

EMAAR

MALLS

GOVERNANCE REPORT

2019

Emaar Malls PJSC

Corporate Governance Report For 2019

[TRANSLATION FROM ARABIC]

Emaar Malls PJSC

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

1- A clarification of the procedures adopted by the Company to satisfy the requirements of the Governance Resolution in 2019, and how they were implemented:

Regarding the procedures adopted by the Company to satisfy the requirements of the Governance Resolution in 2019, we would like to confirm that the corporate governance framework adopted by the Company in 2018 complied with all main requirements, and provisions, of the Governance Resolution and, therefore, there has been no significant additional procedures applied during the year 2019 in this regard.

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

A. Board of Directors:

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

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

1. The Board of Directors has generally complied with the main requirements of its terms of reference with regard to various matters including, but not limited to, the number of Board members and the balance required among its members according to the specified standards, the terms of membership and the responsibilities of the chairman of the Board ("**Chairman**"), and the number of meetings to be held, the quorum required for meetings, and the majority needed to make decisions, the conditions for decision-making and the technical skills required for membership of the Board.

2. The independent Board members confirmed that their independent status remained unchanged during the year 2019 and the Company verified that the legal requirements regarding the minimum number of independent Board members are satisfied.
3. The Board of Directors recommended the payment of an annual bonus of six hundred fifty thousand UAE Dirhams (AED 650,000) for each non-executive director for the year 2019, subject to approval by the Company's annual general meeting in accordance with the relevant laws, regulations and the AOA.
4. The Board acknowledged the responsibilities, duties, powers and other requirements necessary for its functioning through the terms of reference of the Board of Directors.
5. The duties and responsibilities of the Chairman of the Board of Directors include the duties enumerated in the Governance Resolution and have been specified in the terms of reference of the Board of Directors.
6. The terms of reference of the Board of Directors outline the duties of the Company's management toward the Board of Directors. These duties include, but are not limited to, organizing an induction program for new Board members and providing the Board with regular information to enable the Board to carry out its duties efficiently in accordance with the relevant laws, regulations and the Company's policies.
7. Some of the powers of the Board of Directors are delegated by way of a clearly defined authority matrix approved by the Board. This authority matrix is periodically reviewed and communicated to the relevant members of the management to comply with it.
8. Board members are subject to special disclosure obligations, including, but not limited to, disclosure of any positions they hold in other joint stock companies, any change to their independent status, dealings in Company's securities and any changes to the information they are required to submit annually as soon as such changes occur. Moreover, a Board member is required to provide full disclosures in respect of any matter being reviewed by the Board or any of its committees in which he has a conflict of interests.

B. Committees of the Board of Directors:

The Board of Directors established four committees, as follows:

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

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

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

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

C. Internal Control

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

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

D. External Audit

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

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

E. Code of Professional Conduct

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

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

F. Policy for dealing in securities issued by the Company

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

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

G. Policy Outlining Shareholders' Rights

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

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

H. Disclosure Committee

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

2- A statement of ownership and transactions of the members of the Board of Directors and their spouses and children in the Company's securities during 2019:

Name of Board Member	Relationship	Shares Owned as of 31 December 2019	Net Amount of Transaction (Excluding VAT and any other fees)
Mr. Mohamed Ali Alabbar Board Member	Son	31,601 shares	None

Other than the above, there are neither ownership nor transactions for the Board members or their spouses or children in the Company's securities during 2019.

3- Composition of the Board of Directors:

