



الاتحاد العقارية
Union Properties

GOVERNANCE REPORT 2024



تاكيا
TaKaYa
UNION
PROPERTIES

Union Properties PJSC

Union Properties PJSC ("the Company") was established on 28/10/1993 as a Public Joint Stock Company pursuant to a Ministerial decree in the United Arab Emirates.

The Company's main activities include Real Estate Investment and development, property management and maintenance, including the operation of its own cold stores, real estate services, serving as a holding company for its subsidiaries, and joint venture investments.

The Company and its subsidiaries are referred to as the "Group." All of the Group's significant business and investment activities in securities, real estate, land, and financial derivative instruments are conducted in the UAE. Over three decades, Union Properties PJSC has developed major residential, commercial, industrial and entertainment projects in the Emirate of Dubai.

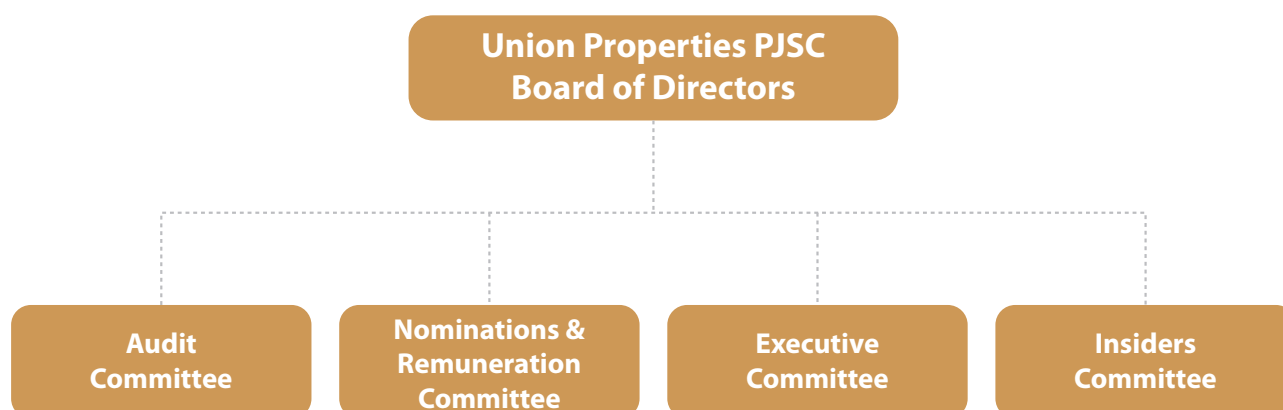
1- Measures taken to complete the Corporate Governance System during 2024 and the Application Technique

Union Properties PJSC is committed to applying the highest standards of corporate governance, driven by an integrated set of core values that combine professional ethics, institutional integrity, and international best practices in the field of compliance. The institutional values on which the company's framework is based are transparency, integrity, disclosure and accountability, which in their entirety represent an important reference for members of the Board of Directors, senior management and employees alike.

The corporate governance framework takes into account all the principles and standards specified and applied by the Securities and Commodities Authority (SCA) and the Dubai Financial Market (DFM) along with the provisions of Federal Law No. (32) of 2021 on Commercial Companies in determining trends and requirements of Union Properties PJSC.

Union Properties PJSC complies with the Chairman of SCA Chairman of Authority's Board of Directors' Decision no. (3/R.M) of 2020 concerning Approval of Joint Stock Companies Governance Guide, the Articles of Association of Companies, as amended, and Federal Law No. (32) of 2021 on Commercial Companies from time to time.

The figure below shows the corporate governance structure developed and implemented by Union Properties, which aims to enhance good governance practices followed by the Company's Board of Directors and executive departments alike. All of the above sub-units operating under the umbrella of "Union Properties" have an independent department responsible for implementing operations. However, they are supervised in terms of strategy, compliance, governance, risks, and audits by means of a standardized structure.



Board of Directors (Article 6 of Decision No. 3/R.M of 2020, as amended):

The Company shall be managed by a Board. Its Articles of Association shall determine the method of forming that Board, the number of its members, and its membership terms. It was determined that the Chairman and the majority of the Board of Directors would be Emirati nationals in 2024 in order to meet the standards of Decision No. 3/R.M of 2020, as amended, regarding the formation of the company's board of directors of executive, non-executive, and independent members, as well as the appropriate skills, experience, and capabilities required for board membership. The Board of Directors also appointed a Chief Executive Officer for management from among its members and cancelled the Managing Director position. The Board determined the Chief Executive Officer's powers and remuneration. The Chief Executive Officer is not permitted to be a CEO or general manager of another company.

Board Committees (Article 53 of Decision No. 3/R.M of 2020, as amended):

The Board of Directors has the authority to form Board committees and delegate powers to these committees as it deems necessary or appropriate. The Board also delegates certain tasks to these committees. This does not mean that the Board of Directors is exempted from responsibility for the activities or tasks and powers delegated to these committees. Board Committees are an effective means of distributing work among Board members to carefully consider specific issues in detail. All Board committees perform their duties on behalf of the Board of Directors. Thus, the Board of Directors is responsible for forming, appointing, selecting, and determining the term of the committees' membership. Each committee, once formed, shall be responsible before the Board of Directors for its activities.

This does not mean relieving the Board of Directors of responsibility for the activities, tasks, and powers delegated to the committees. The Board of Directors must guarantee that the members of the Board committees are appropriately composed, qualified, and have the proper powers.



Audit Committee (Articles 60 and 61 of Decision No. 3/R.M of 2020, as amended):

The Board of Directors has formed a permanent committee called the Audit Committee. The members of this committee shall have the appropriate experience and competence, and at least one of them must have experience and knowledge in financial and accounting matters. The committee oversees the integrity of the company's financial statements, recommends changes in accounting policies and practices required for the company's control and financial systems, appoints third-party auditors, and ensures that the laws and the company's articles of association are applied.

The committee meets with the auditor to examine the nature and extent of the audit process, as well as its efficacy in line with the authorized auditing standards and is eager to build a positive relationship with them. The committee is also in charge of supervising the operation of internal control and making recommendations for improving its effectiveness.

Nominations and Remuneration Committee (Article 59 of Decision No. 3/ R.M of 2020, as amended):

The Board of Directors forms a permanent committee called the Nominations and Remuneration Committee. All members of this committee must have the appropriate experience and competence. The committee shall hold its meeting at least once a year or whenever necessary. This committee helps the Board of Directors carry out its responsibilities with regard to the qualifications, wages, appointment and replacement of senior management employees. It also supervises the nomination process for membership in the Board of Directors and sets the membership nomination policy of the Board of Directors. The committee aims to take into account gender diversity within the formation and encourage women through incentives and training benefits and programs, and to provide the Authority with a copy of this policy and any amendments thereto. It prepares the policy for granting rewards, benefits, incentives and salaries to members of the Company's Board of Directors and employees and reviews it annually.

The committee must verify that the rewards and benefits granted to senior executive management are reasonable and commensurate with the Company's long-term performance. Additionally, it must review the structure of the Board of Directors and recommend changes that can be made, while ensuring that there is an appropriate and updated plan for the succession of authority to the Company's senior executives and the chairs of the Board committees in accordance with Federal Law No. (32) of 2021, as amended, Chairman of SCA Board of Directors' Decision No. (3/ R.M) of 2020 and its amendments concerning Approval of Joint Stock Companies Governance Guide, and the Articles of Association of Companies. It also works persistently to ensure the independence of the independent members of the Board of Directors.



Executive Committee (Article 56 of Decision No. 3/ R.M of 2020, as amended):

The Board of Directors shall constitute a committee called the Executive Committee, whose functions shall be to assist the Board. The Executive Committee shall undertake the following tasks:



A member of the Executive Committee shall be fully responsible for his duties, even if he delegates some of his powers to committees, individuals, or others. The majority of the members of the Executive Committee shall constitute a quorum for the meeting, and a member of the Committee may not be represented by proxy in meetings by any other member of the Executive Committee. Non-members of the Board of Directors may attend meetings under permission from the Chairman of the Executive Committee.

The decisions of the Executive Committee shall be issued by a majority of the votes present. In the event of a tie, the Chairman shall have a casting vote. Executive Committee meetings are documented through minutes including the meeting details, in particular the attendees' names, deliberations, voting results, recommendations, and any reservations, if any. These minutes are signed by all attending members.

Insiders Committee "Insiders' Transactions Supervision and Follow-up Committee" (Article 33 of Decision No. 3/R.M of 2020):

The Company's Board of Directors has issued written rules regarding the Transactions of the Company's board members and employees in securities issued by the Company. It has formed a special committee, the Insiders' Transactions Supervision and Follow-up Committee, to manage, follow up, supervise and monitor the transactions of insiders and their properties and keep their record.

A special and comprehensive register has been prepared for all insiders, including people who may be considered temporary insiders and who have the right or access to view the Company's internal information before it is published. The register also includes prior and subsequent disclosures regarding insiders. The Authority and the Market are constantly advised of an updated list of insider names at the start of each fiscal year, as well as any changes made during the fiscal year.

