

Union Properties PJSC
Corporate Governance Report 2020

1. Statement of procedures taken to complete the corporate governance system, during 2020, and method of implementing thereof.

During March 2020 the company and its board of directors adopted and approved an amended charter related to the Nomination & Remuneration committee along with the delegation of authority of the group. In addition, the management updated all lists of internal rules and regulations and charters to comply with the Chairman of Authority's Board of Directors' Decision no. (3/Chairman) of 2020 concerning Approval of Joint Stock Companies Governance Guide and the federal law No. 26 for the year 2020 amending some provisions to the Federal Law No. 2 of 2015 regarding commercial companies. The company and its Board of Directors are working to present all appropriate changes to the Memorandum of Association and submit them to the General Assembly for approval.



2. Statement of ownership and transactions of Board of Directors (Board) members and their spouses, their children in the company securities during 2020, according to the following schedule:

Ser.	Name	Position / Kinship	Owned shares as on 31/12/2020	Total purchase
1	Khalifa Hasan Ali Saleh Al Hammadi his spouse & children	Chairman	Not available	
2	Fathi Ben Gira	Vice Chairman	Not available	
3	Mohammad Fardan Ali Al Fardan	Board Member	23,000,000	
	Mohammad Fardan Ali Al Fardan	Spouse & Children	Not available	
4	Abdul Wahab Al Halabi his spouse & children	Board Member	Not available	
5	Darwish Abdullah Darwish Ahmed Al Ketbi	Board Member	3,000	3,000
6	Dahi Yousef Ahmed Abdulla Al Mansouri his spouse & children	Board Member	Not available	
7	Jorg Klar his spouse & children	Board Member	Not available	

3. Board Formation:

- A. Statement of the current Board formation (along with the names of both the resigned and appointed Board members) according to the following schedule:

Current Board (since the General Assembly held on June 18, 2020):

1. Khalifa Hasan Ali Saleh Al Hammadi
Chairman (non-executive / non-independent)
2. Fathi Ben Gira
Vice Chairman (non-executive / independent)
3. Mohammad Fardan Ali Al Fardan
Director (non-executive / independent)
4. Abdul Wahab Al Halabi

- Director (non-executive / independent)**
5. Darwish Abdullah Darwish Ahmed Al Ketbi
Director (non-executive / independent)
6. Dahi Yousef Ahmed Abdulla Al Mansouri
Director (non-executive / independent)
7. Jorg Klar
Director (non-executive / independent)

Previous members:

1. Mr. Nasser Butti Omair bin Yousef Al Mheiri
Chairman (until the date of the General Assembly held on June 18, 2020)
2. H.E. Hamad Abdullah Muhammad Abdullah Al-Mas
Vice Chairman (Until the date of his resignation, February 25, 2020)
3. Mr. Rishi Raj Fig
Director (Until the date of his resignation, March 12, 2020)
4. Mr. Muhammad Sultan Muhammad Ahmed Al-Otaiba
Director (Until the date of the General Assembly held on June 18, 2020)
5. NBB Capital Investment LLC, represented by Mr. Ahmed Al Damnhoury
Director (Until the date of the General Assembly held on June 18, 2020)
6. Mr. Abdullah Abdul Rahman Hassan Muhammad Al Rustumani
Director (Until the date of the General Assembly held on June 18, 2020)



Chairman

Mr. Khalifa Hassan Ali Saleh Al Hammadi

Category	Non-executive/ Non-independent
The period he spent as a Board member from the date of his first election	From the General Assembly meeting held on May 17, 2018
Experience and qualifications	Mr. Al Hammadi holds a master's degree in Strategic Business with Information System (SBIT) from the University of Hertfordshire in London, Post graduate Diploma in Strategic Business Information Technology from the NCC Education, Manchester UK. Higher National Diploma in Business Management from the Elegant International College in London, Diploma in Web Development and a Certificate in Information Technology at Abu Dhabi Higher College of Technology.
Memberships and positions in other joint stock companies positions in any other important regulatory, government or commercial positions	Chairman of the Board of Directors of Gulfa General Investments PJSC Mr. Al Hammadi previously held the following positions: Vice Chairman & CEO at Union Properties PJSC. Chairman Advisor at UPP Capital Investments LLC and senior positions in various companies and within several sectors, including: Systems Analyst at the Ministry of Interior, Abu Dhabi, United Arab Emirates, Director at Liechtenstein Lands Bank (Emirates) Limited.