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

Name/Designation	Category (Executive/ Non-Executive, Independent/Non-Independent)	Memberships and Positions in Other Joint Stock Companies (in UAE) and Government Entities	Date and Term of Appointment
<p>Mr. Mohammed Al-Hussaini Chairman</p>	<p>Non-Executive, Independent</p>	<p>1. Emirates Integrated Telecommunications Company PJSC (du) – Chairman 2. Emirates NBD PJSC – Board member 3. Emirates Islamic Bank PJSC – Board member 4. Dubai Refreshments PJSC – Board member 5. Dubai Real Estate Corporation – Board member 6. Emirates Investment Authority – Board member</p>	<p><i>Date of Appointment:</i> <u>30 September 2014</u></p> <hr/> <p><i>Duration of his term as a board member:</i> <u>5.5 years</u></p>
<p>Mr. Ahmad Al Matrooshi Vice Chairman</p>	<p>Non-Executive, Non-Independent</p>	<p>Emaar Properties PJSC – Managing Director</p>	<p><i>Date of Appointment:</i> <u>30 September 2014</u></p> <hr/> <p><i>Duration of his term as a board member:</i> <u>5.5 years</u></p>

Mr. Mohamed Ali Alabbar Board member	Non-Executive, Non-Independent	1. Emaar Properties PJSC – Chairman 2. Emaar Development PJSC – Chairman	<i>Date of Appointment:</i> <u>30 September 2014</u>
			<i>Duration of his term as a board member:</i> <u>5.5 years</u>
Mr. Abdullah Belyoahah Board member	Non-Executive, Non-Independent	1. Emaar Properties PJSC – Board member 2. National Bonds Corporation – Board member 3. Public Debt Management Division of the Department of Finance, Government of Dubai – Director/ Manager 4. Awqaf & Minors Affairs Foundation – Board member	<i>Date of Appointment:</i> <u>30 September 2014</u>
			<i>Duration of his term as a board member:</i> <u>5.5 years</u>
Mr. Abdulrahman Al Hareb Board member	Non-Executive, Non-Independent	1. Emaar Properties PJSC – Board member 2. Awqaf & Minors Affairs Foundation – Vice Chairman and member of the Internal Audit Committee 3. Emirates Transport – Board member (until June 2019) 4. Dubai Holding – Chief Internal Audit Officer	<i>Date of Appointment:</i> <u>30 September 2014</u>
			<i>Duration of his term as a board member:</i> <u>5.5 years</u>

<p>H.E. Helal Al Marri Board member</p>	<p>Non-Executive, Independent</p>	<ol style="list-style-type: none"> 1. Dubai's Department of Tourism and Commerce Marketing (Dubai Tourism) – Director General 2. Dubai World Trade Centre Authority (DWTCA) – Director General 3. Dubai Expo 2020 Organizing Committee – Committee member 4. Dubai Chamber of Commerce and Industry – Board member 5. Dubai Islamic Economy Development Centre – Board member 6. Taaleem Education – Board member 	<p><i>Date of Appointment:</i> <u>30 September 2014</u></p> <hr/> <p><i>Duration of his term as a board member:</i> <u>5.5 years</u></p>
<p>Mr. Ali Ibrahim Board member</p>	<p>Non-Executive, Independent</p>	<ol style="list-style-type: none"> 1. Department of Economic Development in Dubai (DED) – Deputy Director General 2. Amlak Finance PJSC - Chairman 3. Emaar Industries and Investment (Pvt) JSC – Vice-chairman 	<p><i>Date of Appointment:</i> <u>18 April 2017</u></p> <hr/> <p><i>Duration of his term as a board member:</i> <u>2 years</u></p>

Experience and Qualifications of Board of Directors:

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

Mr. Mohammed Al-Hussaini, Chairman:

Mohamed Hadi Al Hussaini has vast professional experience across the banking & finance, real estate, investments, telecommunications and retail sectors. He currently sits on the board of four publicly listed entities in the UAE besides Emaar Malls.

Publicly listed entities:

- Chairman of Emirates integrated telecommunications company
- Board Member of Emirates NBD
- Board Member of Emirates Islamic Bank
- Board Member of Dubai Refreshments Company

Other entities:

- Board Member of Emirates Investment Authority
- Board Member of Dubai Real Estate Corporation

He has a Master degree in International Business from Webster University in Geneva, Switzerland.

Mr. Ahmad Al Matrooshi, Vice Chairman:

As Managing Director – Emaar Properties PJSC, Ahmad Al Matrooshi oversees the day to day operations within Emaar including government affairs, media, public and community relations.