2- A statement of the ownership and transactions of Board Members, their spouses, and their children in the company's securities during the year 2024, according to the following table:

Sr.	Name	Position/Relation	Owned as on 31/12/2024	Total sale process	Total purchase process
1	Mohamed Fardan Ali Al Fardan	Chairman	23,000,000	-	-
2	Amer Abdulaziz Hussain Khansaheb	Chief Executive Officer and Board Member	56,500,000	-	11,700,058
3	Saif Bin Abdulaziz Bin Yagub Yousef Alserkal	Board Member	995,000	-	975,335
4	Darwish Abdullah Darwish Ahmed Al-Ketbi	Board Member	3,000	-	-



Formation of the Board of Directors 2024

The Company's current Board of Directors consists of seven members, including six independent, non-executive members, one executive member, and a female member in order to comply with the decision of the Chairman of the Securities and Commodities Authority Decision No. 3/R.M of 2020 on the necessity of nominating the female component on the Board of Directors, as is clear in the data below, which explains Formation of the company's Board of Directors as of 31/12/2024.



Mr. Mohamed Fardan
Ali Al Fardan
Chairman

Mr. Mohamed Al Fardan was appointed as member of Board of Directors of Union Properties PJSC during the Company's Annual General Assembly meeting held on June 18, 2020, and then after during the company's Annual General Assembly meeting held on April 17, 2023. Then, at the Board of Directors meeting held on December 15, 2021, and April 28, 2023, the Board of Directors appointed Mr. Mohamed Al Fardan as Chairman of the Board of Directors.

Mr. Mohamed 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.

Mr. Mohamed 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



Mr. Abdul Wahab Al-Halabi

Vice Chairman

Mr. Abdul Wahab Al-Halabi was appointed as a member of the Board of Directors of Union Properties PJSC during the Company's Annual General Assembly meeting held on June 18, 2020, and then after during the Company's Annual General Assembly meeting held on April 17, 2023. At the Board of Directors meeting held on December 15, 2021 and then at the Board of Directors meeting held on April 28, 2023, the Board of Directors appointed Mr. Abdul Wahab Al-Halabi as Vice Chairman of the Board of Directors.

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.

Abdul Wahab Al-Halabi is a board member of several companies such as a Board member of Abu Dhabi Islamic Bank, a Board member of Massaleh Investment, a Board member of TPL Properties limited, a Board member of Houlihan Lokey MEA Limited, and also a Director at Decker & Halabi DMCC.

Mr. Abdul Wahab Al Halabi holds an executive MBA from Ecole des Ponts ParisTech and a degree from the London School of Economics.



Eng. Amer Abdulaziz Hussain Khansaheb

Executive Board Member and Chief Executive Officer
of Union Properties PJSC
Managing Director, Khansaheb Investment
Board Member, Bank of Sharjah

Eng. Amer Khansaheb was elected as a Member of the Board of Directors of Union Properties during the Company's General Assembly Meeting on December 14, 2021, and subsequently, during the General Assembly Meeting on April 17, 2023. Following this, the Board of Directors elected Eng. Amer Khansaheb as Managing Director of the Company in their meeting on 15 December 2021, granting him all the necessary authority to manage the Company. Later, in the Board of Directors third meeting on May 14, 2024, Eng. Amer Khansaheb was appointed as Chief Executive Officer.

Eng. Amer Khansaheb is a visionary leader with a track record of achievements spanning several years. He is the CEO and Board Member of Union Properties PJSC, one of the largest Real Estate development companies with prominent projects in the UAE. With UP's distinguished legacy in delivering premium landmark projects, Eng. Khansaheb spearheads the operations of the Company and its diverse subsidiaries and communities, including Motor City, Dubai Autodrome, ServeU, EDACOM, The Fitout, GMAMCO, and Uptown Mirdiff.

In addition to his pivotal role at UP, Eng. Khansaheb also serves as the Director of Khansaheb Investment, one of UAE's longest-standing family-owned business Group. Under his visionary leadership since 2012, Khansaheb Investment has emerged as a market leader, propelled by strategic expansion initiatives and a steadfast commitment to excellence.

His experience spans several industries, including Real Estate development, construction management, investment management and financial analysis. He also serves on the board of the Bank of Sharjah. As a Chartered Financial Analyst (CFA charter holder since 2010), he has extensive knowledge of the sector as well as a rigorous analytical mind. From 2013 until 2019, he served in a volunteering capacity as the president of the CFA Society Emirates.

He earned a Bachelor of Science in Civil and Environmental Engineering from the American University of Beirut following which he pursued a Master of Science in Project Management from the British University of Dubai.



Mr. Darwish Abdulla Darwish Ahmed Al Ketbi

Board Member

Mr. Darwish Al Ketbi was appointed as a member of the Board of Directors of Union Properties PJSC at the Company's Annual General Assembly Meeting held June 18, 2020, and once again during the Company's Annual General Assembly meeting held on April 17, 2023.

Mr. Darwish Al Ketbi has stock market surveillance experience with in-depth knowledge of alternative investments, structured products, and sophisticated trading strategies.

Mr. Al Ketbi holds a science bachelor's degree in business administration, Finance major, and a Bloomberg Education Certificate. He currently holds several positions: a member of the Board of Directors of Darwish Cybertech India Private Limited, and the Investment and Portfolio Manager at Darwish Bin Ahmed & Sons.



Mr. Saif Al Serkal

Board Member

Mr. Saif Al Serkal was appointed as a member of the Board of Directors of Union Properties PJSC at the Company's Annual General Assembly Meeting held on April 17, 2023.

Mr. Saif graduated with a finance degree from California State University. He joined PWC from 2010 to 2013, he worked on mergers of banks in the GCC and has advised on bonds ratings and acquisitions in the region.

Subsequently, he joined sheikh Hamadan bin Mohammed Heritage Center as an internal audit manager, worked on installing an audit system, enhanced the payments and receivables system, and managed all the expenses of his highness championships. In 2017, he joined Al Mal Capital, worked in direct investments, managed to work on Real Estate deals, and worked on floating the first REIT in DFM. Mr. Al Serkal is the Head of business development in Al Mal Capital and worked on investments in technology companies in the United States along with investments in the Real Estate sector there as well.



Ms. Afaf Al Kontar

Board Member

Ms. Afaf Al Kontar was appointed as a member of the Board of Directors of Union Properties PJSC at the Company's Annual General Assembly Meeting held on April 17, 2023.

Ms. Afaf Al Kontar holds a bachelor's degree in business administration. She is a highly experienced and accomplished modernized HR professional; she has made a significant impact as the Chief Human Resources Officer at Darwish Bin Ahmed and Sons Group. She has displayed exceptional leadership skills while managing the HR, PR, and Administration function for a vast and diverse workforce of 6500+ employees across multiple locations in the UAE, Saudi Arabia, and Oman.

She has over 10 years of expertise in Sales and Operations management, Supply Chain management, and Business Development. Her impressive track record includes driving revenue growth, increasing operational efficiency, and expanding product portfolios to enter new markets. She is skilled in managing exclusive dealership of MAN truck and bus in the UAE market, as well as handling sales divisions of various equipment related to Construction, Oil & Gas field, Power Generation, Marine, and Material Handling/Logistics industry.

With excellent leadership skills, she has built and led high-performing teams, fostered a culture of innovation, collaboration, and accountability, and established strategic partnerships with suppliers and vendors to improve supply chain and product quality.



Mr. Abdulrahman Sharaf

Board Member

Mr. Abdulrahman Sharaf was appointed as a member of the Board of Directors of Union Properties PJSC by a Board of Directors decision taken by circulation on August 2, 2023, to complete the tenure of the resigned member.

Mr. Abdulrahman Sharaf has more than 15 years of practical experience in the capital markets sector in the United Arab Emirates, where he began his career working at Dubai Financial Market and then moved to work at Securities and Commodities Authority - the supervisory and regulatory body for the capital markets sector in the mainland in UAE. During his time at SCA, he served as the Head of Capital Market Intermediaries Supervision Section and later as the Head of Anti-Money Laundering & Terrorist Financing Section. He also worked at Capital Market Authority of Saudi Arabia as a secondee.

Currently, Mr. Abdulrahman Sharaf is serving as AML Advisor at Ministry of Economy.

Mr. Abdul Rahman Sharaf holds a bachelor's degree in accounting from the Higher Colleges of Technology in Dubai with distinction and is a graduate of the United Arab Emirates Government Leadership Program.

Mr. Abdul Rahman Sharaf is a registered accounting and securities expert with the Federal Courts of UAE, Dubai Courts and Abu Dhabi Judicial Courts.

Mr. Abdulrahman Sharaf is a certified auditor with the Ministry of Economy and a fellow of the Emirates Association of Accountants and Auditors and a Certified Compliance Officer by ICA.

- A statement of the percentage of female representation on the Board of Directors for 2024 (in the event of no representation, please state that there is no representation).

