABIC]

Emaar Development PJSC
Corporate Governance Report for 2018

This report is issued annually by Emaar Development PJSC (the "**Company**") pursuant to the provisions of Article 52 of Resolution No. (7/R.M.) of 2016 issued by the Chairman of the Board of Directors of the Securities and Commodities Authority regarding the Standards of Institutional Discipline and Corporate Governance of Public Joint Stock Companies ("**Governance Resolution**").

1- A clarification of the procedures adopted by the Company to satisfy the requirements of the Governance Resolution in 2018, and how they were implemented:

Regarding the procedures adopted by the Company to satisfy the requirements of the Governance Resolution in 2018, we would like to confirm that the corporate governance framework adopted by the Company in 2018 complied with all main requirements and provisions provided of the Governance Resolution.

As for the Company's approach in applying the provisions of the Governance Resolution, the Company implemented the various policies adopted by the board of directors of the Company ("**Board of Directors**" or "**Board**") in relation to governance, taking into account the interests of the Company, the shareholders and all other stakeholders, as follows:

A. Board of Directors:

The composition of the Board of Directors and its terms of reference comply with the requirements of the Commercial Companies Law, the Governance Resolution and the articles of association of the Company ("**AOA**"), as well as with other relevant laws and resolutions. Best practices and standards related to the functioning of the Board are also applied to the extent possible to increase its effectiveness.

The Company adheres to the terms of reference set out by the Board of Directors in relation to its composition, operating procedures and responsibilities as follows:

1. The Board of Directors has generally complied with the main requirements of its terms of reference with regard to various matters including, but not limited to, the number of Board members and the balance required among its members according to the specified standards, the terms of membership and the responsibilities of the chairman of the Board ("**Chairman**"), and in general the number of meetings to be held, the quorum required for meetings, and the

majority needed to make decisions, the conditions for decision-making and the technical skills required for the membership of the Board.

2. The independent Board members confirmed that their independent status remained unchanged during the year 2018 and the Company verified that the legal requirements regarding the minimum number of independent Board members are satisfied.
3. The Board of Directors recommended the payment of an annual bonus to non-executive directors for the year 2018 totaling six hundred fifty thousand UAE Dirhams (AED 650,000) for each board member (including the Vice Chairman), and one million UAE Dirhams (AED 1,000,000) to the Chairman of the Board of Directors, subject to approval by the Company's annual general meeting in accordance with the relevant laws, regulations and the AOA.
4. The Board acknowledged the responsibilities, duties, powers and other requirements necessary for its functioning through the terms of reference of the Board of Directors.
5. The duties and responsibilities of the Chairman of the Board of Directors include the duties enumerated in the Governance Resolution and have been specified in the terms of reference of the Board of Directors.
6. The terms of reference of the Board of Directors outline the duties of the Company's management toward the Board of Directors. These duties include, but are not limited to, organizing an induction program for new Board members and providing the Board with regular information to enable the Board to carry out its duties efficiently in accordance with the relevant laws, regulations and the Company's policies.
7. Some of the powers of the Board of Directors are delegated by way of a clearly defined authority matrix approved by the Board. This authority matrix is periodically reviewed and communicated to the relevant members of the management to comply with it.
8. Board members are subject to special disclosure obligations, including, but not limited to, any positions they hold in other joint stock companies, any change to their independent status, dealings in Company's securities and any changes to the information they are required to submit annually as soon as such changes occur. Moreover, a Board member is required to provide full disclosures in respect of any matter being reviewed by the Board or any of its committees in which he has a conflict of interests.

B. Committees of the Board of Directors:

The Board of Directors established three committees, as follows:

- (1) Audit Committee;
- (2) Nomination and Remuneration Committee; and
- (3) Investment Committee.

Other committees may be established as may be decided by the Board. Each Board committee acts in accordance with its own terms of reference.

All terms of reference of the committees are approved either by the Board of Directors or by the concerned committee and these terms of reference are all consistent with the requirements of the Governance Resolution. The terms of reference of the Board committees include, but are not limited to, the role of the committee, the requirements for its constitution, the duration of its membership, the duties and powers of its members and its operating procedures.

The requirements relating to independent and non-executive members in the composition of the Audit Committee and the Nomination and Remuneration Committee as provided in the terms of reference of these committees have been complied with.

C. Internal Control

The Board of Directors has established an internal control system in the form of an internal control policy. This system aims to assess the methods and procedures of risk management, ensure proper application of the Governance Resolution, comply with applicable laws and regulations and internal policies, and review the financial information used in the preparation of the Company's financial statements. The Audit Committee assists the Board in overseeing the application of the internal control system, and the Internal Control Department coordinates the day-to-day operations related to this system.

The internal control policy requires that the Board of Directors periodically review the Company's internal control system.

D. External Audit

The external auditor is selected in accordance with the requirements of the Governance Resolution, the AOA and the applicable laws and regulations.

Once the general meeting approves the appointment of auditors, the Audit Committee informs the external auditors of the conditions and restrictions related to their tasks, considering the requirements of the Governance Resolution.

E. Code of Professional Conduct

The Company adopted a code of professional conduct outlining the ethical standards of the Company, its duties toward different stakeholders, its due diligence obligations and its commitment towards compliance with all relevant laws and regulations.

Members of the Board of Directors, employees and internal auditors abide by these rules in the performance of their duties.

F. Policy for dealing in securities issued by the Company

The Board of Directors established a policy governing all dealings in securities issued by the Company by Board members and employees to ensure compliance with applicable laws and regulations.

This policy requires Board members and employees to comply with the restrictions on dealing in securities, outlines the disclosure requirements related to permitted transactions and clarifies the prohibited acts in accordance with the provisions of such policy.

G. Policy Outlining Shareholders' Rights

The Board of Directors established a policy clarifying the shareholders' rights including those certain rights provided by applicable laws and regulations and the rights stated in the AOA.

The purpose of this policy is to enable and encourage the shareholders to exercise their rights effectively.

H. Disclosure Committee

A Disclosure Committee has been established by the Company comprising senior members from the management team. The objectives of the Disclosure Committee is to develop systems to ensure compliance with applicable laws and regulations related to disclosure, upholding the Company's image, providing transparency to the Company's current and future shareholders and other stakeholders and preventing exploitation of the stock market.

2- A statement of the transactions of the members of the Board of Directors and their spouses and children in the Company' securities during 2018:

There are no transactions for the Board members or their spouses or children in the Company's securities during the year of 2018.

3- Composition of the Board of Directors:

a. The Board of Directors of the Company consists of seven members (7) as follows:

Name/Designation	Category (Executive/Non-Executive, Independent/Non-Independent)	Memberships and Positions in Other Joint Stock Companies (in UAE) and Government Entities	Date of Appointment
H.E. Mohammed Alabbar Chairman	Executive, Non-Independent	<ol style="list-style-type: none"> 1. Emaar Properties PJSC – Chairman 2. Emaar Malls PJSC – Board member 3. Aramex PJSC – Board member 4. Commercial Bank of Dubai – Board member (until 21 March 2018) 	20 November 2017
Mr. Jamal Bin Theniyah Vice Chairman	Non-Executive, Independent	<ol style="list-style-type: none"> 1. Emaar Properties PJSC – Vice-chairman 2. DP World – Vice-chairman 	20 November 2017
Mr. Ahmed Jawa Board member	Non-Executive, Independent	<ol style="list-style-type: none"> 1. Emaar Properties PJSC – Board member 	20 November 2017
Mr. Arif Al Dehail Board member	Non-Executive, Independent	<ol style="list-style-type: none"> 1. Emaar Properties PJSC – Board member 2. Etihad Rail (Abu Dhabi) – Board member 3. Etihad Rail (Dubai) – Board member 4. Emirates General Transport and Services Corporation 	20 November 2017

		(Emirates Transport) – Board member	
		5. Dubai Port Authority – CEO	
		6. P&O Ports – Chairman & CEO (until 16 January 2019)	
Mr. Adnan Kazim Board member	Non-Executive, Independent	1. Emirates Airline- Divisional Senior Vice President, Strategic Planning, Revenue Optimisation & Aeropolitical Affairs	20 November 2017
		2. The Emirates Airline Foundation – Board member (Appointed in April 2018)	
H.E. Dr. Aisha Bint Butti Bin Bishr Board member	Non-Executive, Independent	Smart Dubai Office – Director General	20 November 2017
Mr. Abdulla Al Awar Board member	Non-Executive, Independent	1. Dubai Islamic Economy Development Centre (DIEDC) – CEO	20 November 2017
		2. Emirates International Accreditation Centre (EIAC) – Board member	
		3. Emirates NBD Real Estate Investment Trust – Oversight Committee member	

Experience and Qualifications of Board of Directors:

The Members of Board of Directors have the below experience and qualifications:



H.E. Mohammed Alabbar, Chairman:

Founder & Chairman of Emaar Properties

Founder & Director of noon.com, Americana Group, Eagle Hills, Alabbar Enterprises

In 1997, Mohamed Alabbar founded Emaar properties, today the largest real estate development company outside of China and leading developer of iconic assets such as Burj Khalifa and the Dubai Mall.