Al Matrooshi is Founder & Chairman of Dubai Property Society (DPS) and is dedicated to an ongoing forum that ensures a code of ethics for real estate practices and procedures. He is also the Chairman of Emrill Services LLC; Vice Chairman of Emaar Malls PJSC, member of the Consultation Committee for the Dubai Supreme Council of Energy, a member of the Committee at UAE Council of UAE companies invested abroad. He holds memberships to a number of important organisations.

Prior to joining Emaar in November 2005, Al Matrooshi held the position of Chief Executive Officer at the government-run Dubai Development Board (DDB) for almost a decade. At the DDB, he ensured affordable housing and competitive financing rates to all residents across the Emirate.

Before this move, Al Matrooshi was Deputy Director of the Dubai Chamber of Commerce & Industry for 14 years.

Born and brought up in Dubai, United Arab Emirates, Al Matrooshi holds a Bachelor of Arts in Public Administration and a Diploma in Property Management from NCFE - UK.

Mr. Mohamed Ali Alabbar, Board member:

Founder & Chairman of Alabbar Enterprises <https://www.alabbarenterprises.com/>

and Emaar Properties <https://www.emaar.com/>

Founder & Director of Noon.com <https://www.noon.com/>

Chairman of Eagle Hills <https://www.eaglehills.com/>

and Americana Group <https://americana-group.com/>

Mr. Mohamed Ali Rashed Alabbar is a global entrepreneur with active interests in real estate, retail, hospitality, e-commerce, technology, logistics, F&B and venture capital.

Since 1997, he has been at the forefront of global real estate, leading marquee real-estate development companies such as Emaar Properties (developer of world's tallest building) and Eagle Hills (leading emerging markets real estate developer). He has spearheaded the growth of Emaar Properties attaining unmatched track record of successfully developing iconic futuristic residential, retail, entertainment, hospitality & leisure assets transforming the lifestyles of people globally. Over the years he has developed world-class mixed used projects across 20+ markets of Middle East, North & Sub Saharan Africa, Central & Eastern Europe and South & South East Asia and US.

In addition, he has driven the growth of several regional players into world-renown sector champions including Americana Group (a multibillion-dollar food business, the largest integrated food company in the Middle East), noon.com (the leading e-commerce platform in the region) and Namshi (a pure-player fashion e-commerce firm).

More recently, he has expanded holdings in China with leading mobile transportation platform Didi Chuxing.

Championing emerging technology, he is also spearheading the first mobile only referral and loyalty program utilising blockchain technology it is set to disrupt the current value exchange customers have with the brand.

He has been a trusted partner to strategic investors including sovereign wealth funds, family offices, funds as well as public investors with a strong long-term value creation track record and has nurtured distinctive relationships with housing authorities, regional ministries, global and regional banks and tech companies.

Recognised for his contribution to the industry he has won several accolades including the 'Arabian Business Achievement Award' in 2017 and 2014's 'Lifetime Achievement Award', presented to Alabbar by Gulf Business as well as being ranked fifth worldwide as one of 'Construction Week's most influential industry leaders' in 2019

A graduate in Finance and Business Administration from the Seattle University in the US, also holds an Honorary Doctorate from Seattle University, an Honorary Doctorate from London School of Economics and Political Science and an Honorary Doctorate from Sun Moon University in South Korea.

Mr. Abdullah Belyoahah, Board member:

Abdullah Saeed Bin Majid Belyoahah serves as a Non-Executive Director of Emaar Properties, having been appointed to the board in 2012 and was appointed in September 2014 as Board Member of Emaar Malls Group.

He is a Board Member of the National Bonds Corporation since 20 December 2010 and was appointed as member of its Audit Committee on 19 April 2011.

Late last year, Abdulla was appointed as a board member of Awqaf and Minors Affairs Foundation on 10 August 2019.

He started his professional career with Istithmar, serving in the consumer products and real estate vertical departments, worked on several key acquisitions and strategic divestments, and evaluated real estate investment opportunities globally.