The female representation is presented by one member, Ms. Afaf Al Kontar, who was elected as a member in the Board of Directors during the Annual General Assembly meeting held on April 17, 2023.

- A statement of the rewards, allowances and fees received by members of the Board of Directors:

1- Total remuneration for board members paid for the year 2023:

Board Member	Fees proposed for each member
Mohamed Fardan Ali Al Fardan	AED 200,000
Abdul Wahab Al-Halabi	AED 200,000
Amer Abdulaziz Hussain Khansaheb	AED 200,000
Abdulrahman Sharf	AED 200,000
Darwish Abdullah Darwish Ahmed Al-Ketbi	AED 200,000
Saif Bin Abdulaziz Bin Yagub Yousef Alserkal	AED 200,000
Afaf Al Kontar	AED 200,000
Total	AED 1,400,000

2- The total proposed remuneration for Board Members for the year 2024, which will be presented at the Annual General Assembly meeting for approval.

It was proposed to pay a bonus to members of the Company's Board of Directors in view of the efforts made, and the clause approving a proposal regarding bonuses for Board Members and specifying them was included in the agenda of the Company's Annual General Assembly meeting in order to approve it.

Board Member	Bonus proposed for each member
Mohamed Fardan Ali Al Fardan	AED 1,150,000
Abdul Wahab Al-Halabi	AED 600,000
Amer Abdulaziz Hussain Khansaheb	AED 200,000
Darwish Abdullah Darwish Ahmed Al-Ketbi	AED 120,000
Saif Bin Abdulaziz Bin Yagub Yousef Alserkal	AED 200,000
Abdulrahman Sharf	AED 200,000
Afaf Al Kontar	AED 200,000
Total	AED 2,670,000

3- A statement of details of the allowances for attending the sessions of the committees emanating from the Board Members received for the fiscal year of 2024 according to the following table:

Name of the members of the subsidiaries' committees from the Board of Directors	Nominations and Remuneration Committee	Audit Committee	Executive Committee	Fees for Committee Membership	Fees for Attendance	Number of Meetings	Fees Proposed for each Member
Abdul Wahab Al-Halabi	*member	*member	**Chairperson	600,000	345,000	16	945,000
Amer Abdulaziz Hussain Khansaheb			*member			5	
Darwish Abdullah Darwish Ahmed Al-Ketbi	*member	*member		400,000	200,000	10	600,000
Saif Bin Abdulaziz Bin Yagub Yousef Alserkal	**Chairperson		*member	400,000	225,000	10	625,000
Abdul Rahman Sharaf		**Chairperson		200,000	150,000	6	350,000
Total							2,520,000

** Fees of Attendance for Chairperson: 25,000

* Fees of Attendance for Member: 20,000



4- Details of the additional allowances, salaries, or fees received by Board Member, other than committee attendance allowances, and their reasons.

In Addition to what is mentioned above, The Managing Director, Eng. Amer Khansaheb, has received an amount of 12,000,000 as a bonus for year 2023 for his great efforts in managing the Company and turning it to profitability and achieving gross profit around 838 million dirhams.

The number of Board of Directors meetings held during the fiscal year 2024, indicating the dates they were held, and the number of times all members attended in person, with a statement of the members attending by proxy (the names of the Board Members must match what is mentioned in Clause (3A) above).

Sr.	Meeting Date	No. of attendees	No. of attendees by proxy	Absent Members Name
1	12/03/2024	7 members out of a total of 7 as follows: - Mohamed Al Fardan - Abdul Wahab Al Halabi - Amer Khansaheb - Darwish Al Ketbi - Abdul Rahman Sharaf - Saif Alserkal - Afaf Al Kontar	N/A	N/A
2	26/03/2024	6 members out of a total of 7 as follows: - Mohamed Al Fardan - Abdul Wahab Al-Halabi - Amer Khansaheb - Abdul Rahman Sharaf Saif Alserkal - Afaf Al Kontar - Saif Alserkal	N/A	Darwish Al Ketbi
3	14/05/2024	6 members out of a total of 7 as follows: - Mohamed Al Fardan - Abdul Wahab Al-Halabi - Amer Khansaheb - Abdul Rahman Sharaf Saif Alserkal - Afaf Al Kontar - Saif Alserkal	N/A	Darwish Al Ketbi
4	01/08/2024	7 members out of a total of 7 as follows: - Mohamed Al Fardan - Abdul Wahab Al-Halabi - Amer Khansaheb - Darwish Al Ketbi - Abdul Rahman Sharaf - Saif Alserkal - Afaf Al Kontar	N/A	N/A
5	25/10/2024	7 members out of a total of 7 as follows: - Mohamed Al Fardan - Abdul Wahab Al-Halabi - Amer Khansaheb - Darwish Al Ketbi - Saif Alserkal - Afaf Al Kontar - Abdul Rahman Sharaf	N/A	N/A

- The number of Board of Directors decisions issued by circulation during the fiscal year 2024, indicating their dates:

N/A

4- Board Committees

- Audit Committee:

a. An acknowledgment from the Chairman of the Audit Committee of his responsibility for the committee's system in the Company and for reviewing its work mechanism and ensuring its effectiveness.



Mr. Abdul Rahman Sharaf, Chairman of the Audit Committee, acknowledges his responsibility for the committee's system in the Company and for reviewing its work mechanism and ensuring its effectiveness.

b. Names of the members of the Audit Committee, and a statement of its powers and tasks assigned to it.

Mr. Abdul Rahman Sharaf (Chairman of the Committee)

Mr. Abdul Wahab Al-Halabi (Member)

Mr. Darwish Al Ketbi (Member)

The Board Members took decisions by passing on N/A

A statement for Audit Committee's powers, responsibilities and duties. Duties of Audit Committee

The Audit Committee shall perform the following tasks and duties:

1. Review the company financial and accounting policies and procedures.
2. Monitor and review the integrity of the Company financial statements and reports (annual, semi-annual and quarterly) and its control regulation as part of its normal operation during the year. It shall concentrate in particular on the following:
 - a) Any changes in accounting policies and practices.
 - b) Highlighting of the aspects subject to the management discretion.
 - c) Ensure that the Company annually updates its policies, procedures and control systems.
 - d) Substantive amendments resulting from the audit.
 - e) Assumption of business continuity.
 - f) Compliance with the accounting standards established by the Authority.
 - g) Compliance with listing and disclosure rules and other legal requirements related to financial reporting.
3. Coordinate with the Company Board, senior executive administration, financial manager or the manager delegated with the same duties in the company in order to perform its duties.
4. Review any important and unusual items that should be included in reports and accounts and off-balance sheet items, giving due attention to any matters raised by the financial manager, the manager with similar responsibilities, compliance officer, or the auditor.
5. Raise recommendation to the Board regarding the selection, resignation or dismissal of the auditor. In case the Board doesn't approve the Audit Committee recommendations in this regard, the Board shall attach to the governance report a statement explaining the Audit Committee recommendations and the reasons why the Board has not followed them.
6. Develop and implement the policy of contracting with the auditor, and submit a report to the Board, outlining the issues that it deems necessary to be taken, along with providing recommendations for steps to be taken.
7. Ensure that the auditor meets the conditions stated in the applicable laws, regulations and decisions and in the Company articles of association, along with following up and monitoring its independence.
8. Meet the auditor of the Company without the presence of any of the senior executive management personnel or its representatives and discuss the same with regard to the nature and scope of the audit process and its effectiveness in accordance with the audited standards.

9. Approve any additional works made by an external auditor for the Company and the fees received in consideration for that works.

10. Examine all matters related to the auditor work, his work plan, correspondence with the Company, his observations, suggestions and reservations, and any substantial queries raised by the auditor to the senior executive management regarding the accounting records, financial accounts or control systems, in addition to following up the response of the Company management and provision of the necessary facilities to do his work.

11. Ensure that the Board of Directors and executive management respond promptly to essential queries raised in the auditor's letter.

12. Review and evaluate the company's internal auditing and risk management systems.

13. Discuss the internal auditing system with the Board, and make sure it performs its duty with regard to establishing an effective internal control system.

14. Consider the results of the main investigations regarding the internal auditing matters assigned to it by the Board or at the initiative of the Committee and the approval of the Board.

15. Review the auditor evaluation of the internal control procedures and ensure that there is coordination between the internal and external auditors.

16. Ensure of the availability of necessary resources for the internal auditing department, review and monitor the effectiveness of such department.

17. Examine internal auditing reports and follow up implementation of corrective actions of the observations contained therein.

18. Establish controls enabling employees and stakeholders to report potential violations in financial reports, internal audits, or other matters confidentially, and implementing procedures to conduct independent and fair investigations into such violations with adequate measures to protect whistleblowers and closely monitoring their execution.

19. Monitor the Company compliance with the rules of professional conduct.

20. Review related party transactions with the Company, ensure that there are no conflicts of interest and raise recommendations about them to the Board before concluding them.