A global entrepreneur with active interests in real estate, retail, luxury hospitality, and now e-commerce and technology, Mohamed Alabbar is also the founder and director of the Middle East's homegrown marketplace noon.com, today the largest GCC e-commerce company.

Alabbar also serves as the Chairman of Eagle Hills Properties, the Abu Dhabi based private investment and real estate development company and Chairman of Americana Group, the largest integrated food company in the Middle East.

Mr. Jamal Bin Theniyah, Vice Chairman:

Mr. Jamal Bin Theniyah, a 58 years Emirati citizen, holds a bachelor degree in Public management.

Mr. Bin Theniyah joined Port Rashid in October 1981 and have progressed through the management up until May 1991 when Dubai government merged port Rashid with Jebel Ali port under Dubai Ports Authority (DPA) and he has been appointed as Assistant Managing Director.

In the year 1999, one of the first initiatives of Mr. Theniyah along with DPA chairman in the international port operation market encompassing, Beirut, Djibouti and Jeddah led to the creation of Dubai Ports International (DPI).

In 2001 he has been appointed as a Managing Director to master plan the development of Jebel Ali as one of the biggest terminal in the world increasing its capacity from 20 million TEUs at that time to 50 million TEUs.

In 2004, Bin Theniyah played a major role in the acquisition of Sealand world terminals to give DPI a real international footprint.

Jamal Majed Bin Theniyah is the Co- Founder of DP World, the 4th largest port operator in the world with a capacity of 100 Million TEUs as in the year 2006, DPI conclude the acquisition of P&O Ports to become the 3rd largest port operator in the world and DPW was created to become a real international port operator company worth USD 22 billion.



In 2006 Bin Theniyah has been appointed a Vice Chairman and GCEO of Ports & Freezone world, which include DP World, Freezone world and P&O Ferries until his retirement in January 2017.

In 2008, following the global crisis Bin Theniyah led the restructuring of Dubai World, a conglomerate in the real estate (Nakheel), private equity (Istithmar) and Dry dock world.

Since 2012, Mr. Bin Theniyah sits as an independent member on the board of Directors of Emaar Dubai, and having previously served as a board member in different entities.

In Sep 2017, Mr. Bin Theniyah has been elected as a non-executive board member of Emaar the Economic City.

Mr. Bin Theniyah is a common speaker in the international ports and maritime conferences and is amongst few who won 3 international prestigious awards:

In 2006 he won Lloyds list personality of the year,

In 2007 he won the personality off the year by Sea trade,

In 2010 he won the highest lifetime award by sea trade ‘‘ the life time achievement award’’.

He is known and well respected by the major international ports operators and the shipping lines and has the knowledge of developing large scale port operation and logistic zone including the business knowledge process in the shipping line routs and rotations.

Mr. Ahmed Jamal Hassan Jawa, Board member:

A self-made Saudi Arabian entrepreneur with deep expertise on strategic international investments and corporate governance, Mr. Ahmed Jawa has extensive business interests in oil and gas, healthcare, hospitality, home entertainment and real estate development, in the Middle East, Europe, USA, North Africa and South Asia.

Mr. Jawa is a trusted strategic advisor for major listed companies in the Middle East and internationally, and lends insightful guidance on investments that create long-term value.

With a keen eye for next-generation business propositions, he is regarded as a pioneering investor from the Arab world in strategic sectors such as oil and gas, biotechnology and hospitality & real estate ventures.

Mr. Jawa is the Vice Chairman, President & Chief Executive Officer of Starling Holding Limited, an international investment group with diversified investments, including direct deals with Euro Disney, as one of its largest shareholders; Emaar Properties, the developer of global icons including Burj Khalifa and The Dubai Mall; RAK Petroleum, one of the largest oil and gas



companies in the Middle East; and Samumed, a US-based bio-tech leader in medical research and development for tissue-level regeneration.

He established Starling Holding fresh from college, at a time when the concept of private equity was practically non-existent in the region. His illustrious business career is defined by his strong acumen to identify high-value growth opportunities, and his commitment to the highest standards of corporate governance and transparency.

Mr. Jawa serves on the Board of Emaar Properties, and is the Chairman of its Investment Committee, offering strategic support for the company's aggressive global expansion. He also serves on the board of Emaar Turkey, Emaar Misr in Egypt, and Emaar, The Economic City, the developer of the largest of its kind masterplanned community in the region, the King Abdullah Economic City, in Saudi Arabia.

He is a Member of the Nomination & Remuneration Committee of Emaar Properties, listed on Dubai Financial Market, and Chairman of the Nomination & Remuneration Committee Emaar, The Economic City, listed on the Saudi Tadawul exchange. He is also on the Board of RAK Petroleum, an Oslo Børs-listed oil and gas investment company, and serves as the Chairman of its Audit Committee.

Mr. Jawa is also a Board Member of the newly spun off Emaar Development publicly traded on Dubai Financial Market and he is also a member of the Investment and Nomination Committees.

Mr. Jawa has an extensive breadth of corporate leadership expertise, having served as Chairman of Disney Jawa Enterprises, which introduced a range of Walt Disney licenced products to the Middle East region. He was the Chairman & CEO of Stallions Home Video, which redefined home entertainment in the region, and Coflexip, a joint venture with France's Elf Aquitaine, to lay underwater pipes for crude oil distribution.

His visionary thinking, expertise, professionalism and contribution to international business was underscored at the World Economic Forum in Davos, Switzerland, where he was honoured as one of the 'Global Leaders of Tomorrow.'

Mr. Jawa holds a Master's in Business Administration (MBA) and a Bachelor of Science in Business Administration, both from the University of San Francisco. He is fluent in Arabic, English and French.



Mr. Arif Obaid Al Dehail, Board member:

Mr. Arif Obaid Al Dehail currently serves as Chief Executive Officer of Dubai Port Authority - Ports, Customs and Free Zone Corporation since Jan, 2017.

Mr. Al Dehail has extensive experience in international ports and terminal operations and management through his vast knowledge and leadership during his 28 years in port and maritime industry.

He has held several leading positions in ports and maritime sector such as Chairman and CEO of P&O Ports between year 2014 & 2016, also in regulatory arm of Ports, Customs & Free zone Corporation as CEO of the Department of Planning & Development. DP World as Assistant Managing Director of DP World - UAE Region, and prior to that, Senior Vice President - DP World, Global Operations & Engineering and Acting Senior Vice President & Managing Director for Africa region. He also served on several key roles in DP World and Dubai Ports Authority as Chief Operating Officer of DP World - UAE Region.

Al Dehail has worked on several key projects in the UAE and internationally within the portfolio of DP World. He was actively involved in the master plan development of Jebel Ali port and future terminal phases planning for port expansion. He was a board member at DP World in Sukhna - Egypt in 2008. He was recognized as a valued contributor in the successful integration of DPA, DPI & CSXWT as well as P&O company merger in 2007.