Vice Chairman
Fathi Ben Grira



Category

The period he spent as a Board member from the date of his first election

Experience and qualifications

Non-executive/ Independent

From the General Assembly meeting held on June 18, 2020

Mr. Fathi Ben Grira started his career within the US law firm Skadden, Arps, Slate Meagher & Flom LLP (constantly ranked as the top corporate law firm in the US by several publications) where he worked on complex cross-border M&A transactions, international securities offerings and privatizations. Then, he joined the investment bank Lazard within the Merger & Acquisitions and Capital Markets team where he focused on transactions involving listed companies (takeovers, IPOs, squeeze-outs and delisting notably). During his corporate lawyer / investment banker years, Fathi Ben Grira was involved in several high-profile deals such as the second-phase of privatization of Air France, the merger between Gaz de France and Suez, the privatization of the French highway network Autoroutes Paris-Rhin-Rhône, the restructuring of Eurotunnel Group and the acquisition of American Power Conversion by Schneider Electric, notably. Fathi was also involved in more than 20 IPOs and international securities offerings and played a key role in the implementation of the French telecom operator Orange in Tunisia. He also gained an extensive experience in advising major global private equity firms for their acquisitions or exit sales, notably in the real estate sector. Fathi Ben Grira has received numerous awards and accolades and has been listed in the TOP 40 FINANCIAL ADVISORS (global ranking) for family offices and family conglomerates by Family Capital Magazine. He is also a frequent speaker at major events and conferences such as:

- The Arab Federation of Exchanges Annual Conference,
- The Middle East Securities Forum,
- The Federation of Euro-Asian Exchanges ConFEAS,
- The Union of Arab Securities Authorities

Fathi Ben Grira graduated from HEC Paris Business School “Grande Ecole” (MSc. In Management and Finance) and from University of Nice Sophia Antipolis (Law). He is a Founding Member of the Club 30% “GCC Chapter”, an organization that promotes a better representation of women in companies’ management and board of directors and he is the President of the Tunisian Business Council Dubai & Northern Emirates (official organization operating within the Dubai Chamber of Commerce and Industry that represents and



Memberships and positions in other joint stock companies positions in any other important regulatory, government or commercial positions

regroups the Tunisian business community in Dubai and the Norther Emirates).

None

Since 2011 he is the CEO of Menacorp, a prominent UAE based financial services firm with a leading position in securities brokerage on the Dubai Financial Markets and the Abu Dhabi Securities Exchange (Menacorp has notably been ranked first by market share in terms of trading value in 2013,2014,2015 and 2016 on the Dubai Financial Market and in 2016, 2017 and 2018 on the Nasdaq Dubai). Menacorp has also been recognized as the leading financial services firm in UAE by World Finance Magazine in 2013, 2014, 2015, 2016, 2017 and 2018. Under Fathi Ben Grira’s leadership Menacorp has also received several awards from Thomson Reuters and the Arab Federation of Exchanges for its leading position on UAE financial markets



Director

Mohammad Fardan Ali Al Fardan

Category

Non-executive/ Independent

The period he spent as a Board member from the date of his first election

From the General Assembly meeting held on June 18, 2020

Experience and qualifications

Mr. Mohammed Al-Fardan has a dynamic and self-motivated leadership with proven pathways of professional experience in dealing with property management, investment and hotel management for more than 19 years in the United Arab Emirates and the Middle East. Mr. Al-Fardan has contributed in setting strategic plans, promoting goals, and developing ideas that contributed to achieving growth and expansion in the field of business and real estate industries. Mr. Al-Fardan holds a Bachelor’s in Business Administration from Ajman University of Science and Technology

Memberships and positions in other joint stock companies positions in any other important regulatory, government or commercial positions

None

Mr. Al-Fardan has held various positions, including:

- General Manager of Al Fardan Properties
- Deputy Director of Al Fardan Holdings
- Partner of Carlton Hospitality Company
- Deputy Manager at The First Investor LLC
- Partner in Zahra Technology LLC
- Partner of Al-Fardan Investment Company Limited



Director

Abdul Wahab Al Halabi

Category

Non-executive/ Independent

The period he spent as a Board member from the date of his first election

From the General Assembly meeting held on June 18, 2020

Experience and qualifications

Mr. Abdul wahab Al-Halabi is an entrepreneur, advisor and restructuring expert with expertise gained from over 25 years in executive management, restructuring, crisis & debt management, credit enhancements and joint ventures.

Mr. Abdul wahab sits on the board of several listed entities and private businesses such as DXB Entertainments PJSC, Union Properties PJSC, TPL Properties, AbFab Limited and Embassy Capital Limited. Previously, he has held multiple senior leadership roles, largely leading companies through turnaround situations and subsequent growth. As Group Chief Investment Officer of Equitativa, he led the expansion of the group's financial services and asset management across a range of industries.

Mr. Abdul wahab was responsible for the financial turnaround of major holding company Meraas, where he served as COO and Group Chief Investment Officer. He handled asset management, special investments and oversaw the group's international portfolios, while managing the daily operations and developing new governance structures.