21. Ensure the application of the business rules of its functions and the powers entrusted to it by the Board.

22. Submit reports and recommendations to the Board on the above matters mentioned in this article.

23. Consider any other matters determined by the Board.



- The number of meetings held by the Audit Committee during 2024 and the dates thereof to discuss issues related to the financial statements and any other matters, and a statement of the number of times members appear in person at the meetings held.

Members Attendance				
Sr.		Mr. Abdul Wahab Al-Halabi	Mr. Darwish Al Ketbi	Mr. Abdul Rahman Sharaf
1	First Audit Committee meeting held on 06/02/2024	Attended	Attended	Attended
2	Second Audit Committee meeting held on 06/03/2024	Attended	Attended	Attended
3	Third Audit Committee meeting held on 13/05/2024	Attended	Absent	Attended
4	Fourth Audit Committee meeting held on 30/05/2024	Attended	Attended	Attended
5	Fifth Audit Committee meeting held on 30/07/2024	Attended	Attended	Attended
6	Sixth Audit Committee meeting held on 23/10/2024 and continued 01/11/2024	Attended	Attended	Attended

- Nominations and Remuneration Committee:

a. An acknowledgment from the Chairman of the Nominations and Remuneration Committee of his responsibility for the committee system in the company and for reviewing its work mechanism and ensuring its effectiveness.



Mr. Saif Bin Abdulaziz Alserkal, Chairman of the Nominations and Remuneration Committee, acknowledges his responsibility for the committee's system in the Company and for reviewing its work mechanism and ensuring its effectiveness.

b. Names of the members of the Nominations and Remuneration Committee, and a statement of their powers and tasks assigned to them.

- Mr. Saif Alserkal (Chairman of the Committee)
- Mr. Abdul Wahab Al-Halabi (Member)
- Mr. Darwish Al Ketbi (Member)

A statement of Nominations and Remuneration Committee's powers, responsibilities, duties and bonuses.

- 1-** Developing a policy for nominations for membership in the Board of Directors and Executive Management that aims to take into account gender diversification within the composition and encouraging women through incentives and training benefits and programmers and providing the Authority with a copy of this policy and any amendments thereto.
- 2-** To organize and follow up on the procedures for nomination for membership in the Board of Directors as per the applicable laws and regulations and the provisions of this decision.
- 3-** To verify the continued fulfillment of membership requirements for Board Members on an annual basis.
- 4-** To ensure the independence of individual members on an ongoing basis.
- 5-** If it becomes clear to the committee that one of the members has lost on the independence condition, it shall present the matter to the board so that it can notify the member by registered letter at his fixed address with the Company of the justifications for his lack of independence. The member shall hereby respond to the board of directors within fifteen days from the date of his notification, and the board of directors shall issue a decision to consider the member independent or non-independent at the first meeting following the member's response or the expiration of the period referred to in the previous paragraph without a response.
- 6-** Taking into account Article 145 of the Companies Law, if the Board of Directors' decision regarding the absence of reasons or justifications for the member's independence would affect the minimum percentage that must be available from its independent members, the Board of Directors shall appoint an independent member to replace this member if the latter submits his resignation due to the absence of the status of independence from him, and in the event that the member refuses to submit his resignation, the Board of Directors must present the matter to the General Assembly to take a decision to approve the appointment of another member in his place or to open the door for nominations to elect a new member.
- 7-** To prepare the policy for granting rewards, benefits, incentives and salaries to members of the company's Board of Directors and its employees and review it annually. The committee must verify that the rewards and benefits granted to the senior executive management are reasonable and commensurate with the Company's performance.
- 8-** To ensure that rewards and bonuses, including options and other deferred rewards and benefits offered to senior executive management, are linked to the Company's performance in the medium and long term.
- 9-** To conduct an annual review of the required skills requirements suitable for membership in the Board of Directors and prepare a description of the capabilities and qualifications required for membership in the Board of Directors, including specifying the time that a member must devote to the work of the Board of Directors.
- 10-** To review the structure of the Board of Directors and make recommendations regarding changes that can be made.
- 11-** To determine the Company's needs for rewards at the level of senior executive management and employees and the basis for their selection.
- 12-** To prepare the Company's human resources and training policy, monitor its implementation, and review it annually.
- 13-** Ensure the availability of a suitable and updated plan for the continuity and follow-up of the work of the Company's senior executives and review it annually.
- 14-** Consider any other matters determined by the Board.

3- A statement of the number of meetings held by the committee during 2024 and the dates of their holding, indicating the number of times all members of the committee attended in person.

Members Attendance				
		Mr. Saif Bin Abdulaziz Alserkal	Mr. Abdul Wahab Al Halabi	Mr. Darwish Al-Ketbi
1	1st Meeting held on 11/03/2024	Attended	Attended	Attended
2	2nd Meeting held on 25/03/2024	Attended	Attended	Attended
3	3rd Meeting held on 07/06/2024	Attended	Attended	Attended
4	4th Meeting held on 17/07/2024	Attended	Attended	Attended
5	5th Meeting held on 24/10/2024	Attended	Attended	Attended

5- A committee for following up and supervising the transactions of insiders

a. Committee chairman acknowledgement of his responsibility for the committee system in the company and for reviewing its work mechanism and ensuring its effectiveness.



"Mr. Rui Coelho, Head of Insiders' Transactions Supervision and Follow-up Committee, acknowledge his responsibility for the committee system in the Company and for reviewing of its work mechanism and ensuring its effectiveness."

b- Names of the members of Insiders' Transactions Supervision and Follow-up Committee, and a statement of its powers and tasks assigned hereto.

Chief Financial Officer: Mr. Rui Coelho (Committee Chairman)
 Deputy Chief Legal Officer: Mrs. Nadra Taher (Member)
 Chief Executive Officer: Eng. Amer Khansaheb (Member)

c- A summary of the committee's work report during the year 2024

- Prepare a private and comprehensive register of all insiders, including people who may be considered insiders and who are entitled or have access to the Company's internal information before publication. The record should also include prior and subsequent disclosures of insiders.
- The list was circulated to insiders and the trading controls stipulated in accordance with the Chairman of Authority's Board of Directors' Decision no. (3/R.M) of 2020 concerning Approval of Joint Stock Companies Governance Guide and its amendments.
- The committee periodically monitors and supervises the trading of insiders and their ownership and maintains a special record of them.
- The Dubai Financial Market was notified of an updated list of insiders at the beginning of the financial year and any amendments to it during the year.

6- Executive Committee:

a- The committee chairman acknowledgement of his responsibility for the committee system in the Company and for reviewing its work mechanism and ensuring its effectiveness.



"Mr. Abdul Wahab Al-Halabi, Chairman of the Executive Committee, acknowledges his responsibility for the committee system in the Company and for reviewing its work mechanism and ensuring its effectiveness."



b- Names of the committee members, their terms of reference and the tasks assigned to them.

- Mr. Abdul Wahab Al-Halabi - (Chairman of the Committee)
- Mr. Saif Alserkal - (Committee Member)
- Eng. Amer Khansaheb - (Committee Member)
- Mr. Rui Coelho - (Committee Member)
- Mr. Fadi Saba - (Committee Member) until June 2024.

From 28 November 2024 onwards, the committee members became

- Mr. Abdul Wahab Al-Halabi - (Chairman of the Committee)
- Mr. Saif Alserkal - (Committee Member)
- Eng. Amer Khansaheb - (Committee Member)

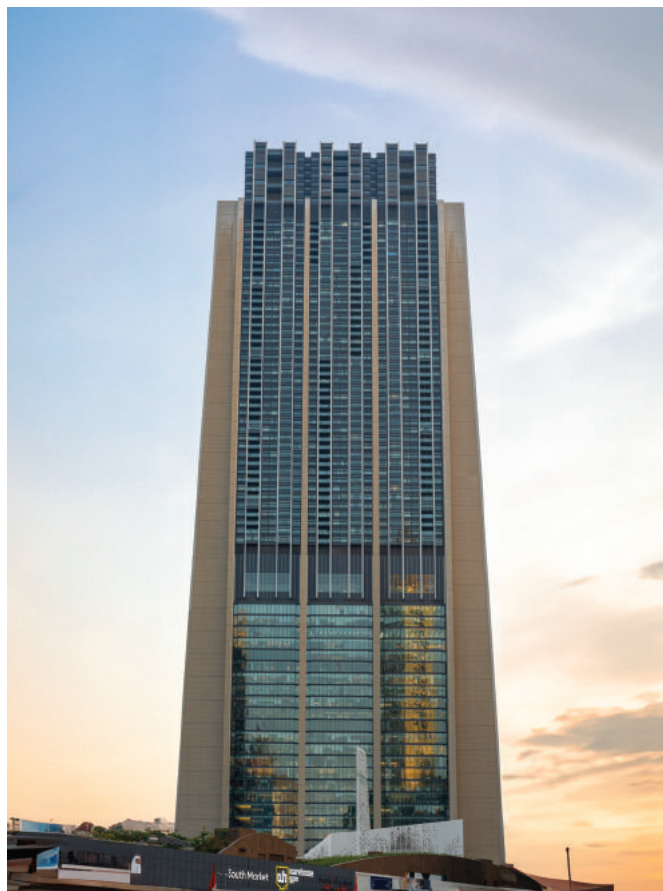
Statement of its terms of reference and tasks assigned to it

Purpose

- Assisting the company's Board of Directors in performing its oversight responsibilities.
- Acting on behalf of the Board of Directors and recommending their findings, ensuring the coordination of business activities between Board committees.
- Making decisions that are submitted to the Board based on the level of delegated powers.