Additionally, Mr. Al Dehail is a board member of various companies such as a board member of Etihad Rail – UAE, Etihad Rail DB (Rail Operator of stage 1), Emirates Transport, DP World UAE region, & Dubai World Travel.

Al Dehail holds a Bachelor's degree in Geo-Economics from UAE University -1989, and holds Diplomas in Ports and shipping Management from Singapore Port Authority and University of Delaware - USA; and a Diploma in International Program in Port Planning and Management jointly organized by University of New Orleans – Louisiana USA, and Port of New Orleans, Louisiana, and he has a Diploma- SEPME (Senior Executive Program) from Harvard Business School, Boston USA -2004, and successfully completed Government of Dubai leadership program – Sheikh Mohammed Bin Rashid Leadership Program – Dubai School of Government.

Mr. Adnan Kazim, Board member:

Adnan Kazim holds a Bachelor's Degree and graduated in Accounting at the Al Ain University, UAE.

He joined Emirates (EK) in 1992 as a Management Trainee and went through different in-house trainings with EK and IATA in various subjects in the airline business, both technical and managerial.

Employees of the Emirates Group come from across the globe and of many cultures. It has been a challenging experience working with multi-cultural staff and Adnan worked in different EK departments as well as with the ground handling agent Dnata.

During his 25+ years long tenure with the company, he has successfully established and overseen the airline's commercial operations in several major markets including the UAE, Pakistan, East Africa and a few stations in Europe growing it from strength to strength over the years.

Adnan held the following positions until March 2009:

1. SVP Gulf, M.E. & Iran
2. SVP Africa
3. VP Pakistan
4. Manager Switzerland & Austria
5. Manager Egypt
6. Regional Manager East Africa (*Kenya, Tanzania covering seven offline stations in Central & East Africa*)
7. Manager Yemen, opening the new station
8. Manager Greece

In April 2009, Adnan was promoted to the position of Divisional Senior Vice President Planning & Research.

In June 2013, Aeropolitical & Industry Affairs department was added to Adnan's portfolio and he was appointed Divisional Senior Vice President, Planning, Aeropolitical & Industry Affairs.

With Emirates' ambitious growth strategies over the next five years and the criticality of passenger revenue optimisation given high priority, in October 2015 the core Revenue Optimisation departmental functions were aligned to Planning, Aeropolitical & Industry Affairs and Adnan Kazim was nominated to head an expanded department to be designated "Strategic Planning, Revenue Optimisation & Aeropolitical Affairs". He was appointed Divisional Senior Vice President, Strategic Planning, Revenue Optimisation & Aeropolitical Affairs.

The Emirates Strategic Planning, Revenue Optimisation & Aeropolitical Affairs Dept. has a central role in devising the Emirates Airline strategy influenced by the Emirates Group corporate purpose and is responsible for identifying the 'planning horizon' for the airline and designing a

precise ‘blue print’ for the airline vision involving strategic business components such as fleet composition and delivery, route network, schedule network, underlying air traffic demand, government regulation, infrastructure capacity and competition.

Accountability for these strategic and tactical components of the airline vision rests with the following 3 units:

- Strategic Planning & Market Research
- Revenue Optimisation & Airline Partnerships and
- Aeropolitical Affairs

A brief summary of each unit’s core activities is provided below:

Strategic Planning & Market Research

- *Schedule Planning & Network Optimisation*

This unit delivers critical strategic functions driving the medium and long term success and sustainability of the airline and includes the creation of Emirates’ long term plans, building robust and achievable annual operating plans which drives all revenue cost estimations, tactical optimization of network capacity in the short term, maximising revenue from charter business/unscheduled flights, identification, assessment and acquisition of slots and dissemination of commercially and aero-politically sensitive information to relevant stakeholders.

- *Route Planning & Economics*

The Route Planning unit evaluates the financial feasibility of new and existing routes, with the ultimate goal of maximising the profitability of the Emirates network.

Emirates has a rigorous route planning process where it relies on feedback and data from multiple sources that leads to route selection recommendation and regular monitoring. The route planning process broadly covers steps such as preliminary background research, estimation of total market size, scheduling/connectivity, estimation of Emirates’ traffic share, pricing strategy, costs to operate route and profit and loss analysis.

- *Fleet Planning*

This unit is responsible to develop long-term fleet planning strategies to address Emirates’ aircraft needs and long-term capacity requirements.

It drives the airline’s strategic fleet plan, aircraft life cycle, fleet initiatives and activities from evaluation to phase-out in close cooperation with key stakeholders and works closely with manufacturers to define new aircraft designs and enhancements to meet Emirates’ current and future requirements in terms of product, performance and economics in pursuit of Emirates’ strategic goal of operating the most modern, efficient, profitable and environmentally conscious fleet in the airline industry.

- *Market Research*

This unit provides a platform for strategic corporate decisions related to serving new markets, future investments in aircraft purchases, product enhancement and airport facilities.

Providing Emirates Group with its own in-house research capabilities by functioning as a consultant unit and help develop research plans for Emirates Group departments.

Revenue Optimisation & Airline Partnerships

Revenue Optimisation & Airline Partnerships department has oversight and full responsibility for managing and growing the airline's revenue base through development, direction, leadership, planning and support in Emirates' overarching Product Pricing, Inventory Management, Revenue Planning, Revenue Steering, Groups, Niche Commercial Products, Data Analytics, Operations Research and Airline Codeshare & Interline Partnerships policies and disciplines.

Aeropolitical Affairs

Aeropolitical Affairs is accountable for another critical facet of an International Airline, as it deals with strategic overview of regulatory and legal regimes and covers multilateral agreements and liberalisation, commercial challenges relating to various regulatory changes, international negotiation and cultural intelligence.

Represent Emirates in government negotiations and air services talks and is also the link to the various aviation trade bodies of which Emirates is a member.

Aeropolitical Affairs has responsibility for protecting and enhancing Emirates' international market access through Aeropolitical entitlements and for the airline's industry engagements globally.

H.E. Dr. Aisha Bint Butti Bin Bishr, Board member:

Dr. Aisha Bint Butti Bin Bishr is the Director General of the Smart Dubai Office, the government entity entrusted with Dubai's city-wide smart transformation by His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai.

Dr. Aisha also leads the creation of 'The Smart City Index' - the first-ever benchmark for smart city implementation across the globe in cooperation with International Telecommunication Union and the United Nations. As an acclaimed digital transformation and smart cities thought leader globally, she represents Smart Dubai in the City Protocol Society, Smart City Expo World Congress and GSMA Mobile World Congress.

In addition to her responsibilities at the Smart Dubai Office, Dr. Aisha serves as a member of the World Economic Forum's Global Future Councils; The Fourth Industrial Revolution's Smart



Cities Readiness Index Team; and the World Happiness Council where she heads The Council of Happy Cities. She is also a Non-Executive Director at Emaar Developments' Board.

Prior to her current role, Dr. Aisha served as Assistant Director General of The Executive Office, and has worked as the Assistant Undersecretary of the UAE Ministry of Labour during her illustrious career. Throughout her 20 years' experience in ICT development, Dr. Aisha has committed herself to humanizing digital transformation, from developing technologies to transforming human experiences. With the distinction of being the first female executive to lead the transformation of a smart city globally, she has laid a robust foundation for upcoming talent and inspires youth towards nation building.

Education

Dr. Aisha holds a PhD in Management, Science, Technology and Innovation and an MPhil in Policy and Research on Engineering, Science and Technology from The Manchester Business School. She is also a graduate of the 'Young Leaders' program organized by Sheikh Mohammed Bin Rashid Centre for Leadership Development.

Awards

The incredible work of Dr. Aisha is recognized globally. She has received numerous accolades which include, 'Excellence in Strategic Leadership Award 2017' by Entrepreneur Middle East's Enterprise Agility Awards; Leadership in Digital Transformation by .GOV, 'Outstanding Alumni Award 2017' from The University of Manchester ME Centre; 'Woman In Government' Award at the Arab Women Awards 2016, 'Woman in Public Sector Award' from Global Women in Leadership Economic Forum 2015; 'Community Service Medal 2013' by Lt. General HH Sheikh Saif bin Zayed Al Nahyan, Deputy Prime Minister and Minister of Interior ; and the 'Middle East Woman Leader in Corporate Management Excellence 2012' by Middle East Women Leaders Excellence Awards. In addition, she has been felicitated by the Swedish Embassy, Trade Council, and Ericsson, in recognition of her role in implementing the Smart City Vision of Dubai's leadership.