Abdulla is currently the Director of the Public Debt Management Division of the Department of Finance, Government of Dubai, and is responsible for the consolidation of Dubai sovereign debt and investor relations operation. He also served as Head of Operations of the Dubai Financial Support Fund, an entity under the Government of Dubai.

He worked on several key financing initiatives of the Government of Dubai including a US\$1.93 billion Sukuk in 2009, a US\$1.25 billion bond in 2012, a US\$500 million 30-year bond (the first ever 30-year conventional bonds in 2013) and a 10-year Sukuk with a benchmark sized of US\$750 million. He also played an active role in the successful restructuring of Dubai World and Nakheel and was also part of the team that represented the Department of Finance, spearheaded by its Director General, to win its first Dubai Government Excellence Award.

Abdulla is a graduate from the American University in Dubai with a degree in Business Administration and had won several awards for his work on Salik Securitisation and other financial strategies.

Mr. Abdulrahman Al Hareb, Board member:

Abdulrahman Hareb Rashid Al Hareb is the Chief Internal Audit Officer at Dubai Holding, a global investment group. In his role at Dubai Holding, Al Hareb is responsible for managing, planning and supervising the annual Dubai Holding Audit, overall risk assessment, and internal control structure and corporate governance evaluation. Al Hareb also oversees the auditing of all Dubai Holding subsidiaries.

In addition to his responsibilities at Dubai Holding, Al Hareb is the vice Chairman for Awqaf & Minors Affairs Foundation and a board member of Emaar Properties and Emaar Malls.

Al Hareb has over twenty-three years of experience in audit, risk management and banking. Prior to joining Dubai Holding, Al Hareb has held various senior positions in National Bank of Dubai and Financial Audit Department – Government of Dubai. Most recently, Al Hareb has been the Chairman of TAIB Bank, Shuaa Capital, Gulf Finance, Oman National Investment Corporation Holding, as well as a board member of Emirates Transport, StandardAero US and Chairman of the Audit Committee of Dubai Aerospace Enterprise (DAE) Ltd. In the past, Al Hareb was the Vice President – Internal Audit at Dubai Islamic Bank.

Al Hareb is a UAE National and holds an MBA from Hult International Business School, Bachelor's Degree in Business Administration- Accounting from Seattle University, United States. He is a Certified Public Accountant (CPA), and a Certified Internal Auditor (CIA).

HE. Helal Al Marri, Board member:

His Excellency Helal Saeed Al Marri has been Director General of the Dubai Department of Tourism and Commerce Marketing (DTCM) since 2013. He is a member of the Executive Council of Dubai and also the Director General of the Dubai World Trade Centre Authority (DWTCA).

The Dubai Department of Tourism and Commerce Marketing (DTCM), is the government authority responsible for continuously furthering Dubai's position as a leading global tourism destination and business hub. In his capacity, Al Marri is accountable for the planning, oversight, and delivery of Dubai's vision and aspirational targets for the sector. His mandate also includes a strategic focus on driving sustainable tourism – contributing to the economic development of the emirate of Dubai and ensuring that tourism as a sector with all related adjacencies are effectively growing their contribution to Dubai's GDP.

Al Marri's responsibilities span both leisure and business aspects of the city's value proposition. As such his role entails enhancing Dubai's positioning as the preferred international hub for the global business community to network from, establish and expand their presence in, and service the broad range of markets across EMEASA. To facilitate delivery, he is equally responsible for forging collaborations and partnerships across the industry ecosystem globally, and Dubai government, private and public sector stakeholders.

Helal Al Marri also heads up the DWTCA, which encompasses the UAE's leading event venue and the largest event and exhibition centre in the whole region. He is responsible for developing the centre's strategic and development plans that aim to position Dubai as a leading global MICE destination. In his capacity, Al Marri is mandated to manage various sides of the business including exhibitions and conferences; real estate; and hospitality – all collectively driving towards the company's growth strategy in line with Dubai's vision to create a global platform for business tourism, as mandated by His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai.