Powers

- The Executive Committee acts as an advisor to the Board of Directors. It reviews, evaluates and makes recommendations to the BOD regarding various matters presented to the Board.
- The committee is charged with reviewing and submitting recommendations to the Board regarding the issues presented to it, even if they are beyond the level of the powers delegated to it.
- The Executive Committee may appoint legal advisors and others to assist the Committee in carrying out its tasks. These advisors may be the Company's regularly approved advisors.
- All recommendations submitted to the Board of Directors must be made by a simple majority. The casting vote in the event of a tie will be the vote of the Chairman of the Executive Committee.



Responsibilities: The committee's responsibilities include the following:

- Submitting evaluations and recommendations to the Board of Directors regarding the annual review plan in addition to the Company's strategy and schedule of activities.
- Holding periodic meetings with other committees in separate executive sessions to discuss any issues that the committee or other committees believe should be discussed in private.
- Reviewing management reports on business progress and submitting recommendations to the Board of Directors.
- Supervising investment and credit policies, making decisions within the limits of the powers entrusted to it, and submitting recommendations to the Council on matters that exceed the limits of the powers entrusted to the committee.
- Initial review of the company's periodic reports and submission of recommendations to the Board of Directors (copies of the complete reports are submitted to the Board and discussed at the Board meeting).
- Reviewing and submitting recommendations to the Board of Directors regarding acquisitions, liquidations, and other operational activities of the Company.
- Review and submit recommendations to the Board of Directors regarding opening new branches, closing current branches, appointing managers and granting them the powers.
- Review, amend and make recommendations regarding policies directed by the Council to be presented to the Council through the Committee.

D-A statement of the number of meetings held by the committee during 2024 and the dates of their holding, indicating the number of times all members of the committee attended in person

Members Attendance						
Sr.		Mr. Abdul Wahab Al-Halabi	Eng. Amer Khansaheb	Mr. Saif Bin Abdulaziz Alserkal	Mr. Rui Coelho	Mr. Fadi Saba
1	1st meeting held on 11/03/2024	Attended	Attended	Attended	Attended	Attended
2	2nd meeting held on 21/03/2024	Attended	Attended	Attended	Attended	Attended
3	3rd meeting held on 03/05/2024	Attended	Attended	Attended	Attended	Attended
4	4th meeting held on 29/07/2024	Attended	Attended	Attended	Attended	
5	5th meeting held on 28/11/2024	Attended	Attended	Attended	Attended	

- A statement of the duties and powers of the Board of Directors carried out by a member of the Board or the Executive Management during the year 2024 based on a delegation from the Board, specifying the duration and validity of the delegation according to the following table:

Sr.	Delegated Person Name	Authorization Power	Duration
1	Eng. Amer Khansaheb	Board Member and the Managing Director until 14 May 2024 and after this date he acted as the Chief Executive Officer, acts on behalf of the Company and represents it in all financial, legal, operational and administrative matters. He is the authorized signatory on behalf of the Company and its subsidiaries in accordance with the legal power of attorney granted to him by the Company's Board of Directors.	Expires on 30/05/2026

- A statement of details of transactions carried out with relevant parties (stakeholders) during the year 2024, including as follows:

N/A

- Board of Directors Evaluation

A_ Annual evaluation of the performance of the Company's Board of Directors and the performance of its Members and Committees

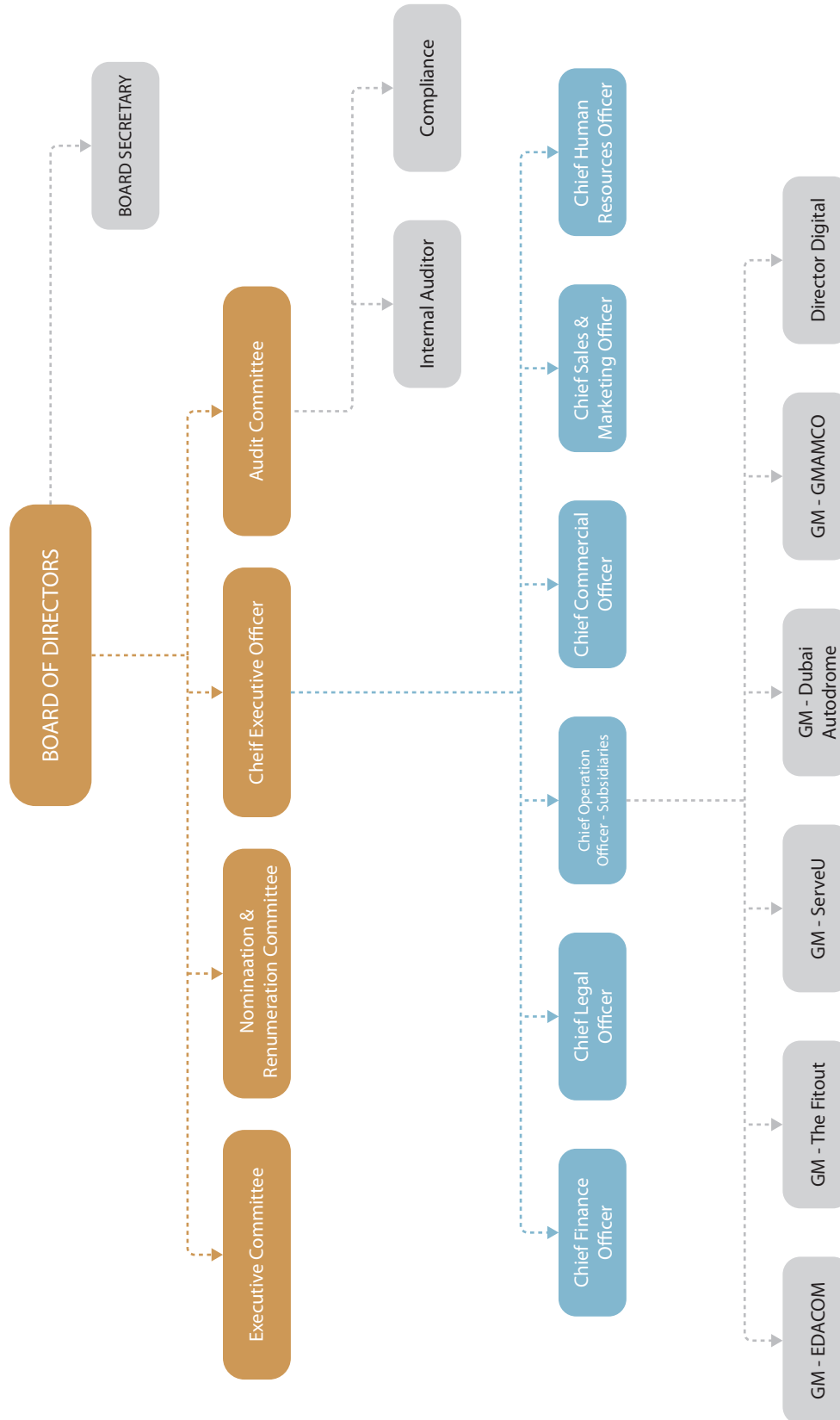
The Company is in the process of evaluating the performance of the Company's Board of Directors and the performance of its Members and Committees through the Nomination and Remuneration Committee with the support of the Board Secretary as needed.

B- Evaluation of the Board of Directors through an independent professional body that has no interest or relationship with the Company or any members of its Board of Directors or Executive Management.

The Duration of the Board of Directors did not exceed two years and was elected on April 17, 2023.



The complete organizational structure of the Company, provided that it shows the Managing Director, General Manager, CEO, Deputy General Manager, and Managers working in the Company, such as the financial director.



- A detailed statement of the senior executive employees in the first and second ranks, according to what was stated in the Company's organizational structure (according to 3-D), their jobs and the dates of their appointment, along with a statement of the total salaries and bonuses paid to them, according to the following table.