Mr. Abdulla Mohammed Al Awar, Board member:

Abdulla Mohammed Al Awar is the CEO of Dubai Islamic Economy Development Centre (DIEDC). In this capacity, he oversees the Centre's work and collaborates closely with DIEDC's multiple stakeholders to implement the 'Dubai: Capital of Islamic Economy' strategy through enabling private and public sector organisations to innovate and promote sharia-compliant economic products and services ranging from Islamic finance to halal food and lifestyle, among others.

Prior to his current role, Al Awar was the CEO of Dubai International Financial Centre (DIFC) from 2009 to 2012. During his eight-year tenure with DIFC that saw him hold various executive positions, he leveraged his exceptional skills in strategic planning, operational management and financial control to help develop DIFC into a global financial hub.

Under his strategic leadership, DIFC was ranked as the leading financial centre in the region for the years 2009-2012, demonstrating an average 13% client growth year-on-year, as well as improved efficiency and performance.

Al Awar has served as member of several committees and boards in Dubai including the Economic Committee of the Executive Council of Dubai, Dubai Free Zones Council, Bourse Dubai and the Investment Committee of the Emirates NBD Real Estate Fund, and is also a member of the Board of Emaar Development PJSC since November 2017.

He is also currently a member of the oversight committee at the Emirates NBD Real Estate Investment Trust (ENBD REIT).

He holds a Bachelor of Science degree in Business Administration from the University of Colorado at Boulder, US. He is also a graduate of the Mohammed Bin Rashid Program for Leadership Development, an executive education program conducted in affiliation with Cranfield University, UK, IMD and INSEAD.

b. A clarification on women's representation in the Board of Directors in 2018:

H.E. Dr. **Aisha Bint Butti Bin Bishr** represents women in the Board of Directors for the year 2018 and was appointed by the constitutive general meeting of the Company on 20 November 2017.

The Company further confirms its continuous support and commitment to provide equal opportunities to women. The Company has always believed in the capabilities, skills and expertise of women and this was demonstrated through the appointment of women in the highest positions within the management of the Company.

c. Remunerations and allowances for attending the committees' meetings:

1- Total remuneration paid to members of the Board of Directors for the year 2017:

No bonuses were paid to the Board members during the year 2017 since the incorporation of the Company was announced at the constitutive general meeting held on 20 November 2017.

2- Total remuneration proposed to be paid to members of the Board of Directors for the year 2018:

The Board of Directors resolved in its meeting dated 20 March 2019 to propose six hundred fifty thousand UAE Dirhams (AED 650,000) as the remuneration to be paid to each non-executive member (including the Vice Chairman), in addition to one million UAE Dirhams (AED 1,000,000) to be paid to the Chairman, subject to approval by the annual general meeting of the Company.

3- Allowances paid to Board members during the year 2018 for attending meetings of Board committees:

It was decided to pay an amount of two hundred thirty six thousand UAE Dirhams (AED 236,000) as allowances for attending meetings of the Board committees for the year 2018 as shown in Annex B-1, at the rate of twelve thousand UAE Dirhams (AED 12,000) per meeting for chairmen of committees and ten thousand UAE Dirhams (AED 10,000) per meeting for members of the committees. No allowances will be paid to any executive Board member for attending meetings of committees. Allowances were distributed as shown in Annex B-1.

d. Number of Board Meetings held during the year of 2018:

The Board of Directors held four (4) meetings during the fiscal year of 2018 on the following dates:

- 22 March 2018
- 4 July 2018
- 12 September 2018
- 10 December 2018

The personal attendance of Board members is indicated in Annex (B-2) attached to this report.

e. Delegation of Authority:

The Board of Directors delegated to the executive management powers relating to various matters such as the powers to approve construction contracts, consultancy services, operating expenses and banking transactions within certain financial limits. This delegation of powers is reviewed each year.

f. Related Party Transactions:

The Company has not entered into any transaction with related parties in accordance with the definitions provided for these terms in the Governance Resolution. Annex (K) attached to this report provides the key related party transactions as such term is defined in the International Financial Reporting Standards (IFRS) and which are already reflected in the consolidated financial statements of the year 2018, and carried out during the year in the normal course of business on the terms agreed between the parties.

g. Organizational structure of the Company:

Please refer to Annex C attached to this report which includes the Company's organizational structure as of 31 December 2018.

h. Senior Executive Employees:

Please refer to Annex D attached to this report which includes a list of the Company's senior executive employees, their positions, date of appointment, total salaries and allowances paid in 2018, as well as total bonuses paid in 2018.

4- External Auditor:

a) Brief Background on the External Auditor:

Ernest & Young (“EY”) is a global leader in assurance, tax, transaction and advisory services. EY is a \$34.8 billion global organization that employs more than 261,559 professionals over 150 countries. EY operates as one firm, with four global regions and 33 sub-areas within those regions. EY audit methodology is consistent throughout the world and our people are connected by a technical infrastructure that supports our global execution.

The EY practice offers its clients value added services in Assurance & Business Advisory Services; Transaction Support Services; Business Community Training; Business Risk Services (internal audit); Technology & Security Risk Services; International Tax Services; and Lead Advisory Services.

EY audits 25% of 2018 Forbes Global 2000; 25% of the 2018 Russell 3000 and 30% of the 2018 Fortune's 1000 Largest US Corporations.

Further, EY is the #1 auditor of the overall Real Estate sector on the 2018 Fortune 1000, auditing 33% of revenues and 26% of companies. EY is the #1 auditor of the overall Real Estate sector on the 2018 Russell 3000, auditing 33% of market value and 36% of companies. EY is the #1

auditor of the overall Real Estate sector on the 2018 Forbes Global 2000 auditing 33% of market value and 36% of companies.

The MENA practice of EY has been operating in the region since 1923. For over 93 years, EY have grown to over 6,600 people united across 21 offices and 16 countries, sharing the same values and an unwavering commitment to quality. As an organization, EY continues to develop outstanding leaders who deliver exceptional services to our clients and who contribute to our communities.

As per Forbes Global 2000, EY leads the MENA market share auditing 33% of the companies audited in the MENA region.

EY's Dubai office has a solid base of over 1,300 experienced and qualified professionals and 59 resident partners.

Apart from being one of the largest provider of audit services to the Real Estate, Hospitality & Leisure industry and a leading business advisory services practice, EY has a dominant tax practice that is widely recognized as a leader in providing proactive, innovative, and quality tax advisory services to international and local clients.

b) Audit Fees:

A table is attached to this report (Annex A) showing the total fees and costs related to the audit and services provided by external auditors, including the details and nature of the services provided, and a statement of the other services provided by external auditors other than the Company's auditor in 2018, in addition to the number of years served as an external auditor of the Company.

c) A clarification of any qualified opinion provided by the Company's external auditor:

The auditor's report did not provide any qualified opinion regarding the financial statements of 2018. The auditor further clarified that the 2017 balances were not audited in the financial statements and were presented for comparison purposes only. The auditor's opinion in the 2018 financial statements is not related to the 2017 results.

5- Audit Committee:

a) Composition and Functions:

The composition of the Company's Audit Committee during the year 2018 is as follows:

- 1- Mr. **Abdulla Al Awar** (chairman).
- 2- Mr. **Jamal Bin Theniyah** (member)

3- H.E. Dr. **Aisha Bint Butti** (member)

The committee has many functions, including developing and implementing the policy for contracting with the external auditor and following up and monitoring its independence, as well as discussing the nature and scope of the audit process and its effectiveness in accordance with the adopted auditing standards. It also monitors the integrity of the Company's financial statements and reports, considers any significant and/or unusual items that are or must be included in these reports, and reviews the financial controls, internal controls and risk management systems, as well as the Company's financial and accounting policies and procedures.