Mr. Abdul wahab has an executive MBA from the Ecole des Ponts ParisTech and a degree from the London School of Economics. He is a Fellow of the Institute of Chartered Accountants in England and Wales

Memberships and positions in other joint stock companies

Chairman – DXB Entertainments PJSC



Director

Darwish Abdullah Darwish Ahmed Al Ketbi

Category

Non-executive/ Independent

The period he spent as a Board member from the date of his first election

From the General Assembly meeting held on June 18, 2020



Experience and qualifications

Mr. Darwish Alketbi is a highly motivated, analytical and focused young professional with built-up expertise on stock market. He has in-depth knowledge on alternative investments, structured products, and sophisticated trading strategies. Mr. Alketbi holds a degree in Bachelor of Science in Business major in Finance and with a Bloomberg education certificate

Memberships and positions in other joint stock companies positions in any other important regulatory, government or commercial positions

None

He currently holds the following positions:

- Board member of Darwish Cybertech India Private Limited
- Investment and Portfolio Manager of Darwish Bin Ahmed & Sons



Director

Dahi Yousef Ahmed Abdulla Al Mansouri

Category

Non-executive/ Independent

The period he spent as a Board member from the date of his first election

Since February 25, 2020 (the date he was appointed by the Board of Directors)

Experience and qualifications

Mr. Dahi Al Mansoori is the Director of Studies at the Department of Economic Development in Abu Dhabi and has worked in several positions in the Department since 2003 until this date as Director Studies Department, Head Section of Economic Support, Head Section of Social Studies and Demographic and Economic Researcher. Mr. Dahi Al-Mansoori holds a bachelor's degree in Economics from the United Arab Emirates University.

Memberships and positions in other joint stock companies positions in any other important regulatory, government or commercial positions

Member of the Board of Directors of Gulfa General Investments PJSC

- Director of Studies at the Department of Economic Development in Abu Dhabi



Director
Jorg Klar



Category	Non-executive/ Independent
The period he spent as a Board member from the date of his first election	Since December 26, 2019 (the date he was appointed by the Board of Directors)
Experience and qualifications	<p>Mr. Klar is an experienced leadership personality with a 26 years track record in building and leading successfully teams of various sizes and capacities in the banking environment, including different CEO and board member responsibilities. Today he acts as a CEO of a large Asset Management Company in Liechtenstein, as a Board Member of a real estate company in Switzerland and as a COO of an MTF exchange Platform for Crypto exposure in Liechtenstein.</p> <p>Earlier in his carrier he performed in the capacity of a member of different Boards of Directors, as a CEO of a Swiss Bank, as a market developer and senior client advisor for UBS, LGT and LLB Group in the Private Banking UHNW segment.</p> <p>Mr. Klar holds a master’s degree in Economics from the University of Vienna (WU), Austria. Mr. Klar is a native speaker in German, speaks fluently English and French.</p>
Memberships and positions in other joint stock companies	Member of the Board of Directors of Gulfa General Investments PJSC

- B. Statement of the percentage of female representation in the Board for 2020 (In case of non-representation, please state that there is no representation).

The company did not have any female representation on the board of directors during 2020

- C. Statement of the reasons for the absence of any female candidate for the Board membership. (Explanatory example: No female candidate is nominated in the Board elections.

In the General Assembly meeting held on June 18, 2020, one female candidacy application was received, and her nomination request was approved based on her profile fulfilling all candidacy requirements, but she was unable to obtain a total number of votes that would allow her to win a seat in the board of directors.

- D. Statement of the following:

- 1- The total remunerations paid to the Board members for 2019.

No remunerations were paid to the Board members for 2019, since the company didn't achieve any profits during the said period