Sr.	Position	Appointment Date	Total salaries and allowances paid for 2024 (AED)	Total Bonuses paid for 2024 (AED)	Any other cash/in-kind rewards for 2024 or due in the future
1	Chief Executive Officer	14/05/2024		10,000,000	-
2	Chief Operational Officer	1/09/2023	1,033,800	480,600	
3	Chief Commercial Officer	18/09/2023	1,052,000	459,000	
4	Chief Financial Officer	21/02/2022	1,006,500	250,000	-
5	Chief Legal Officer	10/02/2022 until September 2024	611,600		
6	Chief Legal Officer	10/06/2024	401,425	162,000	-
7	Chief Sales and Marketing	02/01/2023	1,006,500	139,320	2,975,700
8	Chief Human Resources Officer	01/02/2024	922,750	425,000	-



External Auditor

a- Providing an overview of the Company's auditor to shareholders

Grant Thornton International Ltd (GTIL) is a private company limited by guarantee, incorporated in England and Wales. It is an umbrella organization that delivers services by Grant Thornton member companies around the world. GTIL and the member companies are collectively referred to as Grant Thornton. In the UAE, the company is managed by Mr. Farouk Mohammed - Chairman, Hisham Farouk - CEO and the leadership team that it is composed of leaders from all areas of service. The leadership team meets to discuss strategic, operational and financial development, always keeping its customers and employees at the forefront.

b- A statement of fees and costs for the audit or services provided by the external auditor, according to the following table:

Audit Office Name	Grant Thornton International Ltd
Partner Auditor Name	Dr. Osama Al Bakry
No. of years he spent as the company's external auditor	3
No. of years the partner auditor spent auditing the company's accounts	3
Total value of audit fees for 2024 (AED)	AED 760,000
Details and the nature of other services provided by the Company's auditor (if any). In the event that there are no other services, this will be explicitly mentioned.	-
The value of fees and costs for other special services other than auditing the financial statements for the year 2024 (AED), if any. In the event that there are no other fees, this is explicitly mentioned.	15,000
A statement of other services that an external auditor other than auditing the company's accounts provided during 2024 (if any). In the event that there are no services provided by another external auditor, this will be explicitly mentioned.	-

c- A statement explaining the reservations that the Company's auditor included in the interim and annual financial statements for 2024. In the absence of any reservations, this must be stated explicitly.

- In the unaudited interim condensed consolidated financial statements for the first quarter ending March 31, 2024, and the second quarter ending June 30, 2024, our auditor reached a conservative conclusion with regards to the accumulated losses and the liabilities of the Company against its assets, which was reported in those financial statements based on the associate's accounting records.
- There was no reservation by the auditors in the unaudited interim condensed consolidated financial statements for the third quarter ending September 30, 2024.
- There was no reservation by our auditor in the audited annual consolidated financial statements for the fiscal year ending December 31, 2024.



Internal Control System

a- An acknowledgment by the Board of its responsibility for the Company's Internal Control System and for reviewing its work mechanism and ensuring its effectiveness

The Board of Directors acknowledges its responsibility towards the application, review and effectiveness of the internal control system by maintaining an effective and strong internal control mechanism. The Board of Directors has committed itself to promoting and disseminating best practices in risk management and the proper application of governance rules and verifying the compliance of the Company and its employees with the laws, regulations and decisions on which its operations are based, as well as with internal procedures and policies and reviewing the financial statements that are sent to the company's supreme management, its investors, and all shareholders in general.

b- Director's name, qualifications and date of appointment.

- Standard Mentors Auditing and Assurance was appointed on July 16, 2024.
- On September 16, 2024, Mr. Ahmed Salim was appointed as the Internal Audit Manager. Mr. Ahmed Salim has extensive experience in auditing and has over 20 years of experience in this field.

He holds professional certificates and qualifications from internationally recognized institutes in auditing, risk assessment and control frameworks.

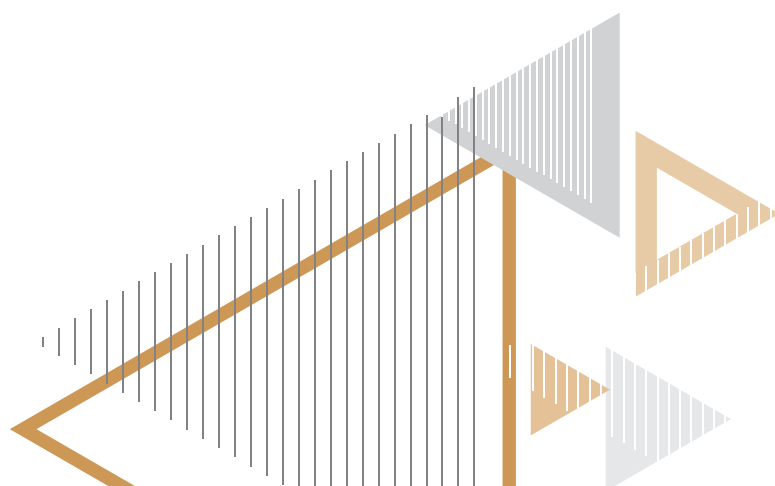
He has led many complex audits, providing valuable insights and practical recommendations to enhance internal controls and increase business value. His deep analytical skills and strategic approach enable organizations to enhance governance, mitigate risk and achieve operational excellence.

c- Compliance Officer's name, qualifications and date of appointment.

On June 1, 2024, Ms. Revantha Gajadhur was appointed as Compliance Officer. Ms. Revantha Gajadhur has more than 15 years of experience in compliance and risk management and holds a PhD in Business Leadership with deep knowledge and expertise in the field of compliance and risk management.

d- The way by which the Internal Control Department deals with any major problems in the Company or those disclosed in the annual reports and accounts (in the absence of major problems, it must be stated that the Company has not faced any problems)

Upon identifying a high-risk issue by the Internal Audit Department, the same matter is escalated to the Audit Committee of Union Properties for submission to the Company's Board of Directors in order to take the necessary action and settle the matter immediately.



Details of violations committed during 2024, their reasons thereof, and how to address them and avoid their recurrence in the future.

During 2024, no material violation occurred.

Statement of the cash and in-kind contributions made by the company during 2024 to the development of the local community and the preservation of the environment. (In the event that there are no contributions, shall state that the company has not made any contributions).

In response to the heavy rains experienced in the United Arab Emirates in May 2024, Edacom took significant and proactive steps to improve stormwater management and ensure better resilience against future weather events and preventing flooding and minimizing water damage. These actions include the continuous upgrade of drainage systems, the enhancement of water flow management infrastructure with the installation of dewatering systems. These improvements ensure the network is always prepared for rainy conditions and that excess rainwater is handled more efficiently through sustainable solutions not to only enhance the safety and comfort of residents but also to contribute to the long-term sustainability and resilience of the communities it serves.

At Union Properties, we are committed to employee engagement and wellbeing, thus, we give great significance to the wellbeing and development of our employees, hence, in 2024, we have organized a series of events aimed at boosting employee wellbeing and development. These include wellness workshops, leadership training programs, and team-building activities which provided our employees with valuable skills and tools to manage stress, enhance their professional growth, and build stronger team dynamics. The outcomes resulted in increased employee satisfaction, improved productivity, and a more cohesive work environment.

Moreover, Union Properties is committed to empowering women, particularly in senior management roles. The number of women in senior management has increased significantly from 38 in the past year to 65 in 2024.

In collaboration with Dubai Police, we organized a Tug-of-War event that brought together employees and law enforcement officers in a spirit of friendly competition. This event not only promoted physical fitness but also strengthened our community ties and highlighted the importance of teamwork.

In a football event organized by the Dubai Municipality, Union Properties' employees participated to further our commitment to community involvement. This event provided an excellent platform for our team to showcase their skills and engage with the broader community.

Urban Forestation

Strong emphasis is placed on environmental sustainability, particularly through the integration of urban forestry in existing communities and future developments. Advanced landscaping initiatives are underway to enhance the green spaces within current communities, contributing to an improved environmental quality and aesthetic.

This commitment is deepened with a focus on sustainable practices from the planning stage. Central to this is the use of timber sourced in compliance with Forest Stewardship Council (FSC) standards, ensuring responsible forest management and sustainability in construction materials. This approach not only adheres to environmental stewardship but also aligns with our goal of enhancing community well-being and ecological health in every aspect of our development.

General Information

A statement of the Company's share price in the market (closing price, highest price, and lowest price) at the end of each month during the fiscal year 2024.

End of Month	Highest Price	Lowest Price	Closing Price
Jan 2024	0.310	0.270	0.276
Feb 2024	0.366	0.271	0.350
March 2024	0.430	0.344	0.409
April 2024	0.465	0.409	0.430
May 2024	0.452	0.361	0.372
June 2024	0.381	0.350	0.362
July 2024	0.390	0.360	0.380
August 2024	0.385	0.327	0.340
September 2024	0.375	0.330	0.353
October 2024	0.365	0.325	0.346
November 2024	0.377	0.340	0.360
December 2024	0.444	0.360	0.411

A Statement of the comparative performance of the Company's shares with general market index and sector index to which the Company belongs during 2024



c- A statement of the shareholder ownership distribution as of 31/12/2024 (individuals, companies, governments) classified as follows: The following: local, Gulf, Arab, and foreign

Sr.	Shareholder Category	Owned Shares Percentage			
		Individuals	Corporate	Government	Total
1	National	69.56%	16.15%	0.01%	85.71%
2	Arab	9.03%	1.51%	0.00%	10.54%
3	Foreign	2.29%	1.46%	0.00%	3.75%
4	Total	80.87%	19.12%	0.01%	100.00%

d- A statement of shareholders who own 5% or more of the Company's capital as of 31/12/2024 according to the following table:

Sr.	Name	No. of Owned Shares	Percentage of shares owned in the Company's capital
1	SALEM ABDULLA SALEM ALHOSANI	220,000,000	5,1288%

e- A statement of how shareholders are distributed according to the ownership size as of 31/12/2024 according to the following table

Sr.	Shares Ownership (shares)	No. of Shareholder	No. of Owned Shares	Percentage of shares owned by capital
1	Less than 50,000	6,206	66,406,128	1.55%
2	From 50,000 to less than 500,000	3,260	550,150,254	12.83%
3	From 500,000 to less than 5,000,000	856	1,207,151,281	28.14%
4	More than 5,000,000	112	2,465,832,471	57.48%

f- A statement of the measures that have been taken regarding investor relations controls, indicating the following: -

The Company's Investor Relations Department builds a close relationship between the Company and the investor, in order to enhance confidence in the Company.