The Audit Committee oversees the Company's compliance with the code of professional conduct, ensures the proper discharge of its duties as set out in its terms of reference in accordance with the powers entrusted to it by the Board. The Audit Committee established practical tools to enable the employees to report any potential violations related to financial reports, internal controls or other violations and takes the necessary actions in this regard; it also reviews and approves related party transactions in accordance with the policies adopted by the Board in this regard.

b) Meetings and Attendance:

The committee held its meetings during 2018 to discuss matters relating to financial statements and other matters as follows:

- 11 February 2018
- 24 April 2018
- 24 July 2018
- 23 October 2018

The personal attendance of the members of the committee is shown in Annex (B-1) attached to this report.

6- Nomination and Remuneration Committee:

a) Composition and Functions:

The composition of the Company's Nomination and Remuneration Committee during the year 2018 is as follows:

- 1- H.E. Dr. **Aisha Bint Butti** (chairman)
- 2- Mr. **Ahmed Jawa** (member)
- 3- Mr. **Adnan Kazim** (member)

The committee's principal role consists of reviewing several issues, including, but not limited to, monitoring the independent status of independent board members on a continuing basis, setting out the policy for granting bonuses, benefits, incentives and salaries to Board members and employees, determining the Company's requirements for various skills and competencies, preparing the Company's policies on human resources and regulating and organizing and monitoring the procedures for nomination of Board members.

b) Meetings and Attendance:

The committee held its meetings during 2018 as follows:

- 19 March 2018
- 25 November 2018

The personal attendance of the members of the committee is shown in Annex (B-1) attached to this report.

7- Investment Committee:

a) Composition and Functions:

The composition of the Company's Investment Committee during the year 2018 is as follows:

- 1- H.E. **Mohamed Alabbar** (chairman)
- 2- Mr. **Ahmed Jawa** (member)
- 3- Mr. **Adnan Kazim** (member)
- 4- Mr. **Arif Al Dehail** (member)

The committee's principal role consists of reviewing several issues, including, but not limited to, the company's new investments, feasibility studies and related financing transactions.

b) Meetings and Attendance:

The committee held its meetings during 2018 as follows:

- 21 March 2018
- 25 November 2018

The personal attendance of the members of the committee is shown in Annex (B-1) attached to this report.

8- Committee for Monitoring Insiders Trading:

a) Names of members of the Committee for Monitoring Insiders Trading, its scope of work and responsibilities

The members of the committee are Mr. **Jamal Bin Theniyah** (Vice Chairman) and Mr. **Bader Hareb** (Chief Executive Officer). The committee is responsible for managing, monitoring and supervising trading and ownership of securities of the Company by insiders, maintaining a register of their names and submitting periodic statements and reports to the stock market.

b) Summary of the Committee's activities report for 2018

The committee prepared and updated the register of insiders and informed the individuals named in the register about the requirements to comply with the insiders trading policy and requested them to ensure compliance with these requirements and to notify the committee when they trade in the Company's shares.

9- Internal Control System:

The Internal Control Department performs the internal control function under the supervision of the Audit Committee and the direction of the Board of Directors. The Department follows the rules governing the Company's internal control activities. The Board of Directors acknowledges its responsibility for the Company's internal control systems, for reviewing its methods of operation and confirms its effectiveness.

The goal of the Internal Control Department is to provide independent and objective assurances to deliver an added value and to improve the company's operations and internal controls. Mr. **Irfan Sadiq** has been the Director of the Internal Control Department since his appointment on 1 August 2014, and he is also the compliance officer of the Company and holds the following qualifications:

- 1- Chartered Certified Accountant (FCCA), United Kingdom.
- 2- Certified Public Accountant (CPA), United States of America.
- 3- Chartered Professional Accountant (CPA), Canada.
- 4- Certified Internal Auditor (CIA), United States of America.
- 5- Certified Fraud Examiner (CFE), United States of America.

The Internal Control Department assists the Company in achieving its objectives by following a systematic and disciplined approach to assess and improve the efficiency of risk management and control and governance processes.

In the event of material violations falling within the scope of the Internal Control Department or identification of issues that must be disclosed in the annual reports, a report will be prepared regarding the matter and submitted to the Audit Committee which will take the necessary

measures to deal with each of these cases, including requesting the management to provide the necessary clarifications or to take the necessary measures to deal with these cases.

10- Violations:

The Company did not commit significant violations of the Governance Resolution during 2018.

11- Local community development and environmental conservation:

The Company contributed to a number of initiatives related to the development of the local community, such as:

- In cooperation with Dubai Health Authority and Latifa Hospital, a blood donation campaign was organized for two days per month at "Emaar Square".
- Organizing a themed weekend at Rise DXB @Dubai Creek Harbour, to support People of Determination with a talent show and market stalls.
- Emaar participated in "Dubai Fitness Challenge" initiative launched by His Highness Sheikh Hamdan Bin Rashid Al Maktoum. The Dubai Fitness Challenge Carnival was launched in Burj Park through social media, Emaar Workplace (Emaar's social network), posters and two daily exercise sessions for the staff.
- The Company organized "A Pack to Give Back" campaign worth AED 210,000, including 10,000 packs containing basic essentials distributed to our laborers.
- Participating in the "Earth Hour" walk in cooperation with Dubai Electricity and Water Authority (DEWA), by reducing the use of electricity for one hour and saving energy.
- Distribution of AED 3,000 in cash to laborers on Labor Appreciation Day. The Company provided technical support on Labor Appreciation Day by organizing entertainment events and a full day trip for laborers in Dubai Creek Harbour. The cost of these events AED 47,196.
- The Company organized a social event for laborers by the Chairman of the Board of Directors on 26 February 2018, providing food and beverage service in Dubai Creek Harbour for AED 19,850.

12- General Information:

- a. Please refer to Annex E of this report for information on the Company's share price in the financial market at the end of each month during year 2018.
- b. Please refer to Annex F on the comparative performance of the Company's shares with the market index and the sector index to which the company belongs during year 2018.
- c. Please refer to Annex G for categories of shareholders as of 31 December 2018.
- d. There are no shareholders holding 5% or more of the company's capital, except for **Emaar Properties PJSC**, which owns 79% of the share capital of the Company as of 31 December 2018 by way of owning 3,160,000,000 shares.

- e. Please refer to Annex H for categories of shareholders by reference to the size of their percentage shareholding as of 31 December 2018.
- f. Please refer to Annex I for the significant events that took place in the Company in 2018.
- g. Emiratization percentage in the Company as of 2018 is **5.02%**.
- h. Please refer to Appendix J for the list of innovative projects and initiatives implemented by the Company or which were under development during 2018.
- i. Investor Relations Guidelines:

The name and contact information of the Investors' Relations Manager:

Mr. Abhay Singhvi

Contact Information:

- o Tel No.: 04 362 7466
- o Email: investor-relations@emaar.ae

The Investor Relations webpage link on the Company's website:

- o Link: <https://www.emaar.com/en/investor-relations>

The appointment of Mr. **Abhay Singhvi** as Investor Relations Manager is a temporary appointment due to the resignation of the former Investor Relations Manager. The Company is still in process of appointing an Investor Relations Manager who meets the requirements of Article 35 of the Governance Resolution.

- j. **Special Resolutions presented to the Annual General Meeting held in 2018 and the procedures taken in relation to the same:**

No general meetings of the Company were held during the year 2018 and therefore no special resolutions were presented.

- k. **The name of the Board Secretary and the date of his appointment:**

Mr. **Ayman Hamdy** was appointed as Board Secretary and Ms. **Rana Matar** as Assistant Board Secretary on 20 November 2017.