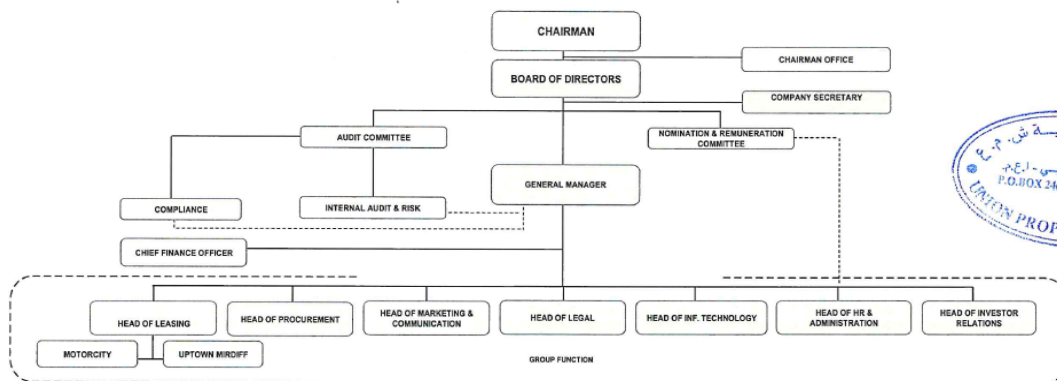


		documents on behalf of Union Properties as the owner, partner, or shareholder of the subsidiary companies.	
8	Khalifa Al Hammadi	Make the necessary and sign all documents on behalf of the company with Emirates NBD to adjust the prepaid amount for an asset in Motor City.	3 Years
9	Khalifa Al Hammadi	Disposing of the residential and commercial units owned by the company according to the rates approved by the Development Department (Strategy and Business Excellence) and Finance Department.	3 Years
10	Khalifa Al Hammadi	Taking all necessary measures to finalize the process of selling one of the company's assets, including signing all documents and dealing with all parties in this regard. In addition to the conclusion of any settlement agreements for the facilities or loans granted to the company, and he has the right to sell the assets owned by the company to complete the settlements and take all the legal procedures related to that.	3 Years
11	Abdulla Al Rustumani	Completing the sale of an asset, including signing all documents, and dealing with all parties in this regard.	None
12	Abdulla Al Rustumani	Authorization from the Board of Directors to implement and carry out a set of actions related to the company and its subsidiaries.	3 Years
13	Khalifa Al Hammadi Abdulla Al Rustumani	Signing the consolidated financial statements for the first and second quarters.	None
14	Khalifa Al Hammadi	Inviting the General Assembly to convene and taking all necessary legal measures to do so in accordance with the provisions of Article (302) of the Commercial Companies Law and Article (64) of the Company's Articles of Association.	None
15	Khalifa Al Hammadi	Appointing an entity with technical and financial expertise to work on (developing / approving) a plan to deal with accumulated losses, to be presented to SCA.	None
16	Abdulla Al Rustumani	Initiate negotiations and sign the SPA and all documents related to the Dubai Autodrome deal.	None
17	Abdulla Al Rustumani	Signing a non-binding memorandum of understanding that includes an exclusive period with an external party.	None
18	Abdulla Al Rustumani	Signing all the documents required for the purpose of acquiring some buildings.	None

H. Statement of the details of transactions made with the related parties (Stakeholders) during 2020, provided that it shall include the following:

No transactions made with related parties (Stakeholders) during 2020

I. The complete organizational structure of the company, which shall clarify managing director, the general manager and / or CEO, the deputy general manager and the managers working in the company such as the financial manager.



J. A detailed statement of the senior executives in the first and second grade according to the company organizational structure (according to 3-l), their jobs and dates of their appointment, along with a statement of the total salaries and bonuses paid to them, according to the following schedule:

#	Position	Appointment date	Total salaries and allowances paid for 2020 (AED)	Total bonuses paid for 2020 (AED)	Any other cash / in-kind bonuses for 2020 or due in the future
1	Acting General Manager	16/07/2017	981,700	-	-
2	Chief Financial Officer	01/03/2020	935,355	-	-
3	Head of Internal Audit and Risks	21/06/2020	259,877	-	-
4	Compliance Officer	19/12/2019	192,828	-	-
5	Head of Investor Relations	26/10/2020	167,890	-	-
6	Head of Human Resources and Administration	13/12/2020	18,334	-	-
7	Head of Legal	29/07/2018	475,972	-	-
8	Head of Marketing	Vacant	-	-	-
9	Head of Procurement	06/09/2020	220,152	-	-
10	Head of the leasing	05/05/2019	699,671	-	-
11	Head of IT	05/01/2020	244,257	-	-

4. External Auditor:

A. Submit an overview of the company auditor to shareholders.

Mazars Chartered Accountants - LLC is a multinational professional services company and is one of the largest auditing companies in the world. It has 40,400 employees in more than 91 countries around the world. With global revenues of € 1.8 billion, it provides verification services (including financial audits), taxes, advisory and consulting

services for companies. Mazars has been present in the Middle East for more than 10 years.

- B. Statement of fees and costs for the audit or services provided by the external auditor, according to the following schedule:

Name of the audit office and partner auditor	Mazars Chartered Accountants - LLC
Number of years he served as the company external auditor	From the General Assembly meeting held on June 18, 2020 to date
The number of years that the partner auditor spent auditing the company's accounts	From the General Assembly meeting held on June 18, 2020 to date
Total audit fees for 2020 in (AED)	AED 300,000
Fees and costs of other private services other than auditing the financial statements for 2020 (AED), if any, and in case of absence of any other fees, this shall be expressly stated.	AED 97,750
Details and nature of the other services (if any). If there are no other services, this matter shall be stated expressly.	Due Diligence
Statement of other services that an external auditor other than the company accounts auditor provided during 2020 (if any). In the absence of another external auditor, this matter is explicitly stated.	N/A



- C. Statement clarifying the reservations that the company auditor included in the interim and annual financial statements for 2020 and in case of the absence of any reservations, this matter must be mentioned explicitly.

As stated in the consolidated financial statements of the Company, the Group had attempted a review of the Masterplan for Dubai Motorcity in the previous year 2019 and for the current year 2020 and had submitted it for approval to the concerned regulatory authorities, a formal request for the issuance of revised affection plans with amended gross floor areas (GFA's). The Group had expected to receive the regulatory approval on the revised affection plans in near future and accordingly had assumed such approval in the inclusion of the GFAs in the valuation of Motorcity land bank. These treatments are departure from IFRS 13 - Fair Value Measurement. Consequently, the investment properties and equity were overstated by an amount of AED 351 million as at 1 January 2020. During the current year the Group has recorded a fair value gain of AED 898 million (2019: AED 351 million) which has resulted the overstatement of income during the year amounting to AED 898 million and corresponding overstatement in the equity and the carrying value of investment properties by the total gross amount AED 1,249 million as at 31 December 2020

5. Audit Committee:

- A. The Audit Committee Chairman's acknowledgment of his responsibility for the Committee system at the Company, review of its work mechanism and ensuring its effectiveness.