Name of investor relations officer

Mrs. Marianna Takla

Contact information with the Investor Relations Officer (email, phone, mobile, fax)

E-mail: ir@up.ae

Mob: +97148066688

The electronic link to the investor relations page on the company's website

<https://up.ae/investor-relations>

g- A statement of the special decisions that were presented in the General Assembly held during 2024 and the actions taken in their regard.

N/A

h- Name of the BOD meetings rapporteur and the date of his appointment.

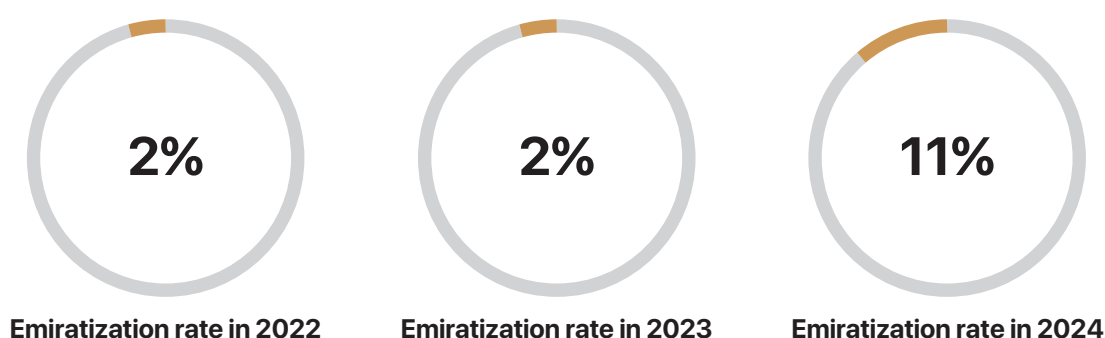
As of June 5, 2023, the Board Members appointed Mr. Fadi Saba as Board Secretary, as he is licensed as a secretary by government agencies and has extensive experience in the field of secretariat and in dealing with the Securities and Commodities Authority and Dubai Financial Market.

And in the Board of Directors Meeting held on August 1, 2024, the Board Members appointed Mr. Khaled Chaaban as Board Secretary, as he is licensed as a secretary by government agencies in 2024.

- A detailed statement of the fundamental events and important disclosures that the Company encountered during 2024

08/02/2024	Union Properties announces reaching a settlement agreement with both Dubai Land and Emirates NBD.
15/02/2024	Union Properties announces achieving exceptional performance profits and achieving profits of an amount of 811 million AED in the year 2023 (unaudited numbers).
26/02/2024	Union Properties Company announces selling a land plot with amount of 500 million AED and received another offer with the amount of 1.2 Billion.
01/04/2024	Union Properties announces selling plots of land with 816 million AED and has paid off 290 million AED in debt.
10/10/2024	Union Properties announces launching Takaya project in Motor City.

Statement of the Company's Emiratization percentage by the end of the years 2022, 2023 and 2024, excluding subsidiaries:



Emiratization rate in 2022

Emiratization rate in 2023

Emiratization rate in 2024

- A statement of the innovative projects and initiatives that the Company has undertaken or is currently developing during the year 2024

As part of a broader commitment to sustainability, Edacom implemented several significant initiatives in 2024 to further reduce energy consumption and enhance overall energy efficiency and lower carbon emissions. The BMS (Building Management System) has been upgraded and enhanced, and Delta T and BTU sensors have been installed at various chilled water network headers on different floors to capture data. This data is analyzed to optimize the operation of the chilled water system, ensuring it operates under optimum or on-demand conditions, ultimately achieving efficient and sustainable operations.

The system aims to meet the targeted Delta T parameters and reduce energy consumption. The project will be extended to all buildings, ensuring the entire system benefits from enhanced monitoring and data-driven insights, further optimizing energy consumption.

Moreover, in line with its commitment to reducing its carbon footprint, Edacom continues to transition to energy-efficient LED lighting across all its premises. LEDs consume significantly less power compared to traditional lights and have a longer lifespan, further reducing energy consumption and maintenance costs.

In addition to these primary measures, Edacom is exploring other innovative strategies to further improve energy management. This includes the installation of smart meters for better energy monitoring, optimizing building insulation to reduce heating and cooling needs, and conducting energy audits to identify additional areas for improvement.

In 2024, Dubai Autodrome made significant steps in sustainable energy usage by fully operationalizing its solar panels across both the Dubai Autodrome and Dubai Kartdrome venues. This initiative saw the completion of over 5,000 solar panels, which collectively generated a remarkable 5,638,804.34 Kilowatt-Hours of power. Demonstrating a commitment to not just self-sufficiency but also community contribution, Dubai Autodrome fed 447,413,750 Kilowatt-Hours back into the public electricity system, aiding in the power supply across various neighbourhoods in the Emirate.

This shift towards renewable energy sources has yielded substantial financial benefits. For the year 2024, Dubai Autodrome achieved energy cost savings of approximately AED 900,000.

ServeU and The Fitout, as part of the company's broader strategy to adopt sustainable practices and reduce its environmental impact, have decided to install solar panels on the roof of the building in 2025, the energy generated by the solar panels will be used to power both the joinery machinery and office spaces, reinforcing the company's dedication to renewable energy and environmental stewardship.

This new initiative, will significantly reduce our reliance on conventional energy sources, thereby reducing the CO2 emissions associated with our operations.



Reduction in Electrical and Water Consumption

EDACOM's commitment to sustainability is evident in its successful reduction of electrical and water consumption. In 2024 alone, the company achieved a remarkable 27.7% reduction in emissions, equivalent to 17.13 million kilograms. Over a three-year span, EDACOM's efforts have cumulatively led to a remarkable reduction of 22 million kilograms of emissions, translating into a financial saving of AED 17.48 million.

Waste Management & Recycling

In 2024, ServeU and The Fitout, in collaboration with Endosherd, securely shredded and disposed 3,750 kg of paper, ensuring the confidentiality of sensitive documents. ServeU also implemented a recycling plan for metal waste, leading to the proper segregation and disposal of 22,000 kg of metal scrap which was managed through our waste management supply chain. This effort not only contributed to organizing workspaces but also played a vital role in resource conservation which effectively reduced the need for virgin material extraction, conserving energy, and reducing greenhouse gas emissions.



Sustainable Wood Waste Recycling

The Fitout's robust waste management system focuses on preventing, reducing, reusing, and recycling waste. Wood powder generated in the factory is repurposed as bedding for poultry farms, later processed into green fertilizers, creating a circular economy. By utilizing 250-300 tons of wood powder annually, this initiative reduces environmental impact, supports sustainable agriculture, and promotes waste recycling.

Earth Hour 2024

ServeU as part of its commitment to sustainability and energy efficiency, had actively participated in Earth Hour by switching off lights across its facilities and client locations, reinforcing its commitment to environmental responsibility. The initiative also served as an educational opportunity for employees, highlighting the importance of resource conservation by achieving a total energy savings of 5,605.12 kWh.



Chairman
Signature

Date: 27/03/2025



Audit Committee Chairman
Signature

Date: 27/03/2025



**Nominations and Remuneration
Committee Chairman**
Signature

Date: 27/03/2025



Internal Audit Manager
Signature

Date: 27/03/2025

Annex

This section presents the Audit Committee Report in accordance with SCA Corporate Governance Guide, Article 61/bis, and provides an overview on the Audit Committee's key roles, responsibilities and activities carried out during the year 2024.

Chairman Attestation Statement –

"Mr. Abdulrahman Sharaf, as the Chairman of the Audit Committee, acknowledges his responsibility for Group's internal control system and discharging his responsibilities under its Terms of Reference (TOR) and ensuring its effectiveness."