Date: 31 March 2019



[Signed]

Mohamed Ali Alabbar
Chairman



Annex (A)

Audit fees Table Report

Name of the audit firm	Ernst & Young
Number of years spent as external auditor of the Company	Since announcing the incorporation of the Company on 20 November 2017
Total audit fees of the financial statements for 2018 (in AED)	460,000
Fees and costs of other special services other than the audit of the financial statements for 2018 (in AED)	32,000
Details and nature of other services provided	Translation Fees
Statement of the services performed by <u>external auditors</u> other than the Company's auditor	None

Annex (B-1)

Board members' attendance to the committee meetings and the allowances¹ paid to the Board members for the year 2018

Name	Nomination & Remuneration		Audit Committee		Investment Committee	
	Attendance	Allowance	Attendance	Allowance	Attendance	Allowance
1 H.E. Mohamed Alabbar	-	-	-	-	-	-
2 Mr. Jamal Bin Theniyah	-	-	4	40,000	-	-
3 Mr. Ahmed Jawa	2	20,000	-	-	2	24,000
4 Mr. Arif Al Dehail	-	-	-	-	2	20,000
5 Mr. Adnan Kazim	2	20,000	-	-	2	20,000
6 H.E. Dr. Aisha Bint Butti Bin Bishr	2	24,000	2	20,000	-	-
7 Mr. Abdulla Al Awar	-	-	4	48,000	-	-

- All meetings were attended in person and there was no attendance by proxy.

¹ Allowances amount in AED

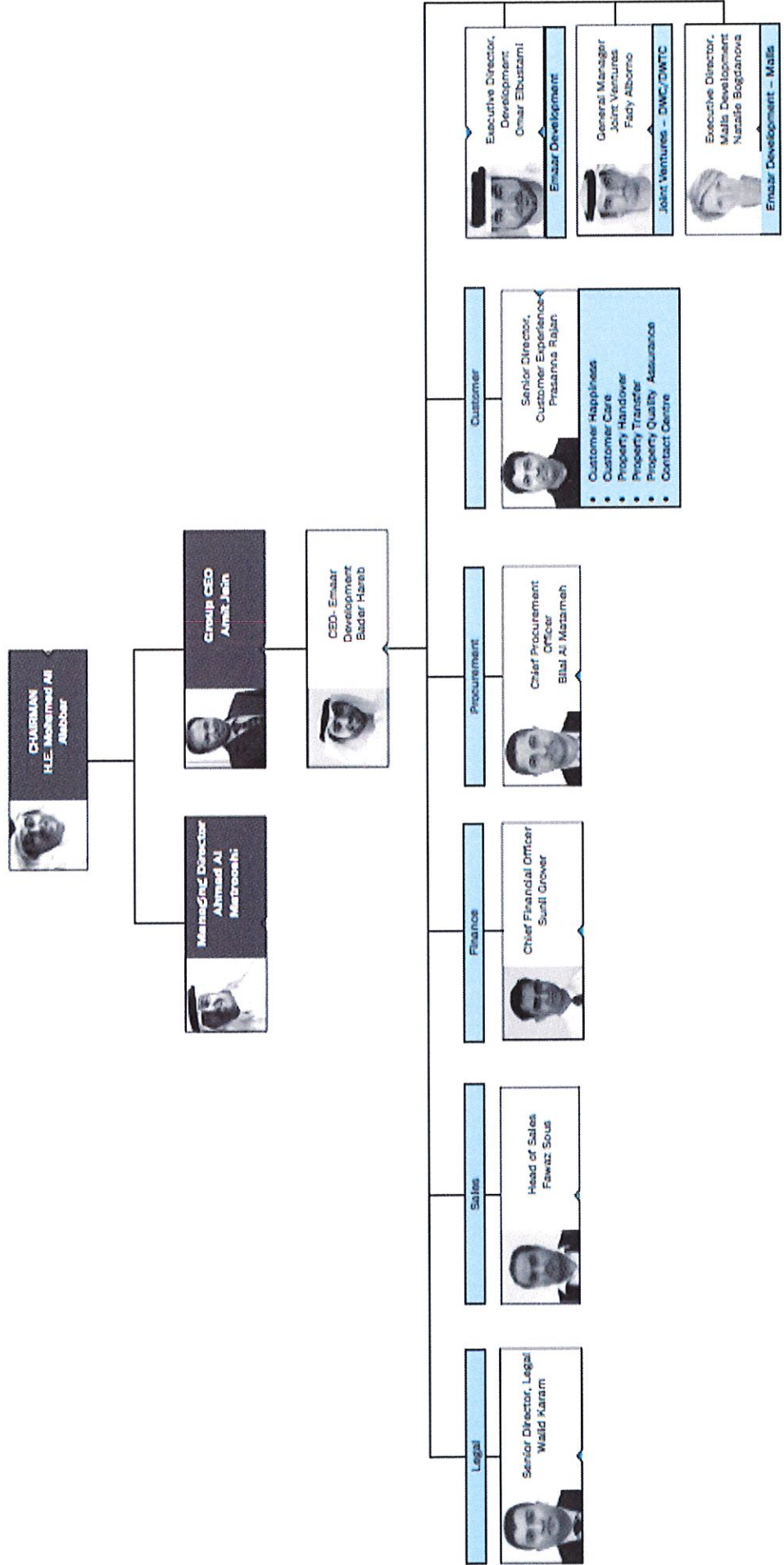
Annex (B-2)

Attendance of Board Meetings

Name	Attendance
H.E. Mohamed Alabbar	4
Mr. Jamal Bin Theniyah	4
Mr. Ahmed Jawa	3
Mr. Arif Al Dehail	3
Mr. Adnan Kazim	4
H.E. Dr. Aisha Bint Butti Bin Bishr	1
Mr. Abdulla Al Awar	4

- All meetings were attended in person and there was no attendance by proxy.

Annex C
Organizational Structure of the Company
Emaar Development



Annex D

Senior Executive Employees*

SN	Name	Position	Date of Appointment	Total Salaries and Allowances paid in 2018 (AED)	Total Bonuses paid in 2018 (AED)	Any other Cash/in-kind benefits for 2018 or payable in the future
1	Mr. Bader Saeed Abdulla Hareb	Chief Executive Officer	20 August 2017	2,380,710	320,000	None
2	Mr. Sunil Grover	Chief Financial Officer	26 March 2000	1,453,072	585,943	None
3	Mrs. Natalie Bogdanova	Executive Director, Malls Development	23 February 2003	1,784,820	675,000	None
4	Mr. Fady Alborno	General Manager Joint Ventures	5 September 2004	1,361,016	257,500	None
5	Mr. Walid Karam	Senior Director, Legal	8 April 2007	1,190,075	126,000	None
6	Mr. Omar Ghalib Elbustami	Executive Director, Development	23 July 2017	1,308,712	None	None
7	Mr. Bilal Al Matarneh	Chief Procurement Officer	4 March 2018	1,594,835	None	None
8	Mr. Rajan Prasanna	Senior Director, Customer Experience	20 March 2018	919,349	None	None
9	Mr. Mohammad Fawaz Sous	Head of Sales	24 June 2018	782,743	None	None