Mr. Dahi Al-Mansoori, Chairman of the Audit Committee, acknowledges his responsibility for the committee's system at the company and for his review of its working mechanism and ensuring its effectiveness

B. Names of the Audit Committee members and clarifying their competences and tasks assigned to them.

#	Name	capacity	from	to
1	Mr. Ahmed Al Damnhoury (Representative of NBB Capital Investment Company)	Chairman	26 December 2019	February 25, 2020
2	HE Hamad Al Mass	Member	26 December 2019	February 25, 2020
3	Mr. Jorg Klar	Member	26 December 2019	Until date
4	Mr. Dahi Al-Mansouri	Chairman	February 25, 2020	Until date
5	Mr. Ahmed Al Damnhoury (Representative of NBB Capital Investment Company)	Member	February 25, 2020	June 18, 2020
6	Mr. Fathi Ben Grira	Member	June 21, 2020	Until date



The terms of reference and functions assigned to the Audit Committee, as stated in the decisions of the Securities and Commodities Commission and the Committee's Charter, are focused on the following brief topics:

- Internal control, risk management and compliance (internal control and risk management systems, ensuring that the Board establishes an effective system of internal control, policies and procedures, code of conduct, compliance with applicable laws and regulations)
- Internal audit function (internal audit charter, organizational structure of the internal audit department and employees and the experience of officials, reporting, repeat internal audit, external companies to support the internal audit function, internal audit plans, necessary budgets, ensuring the availability of the necessary resources, the effectiveness of the internal audit function, commitment The standards of the Institute of Internal Auditors, restrictions encountered during the work of the auditor, inquiries of the internal auditor regarding financial records or control systems and follow up on the response of the company's board of directors, ensuring that the internal auditor has access to all documents and tools, the independence of the internal auditor, the meeting with the head of the internal audit function without the presence of any of the staff of the department or its representative, the results of any internal investigations, internal reports regularly submit written recommendations on that, the results of preliminary investigations in the internal control issues, and coordination between the internal and external auditors)
- Financial reports (the financial and accounting policies and procedures of the company, the integrity of the financial statements, disclosures and reports, overseeing the preparation of financial statements, accounting policies and practices, review of financial statements, accounting principles, practices and provisions, regulatory and accounting initiatives and structures that take place outside the balance sheet framework, the fundamental adjustment resulting from The audit process, the continuous operation of the company as a continuous establishment, listing rules, accounting standards and other legal requirements related to the preparation of financial reports decided by the authority, coordination with the Board Company management, administration, financial manager or responsible manager, taking into account important and exceptional items, important transactions, especially non-routine transactions, ignorance negligence, feasibility studies, periodic reports issued by regulatory authorities, letters of representation, correspondence with organizational or government agencies, legal issues that may It has a significant impact on the financial statements of the organization, the confidential and anonymous presentation by company employees of any concerns about questionable accounting or auditing matters to the committee).

"Mr. Dahi Al Mansoori, Nomination and Remuneration Committee Chairman, acknowledges his responsibility for the committee system in the Company, his review of its work mechanism and ensuring its effectiveness."

- B. Names of the Nomination and Remuneration Committee members and clarifying their competences and tasks assigned to them.

#	name	capacity	from	to
1	HE/ Hamad Al Mass	Chairman	26 December 2019	25 February 2020
2	Mr. Ahmed Al Damnhoury (Representative of NBB Capital Investment Company)	Member	26 December 2019	18 June 2020
3	Mr. Jorg Klar	Member	26 December 2019	Until date
4	Mr. Dahi Al-Mansouri	Chairman	25 February 2020	Until date
5	Mr. Fathi Ben Grira	Member	21 June 2020	Until date
6	Mr. Muhammad Al-Fardan	Member	21 June 2020	Until date
7	Mr. Darwish Ahmed Al Ketbi	Member	21 June 2020	Until date

A summary of the topics undertaken by the Nomination and Remuneration Committee as per the provisions of the Securities and Commodities Authority and the approved charter of the Committee are as follows: the candidacy policy for the membership of the Board of Directors and the executive management and the procedures related thereto, to ensure the independence of the independent members, the rewards and benefits policy, incentives and salaries for members of the Council and workers in The company, reviewing the required requirements of appropriate skills for membership in the board of directors, the structure of the board of directors, the company's needs for competencies, human resources policy, supporting the board of directors in evaluating the CEO and determining his remuneration , Compliance with applicable legal and regulatory requirements related to remuneration issues, Reporting to Board of Directors regarding evaluation of Board Members 'performance, Professional Development Plans and Staff Succession Plans, Board Members' Development Programs.