1. Powers and responsibilities of the Audit Committee

The Audit Committee TOR outlines the key roles and responsibilities of the Audit Committee which include, but not limited to, the following:

1.1 Financial Report

The Audit Committee is appointed by the Board of Directors to oversee the Company's financial reporting by ensuring the accuracy of the financial reports and quarterly results with a focus on compliance with relevant accounting standards, disclosure obligations and statutory regulations. The members review and ensure that the Company updates its Internal Audit systems, policies and procedures on an annual basis. Critical and unusual items which arise in financial reports or matters raised by finance executives, compliance officer or the Group's external auditors are reviewed by the Audit Committee along with the Group's financial and accounting policies to ensure they align with the applicable regulatory requirements.

1.2 Internal Control and Risk Management

The Audit Committee oversees the effectiveness of the Internal Audit and risk management procedures of the Group by collaborating with the Board to identify key risks and review internal control systems. The Audit Committee ensures that Internal Audit has sufficient resources to conduct regular reviews by reviewing the function's annual work plan. Findings identified through Internal Audit are reviewed by the Audit Committee regarding matters where there is potential fraud, a failure of internal controls or breaches to the laws and regulations. Additionally, the Audit Committee annually reviews changes to the business environment and reports weaknesses in the internal control systems to the Board. Compliance with the Group's Code of Professional Conduct is also monitored by the Audit Committee. The Audit Committee is responsible for the review and approval of related party transactions in line with the policies set by the Board.

1.3 External Audit

The Audit Committee is responsible for ensuring the independence and objectivity of the Group's external auditors and their compliance with the applicable laws and regulations. Its members regularly collaborate with the external auditors to review the scope and the effectiveness of their work. Significant matters relating to internal controls, financial statements and accounting records are monitored and raised to the management promptly. Reports prepared by the external auditors on the Group's internal control system to be reviewed by the Audit Committee. Additionally, the Audit Committee is responsible for organising an annual meeting with the Group's external auditors without the presence of its senior management. For detailed responsibilities of the Audit Committee towards External Auditors, please refer section (4) of the governance report.

2. Committee Meetings and Composition

The composition of the Group's Audit Committee during the year 2024 was as follows:

1. Abdulrahman Sharaf
2. Abdul Wahab Al Halabi
3. Darwesh Al Ketbi

During 2024, the Audit Committee convened six times to review financial statements and other key governance matters as outlined below:

Meeting No.	Date of Committee Meetings	Number of member Attendees	Members in absence
1	6th of February 2024	3	-
2	6th of March 2024	3	-
3	13th of May 2024	2	Darwish Al Ketbi
4	30th of May 2024	3	-
5	30th of July 2024	3	-
6	23rd of October 2024 and continued on the 1st of November 2024	3	-

3. Key Activities of the Audit Committee during 2024

3.1 Review and Approval of Financial Statements

The Audit Committee discussed and approved quarterly and year-end financial results throughout the year, with the results presented by Finance Department and the external auditors highlighting the overall financial performance and progress of the Group. This involved presentations by the external auditors covering significant accounting and auditing matters along with any new regulatory and International Financial Reporting Standards (IFRS) requirements, and their potential impact on the Group's financial statements.

3.2 Status Update on Internal Audits and Action Plans

The Audit Committee reviewed the status and achievement of the 2023 Audit Plan. The Committee also reviewed the Internal Audit Findings, classified by level of risk, High and Medium risk findings were examined in detail, with a focus on remediation measures, assigned responsibilities and implementation timelines. Regular updates on corrective actions were provided to maintain effective oversight.

3.3 Update of Group's Internal Controls System

Internal Audit assesses the effectiveness and efficiency of the risk management and internal controls through periodic reporting of Internal Audit's reports and memorandums, along with the minutes from the Audit Committee's meetings. During the year, the assessment of the Group's Internal Controls system involved the annual review of the existing controls to enhance the existing Group policies along with its procedures. An update was provided to the Audit Committee on the Internal Controls over Financial Reporting (ICFR) preparedness.

3.4 Independent Meetings with External Auditors

An independent meeting with external auditors was held on 23rd October 2024, where the external auditors presented their recommendations on upcoming implementation of corporate tax, internal control over financial reporting and need for automation. The Management Letter by the external auditor highlighted key observations identified during audits which included a new requirement for developing and approving an internal controls and risk management framework tailored to the Group's operations and compliant with international practices (recommended COSO), in alignment with the SCA requirements for the year ending 31 December 2024.

3.5 Review and Approval of the Audit Plan by External Auditors

The 2024 Audit plan was presented to the Audit Committee by the external auditors, and approval for the plan was provided.

3.6 Appointment and Approval of External Auditors

The Group's existing external auditor, Grant Thornton UAE, concluded the term of 3 years. The external auditors' fees were discussed, and the Audit Committee approved the continuity of Grant Thornton appointment as the company's external auditors for 2025, and onward recommendation to the Board.

3.7 Related Party and Conflict of Interest Transactions

No related party and conflict of interest transactions occurred throughout the year.

3.8 Risk Management Updates

As part of the annual risk assessment, key risks for all the Group operations were identified and corresponding mitigation plans were provided to the Audit Committee.

3.9 Risk Assessment Result

The annual risk assessment results were discussed in the Audit Committee meeting held in 2025 providing an overview of the exercise conducted.

3.10 Other Matters

During the year 2024, there was no material violations recorded across the Group. 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.

4. Relationship between External Auditor and Audit Committee

4.1 External Audit Oversight

In line with the Audit Committee TOR and applicable laws and regulations, the Board has delegated to the Audit Committee the responsibility for overseeing the selection, independence, and performance of the Group's external auditor. The Audit Committee ensures that external audits are conducted with integrity, transparency, and in adherence to the highest professional and regulatory standards.

4.2 Key Responsibilities of the Audit Committee pertaining to External Auditor include

Appointment and Independence

- Recommending to the Board the appointment, reappointment, or dismissal of the external auditor, as well as determining the appropriate remuneration for their services.
- Monitoring the independence of the external auditor to ensure compliance with all applicable laws, regulations, and best practices governing external audit functions.

Audit Scope and Engagement Terms

- Reviewing and approving the terms of engagement, including the audit scope and fees, and submitting recommendations to the Board.
- Ensuring that the external audit plan is aligned with the Group's size, complexity, and risk profile while meeting applicable regulatory requirements.

Audit Effectiveness and Financial Reporting

- Reviewing the external auditor's assessments regarding the appropriateness of the Group's accounting policies, financial disclosures, and reporting practices.
- Ensuring that audits are conducted in accordance with applicable regulatory frameworks and professional standards.

Interaction with External Auditors

- Monitoring and addressing material queries raised by the external auditors relating to accounting records, financial reporting, and internal controls, ensuring timely responses from management.
- Conducting at least one annual meeting with the external auditors without the presence of Executive Management to facilitate independent discussions.

Internal Control and Governance Coordination

- Reviewing Internal Audit reports on the internal control environment and ensuring effective coordination between internal and external auditors.
- Overseeing any additional work performed by the external auditor outside of the ordinary audit scope and approving the associated fees.

4.3 Auditor Appointment and Assessment process

The Audit Committee follows a structured selection process for appointing external auditors, ensuring that candidate firms meet the following key criteria:

- Possess the required qualifications and demonstrate independence in both form and substance, including the scope of non-audit services provided.
- Be duly licensed and approved by the relevant UAE authorities to practice external audit services.
- Have at least five years of experience auditing public joint-stock companies.
- Adhere to the International Code of Ethics for Professional Accountants.
- Maintain independence by not holding any ownership, directorship, or executive roles within the Group.
- Have no affiliation with the majority shareholders or any of its directors.

Following the evaluation of prospective audit firms based on technical and financial merit, the Audit Committee recommends the most suitable firm to the Board for appointment as the external auditor. Upon Board approval, the recommendation is submitted to shareholders at the Annual General Meeting (AGM), which holds the sole authority to approve the appointment and audit fees.

4.4 Performance Evaluation and Independence

The Audit Committee conducts periodic performance evaluations of the external auditor, and these evaluations assess:

- a. Quality of service delivery
- b. Independence and qualifications
- c. Composition of the audit team
- d. Fees related to services rendered
- e. Relationship between the external auditor, Management, and the Audit Committee.

Additionally, the external auditor provides an assurance to the Audit Committee confirming adherence to ethical responsibilities as per the Global code of conduct .

4.5 Re-appointment and Rotation

The AGM appoints the Group's external auditor for one financial year, with a maximum tenure of six consecutive years. The Audit Committee, based on its annual performance and independence assessment, recommends either the re-appointment or removal of the external auditor.

The Audit Committee also ensures that the external auditor's independence is preserved when providing non-audit services, maintaining transparency and objectivity in financial reporting.

4.6 External Auditor Appointment for 2025

In line with regulatory requirements, the Audit Committee has reviewed the tenure of the Group external auditor and has proposed to retain the existing external auditor for the next year 2025.

4.7 Auditor Fees

Statement pertaining to the fees and costs incurred for the audit or services provided by the external auditor, is included on page 160 of the integrated report.

4.8 Qualified Opinion

The external auditor raised no qualified opinion regarding Group's annual financial statements for the year ended 31 December 2024.