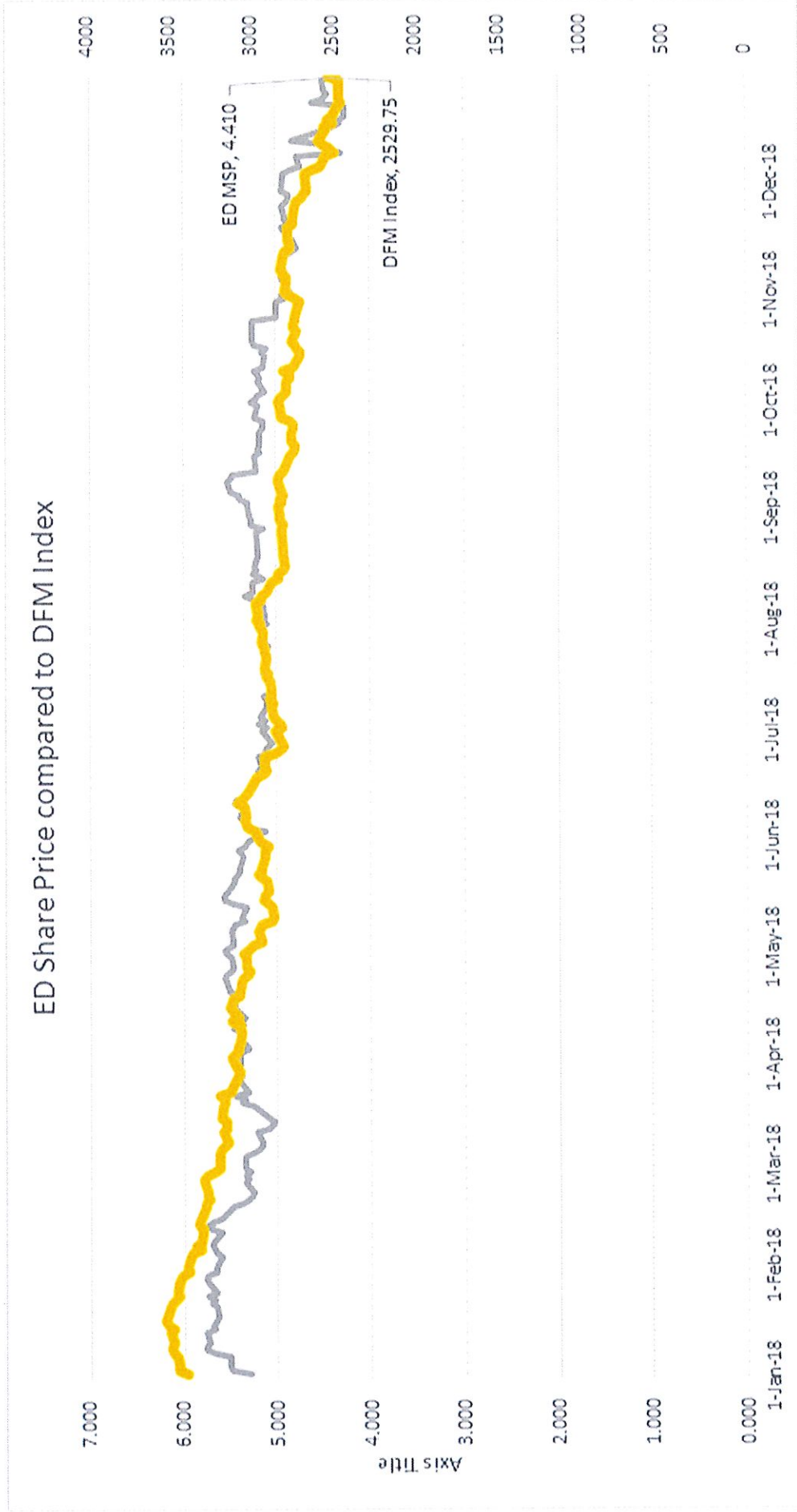
Annex E

Company Share Price in the Market (Closing Price, Highest Price, Lowest Price) at the end of each month during the year 2018.

2018	Highest price	Lowest price	Closing price
January	5.77	5.29	5.66
February	5.75	5.26	5.29
March	5.46	5.03	5.4
April	5.56	5.3	5.55
May	5.57	5.3	5.3
June	5.46	5.06	5.06
July	5.2	5.04	5.1
August	5.34	5.13	5.29
September	5.53	5.15	5.2
October	5.28	4.9	4.95
November	4.95	4.77	4.95
December	4.93	4.26	4.41

Annex F

Comparative performance of the Company's shares with the market index and the sector index to which the Company belongs during 2018



Annex G

Categories of Shareholders as of 31 December 2018 (Individuals, Companies and Governments) classified as follows: UAE, GCC, Arab, foreign

Shareholder Category	Percentage of Shares Owned			Total
	Individual	Companies	Government	
UAE	2.4674%	88.0313%	0.1185%	90.6172%
GCC	0.0406%	1.4477%	None	1.4883%
Arab	0.1692%	0.0042%	None	0.1734%
Foreign	0.1465%	7.1897%	0.3849%	7.7211%
Total	2.8237%	96.6729%	0.5034%	100%

Annex H

Categories of Shareholders According to the Size of their Percentage Shareholding as of 31 December 2018

Share(s) Owned	Number of Shareholders	Number of Share Held	% of Shares Held of the Capital
Less than 50,000	1,812	16,000,368	0.40%
From 50,000 to less than 500,000	342	61,130,889	1.53%
From 500,000 to less than 5,000,000	153	244,272,565	6.11%
More than 5,000,000	33	3,678,596,178	91.96%
Total	2,340	4,000,000,000	100%

Annex I

Significant Events of the Company during 2018

January

- Emaar Development unveils Emaar Beachfront, a private gated island destination in the Arabian Gulf, offering residents the opportunity to experience Miami beach style living in Dubai.
- First residences Emaar Beachfront records total sales of over AED1 billion at launch.
- His Highness Sheikh Mohammed bin Rashid Al Maktoum, UAE Vice President & Prime Minister and Ruler of Dubai, reviews the progress of Dubai Creek Tower, the global icon in the heart of the 6 sq. km Dubai Creek Harbour. This coincided with Emaar setting a new milestone in the construction of Dubai Creek Tower. With the placement of concrete for the pile cap commencing in September last year, the core of the pile cap has reached its highest point.

February

- Emaar Development commissions special executive education custom programme by Harvard University's Graduate School of Design on Dubai Creek Harbour: The Happy City. Through four Harvard Executive Education programmes, Emaar aims to put the 6 sq km mega-development as well as the nation on the global map.
- Emaar Development records growth in net profit during full-year (January to December) 2017 by 30 per cent to AED 2.74 billion (US\$ 747 million), compared to the net profit of AED 2.11 billion (US\$ 575 million) in year 2016.
- Emaar Development unveils Saffron, the first townhouse community in Emaar South.
- Sunrise Bay, a new residential destination launched in Emaar Beachfront.

March

- Emaar Development unveils Collective, an innovative concept for co-living spaces in Dubai Hills Estate that is ideally suited for investors.
- Dubai Creek Harbour unveils The Grand, an exclusive collection of ultra-luxury apartments, penthouses and podium-level townhouses.

April

- Emaar Development records a 62 per cent growth in net profit to AED 819 million (US\$ 223 million) during Q1 (January to March) 2018 compared to AED 506 million (US\$ 138 million) in Q1 2017.
- Revenue for Q1 2018 grew by 95 per cent to AED 3.27 billion (US\$ 890 million) compared to AED 1.67 billion (US\$455 million), reflecting strong construction progress focused on timely delivery.



- Emaar Development launches Grande residential tower in Downtown Dubai.
- Dubai Creek Tower completes concrete placement for the pile cap two months ahead of scheduled completion.

June

- Emaar Development takes possession of the land for construction of Beach Vista residences in Emaar Beachfront.
- Dubai Hills Mall, the trendy new retail and lifestyle destination in Dubai Hills Estate, is coming to life with Emaar Development achieving new construction milestones.

July

- Emaar announces the Middle East's largest Chinatown within Dubai Square coinciding with the historic visit of President Xi Jinping of China to the UAE.

August

- Emaar Development PJSC reports a net profit of AED 1.82 billion (US\$ 496 million) during the first six months (January to June) of 2018, an increase of 68 per cent compared to AED 1.08 billion (US\$ 294 million) during the same period last year. Revenue for the first six months of the year was AED 6.99 billion (US\$ 1.90 billion), underpinned by the progress in construction and timely project delivery. This is 119 per cent more than the H1 2017 revenue of AED 3.19 billion (US\$ 868 million).
- Dubai Creek Harbour unveils one of the world's finest city-harbour getaways, the Creek Marina in the heart of Creek Island Dubai.

September

- Dubai Hills Estate announces work in progress of Dubai Hills Golf Club.
- Emaar Development launches 'Marina Vista' residences in Emaar Beachfront.
- Emaar Development unveils Parkside townhouses in Emaar South.