- C. Statement of number of meetings held by the Committee during 2020 and their dates, and statement of all Committee members' personal attendance of times.

members of NRC	Date of the meeting					
	01/03/2020	12/03/2020	24/03/2020	15/04/2020	13/05/2020	26/05/2020
Mr. Dahi Al-Mansouri	✓	✓	✓	✓	✓	✓
Mr. Jorg Klar	✓	✓	✓	✓	✓	✓
Mr. Ahmed Al-Damnhoury	X	x	x	x	x	x
Mr. Fathi Ben Grira						
Mr. Muhammad Al-Fardan						
Mr. Darwish Ahmed Al Ketbi						

7. The Supervision and Follow-up Committee of insiders' transactions.

- A. Acknowledgment by the Committee Chairman or the authorized person of his responsibility for the Committee system at the Company, review of its work mechanism and ensuring its effectiveness.
- B. Names of members of the Supervision and Follow-up Committee of insiders' transactions and clarifying their competences and tasks assigned to them.
- C. A summary of the committee's work report during 2020. (In case the committee was not formed, the reasons should be explained).



The Supervision and Follow-up Committee of insiders' transactions was formed, and its functions were define based on a board resolution dated 03/07/2018, The committee included in its membership a number of employees at that time, and as a result of the resignation of many of them, it is currently being proposed to reactivate the committee to nominate new members who will activate the functions and role of the committee, starting from 2021

8. Any other committee (s) approved by the Board.
- A. The Committee Chairman's acknowledgment of his responsibility for the Committee system at the Company, review of its work mechanism and ensuring its effectiveness.
 - B. Name of Committee (s).
 - C. Names of each committee members, clarifying its competences and tasks assigned thereto.
 - D. Statement of number of meetings held by the Committee during 2020 and their dates, and all Committee members' personal attendance times.

N/A

9. Internal Control System:

- A. Acknowledgment by the Board of its responsibility for the Company internal control system, review of its work mechanism and ensuring its effectiveness.

The members of the Board of Directors acknowledge their responsibility for the internal control system in the company and for its review of its working mechanism and to ensure its effectiveness. The Board reviewed the Governance Report for the year 2020 at the Board of Directors meeting held on 3/21/2021 and decided to approve it.

- B. Name of the department director, his qualifications and date of appointment.

Mr. Parvaiz Bhutto from 5th August 2018 till 16th January 2020

Mr. Mehmet Baris Timur since 21st of June 2020.

Mr. Timur is an Internal Audit & Risk Professional who currently holds the position of Head of Internal Audit at Union Properties PJSC. Mr. Timur started his professional career in September 2006 in Ernst & Young Istanbul, Assurance Advisory Business Services; in February 2008 Mr. Timur joined Ernst & Young Dubai, Business Risk Advisory Services. He then continued his experience in various reputable financial services firms in the United Arab Emirates.

Over the last 15 years in total, Mr. Timur has been involved in delivering internal audit/internal controls, business risk management, external audit related advisory services and has held various Senior Roles in the Advisory, Banking & Financial Services industries. His experience briefly spans the areas of internal audit/internal controls, corporate governance, risk management, legal & regulatory compliance. Mr. Timur holds the degree of BA in Public Finance and his country exposure includes Turkey, Saudi Arabia, Kuwait, Iran and United Arab Emirates.

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



On February 1, 2019, the company appointed Mr. Muhammad Bilal Akbar as the compliance officer.

Mr. Muhammad Bilal Akbar is a member of the Association of Chartered Certified Accountants (ACCA), the Pakistan Institute of Financial Accountants (PIPFA) and the Association of Accountants and Auditors (AAA). He has extensive experience and varied experience in qualification for more than four years in the field of audit, insurance, accounting consulting, risk management and tax. He has managed several tasks including full scope audits, limited compliance audits, agreed procedures, internal audits, and special audits in accordance with International Financial Reporting Standards and local regulatory requirements. Prior to joining Union Properties, Mr. Akbar worked for "Morrison Menon", Chartered Accountants and Crowe International in Abu Dhabi, in addition to other companies in Pakistan.



- D. How the Internal Control Department dealt with any major problems at the Company or those that were disclosed in the annual reports and accounts (in case of the absence of major problems, it must be mentioned that the Company did not face any problems).

As and when a high-risk issue is identified by the Internal Audit Department, the same is escalated to the Audit Committee of Union Properties for further submission to the Board of Directors of the Company in order to immediately take the necessary actions and resolution of the matter.

- E. Number of reports issued by the Internal Control Department to the Company's Board of Directors.

The Internal Audit Department has issued 1 (one) follow up audit update for the review of Audit Committee as of the date for the year 2020 (October). The update summary consists of the follow up on resolution of the issues highlighted for FY'2018 and FY'2019. In year FY'2020 due to the movement and various restrictions as a result of the pandemic, the Internal Audit Department was on hold with its operations until the new department head was appointed by the Company's NRC on the 21st of June 2020. Thereafter, it was agreed and approved by the Audit Committee of the Company that the audit plan for the rest of FY'2020 shall be limited with follow up audits exercise.

10. Details of the violations committed during 2020, explaining their causes, how to address them and avoid their recurrence in the future.

During the year 2020, the Securities and Commodities Authority issued a warning to the company for not using the electronic disclosure system "XBRL" * to disclose the semi-annual financial statements for the year 2020 on time. Those in charge of the disclosure process via the electronic system "XBRL" have been alerted to put in place the necessary internal procedures to ensure that the violation is not repeated.