October

- The General Meeting of Emaar Development approves distribution of AED1.04 billion (US\$283.15 million), representing 26 per cent of the share capital being 26 fils per share, as special cash dividend to the company's shareholders. The special dividend was approved just as the company marks a year of its successful listing on the Dubai Financial Market.
- Dubai Creek Harbour launches Sunset residences, a limited edition of 1, 2, 3 and 4-bedroom apartments.
- Dubai Creek Harbour unveils Creek Beach, Dubai's first-of-its-kind urban beach.
- Dubai Hills Estate unveils Collective 2.0, a contemporary social hub with homes ideal for millennials, young professionals and entrepreneurs.



- Emaar Development partners with Dubai Islamic Bank, the UAE's largest Islamic Bank, to provide an exclusive and value-added home finance programme for Emaar's customers
- Emaar launches 'Expo Golf Villas' in Emaar South.
- Emaar Development launches new Camelia townhouses in Arabian Ranches in Dubai.

November

- Emaar Development PJSC records a growth in net profit of 19 per cent during the first nine months (January to September) of 2018 to AED 2.498 billion (US\$ 680 million), compared to the net profit of AED 2.106 billion (US\$ 573 million) during the same period in 2017. Total revenue for the first nine months is AED 10.033 billion (US\$ 2.732 billion), an increase of 54 per cent over the revenue of AED 6.508 billion (US\$ 1.772 billion) during the corresponding period last year.
- Emaar Development launches Burj Royale in Downtown Dubai.
- Emaar Development partners with Noor Bank, a leading Shari'a-compliant bank in the UAE, to offer an exclusive, fast-track home financing programme for UAE residents and international investors.
- Dubai Hills Estate launches 'Golf Suites,' with superb views of the Dubai Hills Club golf course.

December

- Dubai Hills Estate announces Dubai Hills Park, one of the nation's new and must-visit outdoor destinations.

Annex J

Innovative Projects and Initiatives implemented by the Company during 2018

- **Modular Manufacturing**
 - Feasibility study with modular manufacturer to get bids by them to produce villas in their existing factory. Goal was to increase speed and decrease construction cost.
 - Steel Villa Test - Secured a contractor offer for building a light gauge steel concept Villa instead of traditional method.
- **Smart Homes**
 - Installed 2 concept Villas with smart home products from different manufacturers. Goal was to increase convenience to our customer and reduce their utility costs. We conducted sales test to get customer feedback and iterate.
- **Sustainable Energy**
 - Feasibility study of using solar energy and batteries to power Emaar South site operations. Generated cases study to spread awareness across Emaar.
- **Letswork**
 - Co-working platform startup since Feb 2018. What we do is we partner with different venues across the country to offer workspaces where our members can work, meet and innovate. These venues are a mix of non-Emaar Hospitality Group and Emaar Hospitality Group partners such as (Rove Hotels/Vida/Ranches Restaurant and others). So far, we have a pool of 2,000 members and 20 locations that we have partnered with.
- **Ease**
 - A startup company that helps EMAAR homeowners to rent out their apartment on short-term basis.
- **HR Artificially Intelligent “Robot”**
 - The Company launches a new robot called “Emaar Bot”; which is in-house exclusive HR Bot with customizable functionality.
 - This robot responds to common questions and transactional service requests
 - Decision making ability to drill down query and provide specific answer to enhance the user experience.
 - The Company launches robot for employees’ sentiment analysis



- This robot will connect with the employees regularly and help the Talent & Culture team to proactively address issues for employees who may be un happy or disengaged.
 - This robot collects honest feedback from employees, drawing conclusions and reports from what they say and battling unexpected attrition, to help Talent & Culture team to identify employees who intend to leave the company, blueprint detailed behaviors, therefore, help proactively deploy measures to improve retention among employees.
- **Internal Social Pages**
 - **YAMMER:** Internal Social Media channel with over 3,000 subscribers. A big hit with the employees as content creation and sharing of information is much easier with this Social Tool.
 - **Emaar's Employees Portal**
 - **ASK HR** portal: the company launches an HR Helpdesk ensuring all employees have access to the centralized Talent & Culture Team. This portal allows them access to create and follow up on their queries.
 - **HR Mobile Application**
 - It is currently in Vendor evaluation stage to continue the initial work done by Mobility Services to facilitate access to HR Services and Business Updates.
 - This tool will also be linked to the Artificial Intelligent projects going live in 2018.
 - **Employee Satisfaction Survey**
 - The employees are encouraged to provide the company their feedback at the end of their shift on a daily basis.
 - The survey is on a 5-star rating and the survey requests the employees to provide deeper insight if they rate their overall experience less than 3 stars.
 - Ipads are placed on each property of Emaar Hospitality Group to complete the survey.
 - The survey is currently used by Emaar Hospitality Group's employees and will be applied to all Emaar employees soon.

Annex K

Statement of the Related Parties Transactions in accordance with the International Financial Reporting Standards (IFRS) as listed in the Consolidated Financial Statements of the Company for the year 2018

	<i>31 December</i>	<i>31 December</i>
	<i>2018</i>	<i>2017</i>
	<i>AED'000</i>	<i>AED'000</i>
		<i>(Unaudited)</i>
<i>Ultimate Parent:</i>		
Selling, general and administrative expenses (refer (i) below)	<u>491,617</u>	<u>215,894</u>
<i>Affiliated entities:</i>		
Selling, general and administrative expenses	<u>10,924</u>	13,166
Property development expenses	<u>136,631</u>	<u>110,503</u>
<i>Directors, Key management personnel and their related parties:</i>		
Selling, general and administrative expenses	<u>2,608</u>	<u>12,570</u>

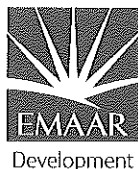
Related party balances

Significant related party balances (and the consolidated statement of financial position captions within which these are included) are as follows:

	<i>31 December</i>	<i>31 December</i>
	<i>2018</i>	<i>2017</i>
	<i>AED'000</i>	<i>AED'000</i>
		<i>(Unaudited)</i>
<i>Ultimate Parent:</i>		
Other assets, receivables, deposits and prepayments (refer (iii) below)	<u>2,230,240</u>	1,157,052
Trade and other payables	<u>1,999,442</u>	<u>609,564</u>
<i>Affiliated entities:</i>		
Other assets, receivables, deposits and prepayments	<u>26,167</u>	131,496
Trade and other payables	<u>9,379</u>	-

(i) Allocation of corporate expenses:

Ultimate Parent has provided certain corporate functions to the Group and costs associated with these functions were allocated to the Group. These functions included human resources, treasury, investor relations, finance and accounting, compliance, information technology, corporate and legal compliance, business development and marketing. The costs of such services were allocated to the Group based on the most relevant allocation method to the service provided, which includes the headcount, time/efforts spent or number of users. In situations where no allocation methodology was more appropriate than another, an even allocation between the Group and other subsidiaries of the Ultimate Parent was utilised. With effect



from 1 October 2017, as per Relationship Agreement, corporate expenses are allocated by the Ultimate Parent on the basis of 3% of revenue of the Group.

(ii) Shareholder's contribution:

Shareholder's contribution as of 20 November 2017 included as part of total equity of the Company represents the Ultimate Parents' interest in the net assets of the Company until the date of transfer of business to the Company. Certain allocated expenses by the Ultimate Parent have also been adjusted within the shareholder's contribution. The net balance of shareholder's contribution as at 20 November 2017 have been transferred to retained earnings post IPO. The approval of such transfer will be taken from the shareholders in the next Annual General Meeting.

(iii) Recoverable from Ultimate Parent:

This represents balances recoverable from the Ultimate Parent with respect to the development costs incurred for the BTS developments in Dubai Creek Harbour project. As agreed in the MTA, the Ultimate Parent has transferred the development services agreement relating to the BTS development in Dubai Creek Harbour project to the Company, for which the development costs including infrastructure costs are incurred by the Company. These balances will be recovered as per the agreed terms in the MTA.

Compensation of key management personnel

The remuneration of key management personnel during the period was as follows:

	<i>31 December 2018 AED'000</i>	<i>31 December 2017 AED'000 (Unaudited)</i>
Short-term benefits	74,330	55,098
Employees' end-of-service benefits	3,122	2,010
	<u>77,452</u>	<u>57,108</u>

During the year, the number of key management personnel is 71 (2017: 69).