*(Note: The financial results were disclosed on the Dubai Financial Market website within the legal time limit in accordance with the regulations and)

11. Statement of the cash and in-kind contributions made by the Company during 2020 in developing the local community and preserving the environment. (In case of the absence of contributions, it must be mentioned that the Company has not made any contributions.)

Contribution nature	Contribution type	Contribution value
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Union Properties PJSC
Paid Up Capital: AED 4,289 Million
Commercial Registration 42894

الاتحاد العقارية ش.م.ع
رأس المال مدفوع: 4,289 مليون درهم
سجل التجاري: 42894

Blood Donation is organized on a periodic basis in coordination with DHA and Latifa Hospital and provided some snacks and beverages for the attending staff and employees donating blood on the day. This was conducted in February and in July 2020.	In-Kind	-
A sanitization and fumigation drive were conducted in Motor City to ensure a clean and hygienic community.	In-Kind	-
Breast Cancer Awareness Campaign was organized for all employees in the company. Pinks masks and Pink T-shirts were distributed to all staff. A webinar on the awareness of Breast Cancer was also conducted in collaboration with Prime Medical.	In-Kind	-
Basic English Language Training was conducted by Smart Life for the employees to enhance communication skills.	In-Kind	-
MEP Technical Trainings and Refresher Trainings were conducted regularly in the ServeU Technical Training Academy and on site. A total of 2,234.5 Manhours of Training was achieved.	In-Kind	-
Housekeeping Refresher skill trainings were conducted regularly in the ServeU Soft services Academy and on site. A total of 4390 Manhours of Housekeeping Skills Training was achieved.	In-Kind	-
Breast Cancer Awareness Campaign was organized for all employees in the company. Pinks masks and Pink T-shirts were distributed to all staff. A webinar on the awareness of Breast Cancer was also conducted in collaboration with Prime Medical.	In-Kind	-



12. General Information:

A. Statement of the company share price in the market (closing price, highest price, and lowest price) at the end of each month during the fiscal year 2020.

<u>End of month</u>	<u>Lowest price</u>	<u>Highest price</u>	<u>Closing price</u>
January 2020	0.198	0.274	0.202
February 2020	0.181	0.234	0.201
March 2020	0.15	0.229	0.207
April 2020	0.199	0.326	0.306
May 2020	0.262	0.317	0.267
June 2020	0.257	0.386	0.3
July 2020	0.271	0.304	0.288
August 2020	0.29	0.355	0.309
September 2020	0.285	0.313	0.298
October 2020	0.258	0.318	0.282
November 2020	0.254	0.28	0.276
December 2020	0.269	0.319	0.28

B. Statement of the Company comparative performance with the general market index and sector index to which the Company belongs during 2020.

<u>End of month</u>	<u>UPP Closing price</u>	<u>DFM Index</u>	<u>Real estate index</u>
January 2020	0.202	2,790.42	3,622.50
February 2020	0.201	2,590.00	3,199.99
March 2020	0.207	1,771.31	2,095.85
April 2020	0.306	2,026.61	2,583.68

Union Properties PJSC
Paid Up Capital: AED 4,289 Million
Commercial Registration 42894

الاتحاد العقارية ش.م.ع
رأس المال مدفوع: 4,289 مليون درهم
سجل التجاري: 42894

May 2020	0.267	1,945.09	2,405.26
June 2020	0.3	2,065.28	2,589.42
July 2020	0.288	2,050.77	2,598.92
August 2020	0.309	2,245.29	2,769.86
September 2020	0.298	2,273.48	2,758.31
October 2020	0.282	2,187.86	2,718.41
November 2020	0.276	2,419.60	3,168.00
December 2020	0.28	2,491.97	3,397.39



C. Statement of the shareholders ownership distribution as on 31/12/2020 (individuals, companies, governments) classified as follows: local, Gulf, Arab and foreign.

Ser.	Shareholders classification	Percentage of owned shares			
		Individuals	Companies	Government	Total
	Local	58.89	15.54	0.03	74.46
	Arab	13.57	3.66	-	17.24
	Foreign	3.6	4.7	-	8.3
	Total	76.06	23.91	0.03	100.00

D. Statement of shareholders owning 5% or more of the Company's capital as on 31/12/2020 according to the following schedule:

There is no shareholder owning 5% or more of the company's shares as on December 31, 2020

E. Statement of how shareholders are distributed according to the volume of property as on 31/12/2020 according to the following schedule:

Ser.	Share (s) ownership	Number of shareholders	Number of owned shares	Percentage of owned shares of the capital
1	Less than 50,000	5906	83,817,913	1.95%
2	From 50,000 to less than 500,000	4118	670,755,733	15.64%
3	From 500,000 to less than 5,000,000	1075	1,386,772,196	32.33%
4	More than 5,000,000	120	2,148,194,292	50.08%

F. Statement of measures taken regarding the controls of investor relationships and an indication of the following: -

An official has been appointed responsible for all the tasks related to investor relations management, he is fluent in speaking in both Arabic and English and holds master's degrees in financial markets and a Bachelor's in economics in addition to many scientific certificates

and training courses and has practical experience in stocks, foreign currencies and derivatives, and is a financial analyst accredited by the Securities Authority Finance and commodities. The company has disclosed the Company's material information in a timely manner on the DFM and company's websites, in compliance with the Securities and Commodities Authority's decisions to ensure easy access to information by investors and the public. The company's website includes company profile, subsidiaries, projects, investor relations, press news, and ways to communicate with the company. The Investor Relations section of the company's website contains a "fact sheet" that highlights a summary of some financial information, audited and audited financial statements, annual reports, company disclosures, dividends, a financial calendar, and corporate governance.

- Name of the investor relationships officer.
 - Mr. Manaf Al Mallouhi (until May 2020)
 - Mr. / Mohamed Shafer Adnan Al Mzayek
- Data of communication with the investor relationships
 - e-mail: IR@up.ae
 - phone: 04 8066667
 - mobile: 055 448 4545
- The link of investor relationships page on the Company's website.
<https://up.ae/investor-relations>

G. Statement of the special decisions presented in the General assembly held during 2020 and the procedures taken in their regard.

A number of decisions that require the issuance of a special decision from the General Assembly were presented for Approval during the year 2020, but those decisions did not meet the quorum required for approval.

H. Rapporteur of the Board meetings.

- Name of the rapporteur of the Board meetings.

Fadi Abdul Rahim Samara from January 2016 to February 2020 and before that from June 2012 to February 2013

Jad Khoueis from February 2020 to June 2020

Asem Al Jazzazi since June 2020

I. Detailed statement of major events and important disclosures that the Company encountered during 2020.

January 23, 2020	AED 200 million, the value of the new expansion in the Dubai Autodrome, the perfect destination for racing and car enthusiasts. A study of the transformation of three companies belonging to the Union Properties into private joint stock companies.
February 16, 2020	Union Properties is looking forward to enhancing its revenue sources through its subsidiaries.
February 25, 2020	Appointment of Mr. Dahi Youssef Ahmed Abdullah Al Mansouri as a member of the Board of Directors to succeed the resigned member of the Board of Directors His Excellency, Hamad Abdullah Al Mas.
February 25, 2020	Mr. Khalifa Hassan Ali Saleh Al Hammadi was elected by acclamation as Vice Chairman.
March 11, 2020	Union Properties Board of Directors discusses the transformation into a holding company. Union Properties enters into an agreement of understanding with "China National Chemical Engineering" Ltd.
March 15, 2020	Approval of the resignation of Mr. Rishi Raj Vig and the appointment of Mr. Abdullah Al Rustumani as his successor.
April 09, 2020	Disclosure by the company regarding the extent of exposure to the debts of NMC Healthcare Group and its sister companies.
May 27, 2020	A company affiliated with Union Properties initiates legal procedures to claim about AED 5.1 billion.





June 18, 2020	Election of members of the Board of Directors.
June 21, 2020	Election of the Chairman and Vice Chairman of the Board of Directors.
June 21, 2020	Appointment of Mr. Abdullah Al Rustumani as Acting General Manager.
June 28, 2020	The last phases of debt restructuring.
July 16, 2020	Clarification of the news published in some of the media.
August 9, 2020	Union Properties (PJSC) completes initial strategic plans for the company and prepares to launch "Motor City Hills".
August 10, 2020	Union Properties (PJSC) has successfully completed its debt restructuring with Emirates NBD.
August 15, 2020	Union Properties (PJSC) shrank its net losses by 68% in the second quarter of 2020 compared to the first quarter.
August 17, 2020	Clarification of news published in the media.
September 2, 2020	Union Properties (PJSC) appoints BH Mubashir as a liquidity provider for its shares.
September 24, 2020	Union Properties PJSC receives an offer of AED 400 million to buy a share in "Dubai Autodrome" and is discussing the acquisition of existing investment real estate assets.
October 1, 2020	Disclosure of the agreement on an exit deal.
October 1, 2020	Disclosure of the acquisition deal.
October 7, 2020	AED 490 million is the amount of the capital increase of three companies belonging to Union Properties PJSC.
October 13, 2020	Union Real Estate PJSC achieved profits of more than AED half a billion dirhams in the third quarter.
October 26, 2020	AED 70 million is the value of payments made by Union Properties PJSC within the debt restructuring agreement.

J. Statement of Emiratization percentage in the Company at the end of 2018, 2019, 2020 (workers are excluded for companies working in the field of contracting).

#	Year	Percentage of Emiratization
1	2018	5.11%
2	2019	6%
3	2020	5.18%

K. Statement of innovative projects and initiatives carried out by the company or being developed during 2020.

Union Properties and its subsidiaries work to contribute in preserving the environment, and with the prominent impact on climate change worldwide, the company seeks to be the forerunner in sustainable and environmentally friendly projects, by developing projects that favor the use of renewable energy technology characteristics, "solar energy" that can support partially the electrical power requirements of her organization

Board Chairman

Internal Control

Audit Committee
Chairman



NRC Chairman