Al Marri serves as a member of the Supreme Committee of the Expo 2020 and board member at the Dubai Chamber of Commerce and Industry, Emaar Malls PJSC and Taaleem PJSC.

Helal Al Marri holds a Master of Business Administration (MBA) degree from the London Business School (LBS). Al Marri is a Chartered Accountant from the Institute of Chartered Accountants in England and Wales and previously worked at consulting firms, McKinsey and KPMG.

Mr. Ali Ibrahim, Board member:

As Deputy Director General at the Department of Economic Development in Dubai (DED), Ali Ibrahim is entrusted with enhancing DED's role in the emirate's strategy to remain in the forefront of countries applying the highest standards in doing business across the economic, social and cultural domains.

Mr. Ibrahim is also responsible for evaluating regional and global economic developments as well as their impact on Dubai and its competitiveness. In addition, he supervises surveys and the collection and publication of economic indicators in Dubai and business-related statistics.

Mr. Ibrahim participated in the working groups, which prepared Dubai Strategic Plan 2007-2015, and also supervised DED's working team, which updated the economic plan 2013 -2015.

Mr. Ibrahim started his career with the UAE Central Bank in 1983 in Abu Dhabi where he rose through the ranks to become Assistant Manager for Research and Statistics. Since joining DED in 1993 he has held several positions including Head of Studies and Planning Department, Head of Commercial Registration Department and Deputy Director General for Executive Affairs.

Key positions currently held by Mr. Ibrahim include Chairman of Amlak Finance; Board Member of Emaar Industries and Investment; Managing Director, Emcredit; and Board Member of Emcredit Collection Company. Earlier, he was also Board Member of Dubai Financial Market, Member of the Supreme Insurance Committee and Chairman of Emaar Financial Brokerage, and Member of Commercial Agencies Committee.

He was also the General Co-ordinator of the Economic Development Committee of the Executive Council of Dubai, and Technical Co-ordinator of the Dubai Islamic Economy Development Centre.

Mr. Ibrahim holds a Bachelor's Degree in Business Administration and English Language from the UAE University. He has also participated in several courses and conferences and attended working groups in global bodies such as the International Monetary Fund. He was one of the first graduates of the Government Leadership Programme of the Mohammed Bin Rashid Centre for Leadership Development.

b. A clarification on women’s representation in the Board of Directors in 2019:

There were no women represented in the Board of Directors in 2019.

c. An explanation of the reasons for not having women appointed on the Board of Directors:

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

The Company invited the public to submit their nominations for Board membership including women but none of the applicants were approved by the shareholders.

d. Remuneration and allowances for attending committee meetings:

1- Total remuneration paid to members of the Board of Directors for the year 2018:

The total remunerations paid to the Board of Directors for the year 2018 are six hundred fifty thousand UAE Dirhams (AED 650,000) for each non-executive board member, as approved by the annual general meeting of the Company.

2- Total remuneration proposed to be paid to members of the Board of Directors for the year 2019:

The Board of Directors propose six hundred fifty thousand UAE Dirhams (AED 650,000) for each non-executive member of the Board of Directors as the remuneration to be paid to them for the year 2019, subject to approval by the annual general meeting of the Company. If the annual general meeting of the Company approves the payment of the proposed remuneration, fifty percent (50%) of the remuneration will be paid at the time of the approval while the remaining fifty percent (50%) will be paid before the end of December 2020.

3- Allowances paid to Board members during the year 2019 for attending meetings of Board committees:

It was decided to pay an amount of one hundred seventy two thousand UAE Dirhams (AED 172,000) as allowances for attending meetings of the Board committees for the year 2019 as shown in Annex B-1, at the rate of twelve thousand UAE Dirhams (AED 12,000) per meeting for chairmen of committees and ten thousand UAE Dirhams (AED 10,000) per meeting for members of the committees. Allowances were distributed as shown in Annex B-1.

4- Details of the additional allowances, salaries or fees received by a Board member other than the allowances for attending the committees and their reasons:

There are no additional allowances, salaries or fees received by a Board member other than the allowances for attending the committees.

e. Number of Board Meetings held during the year of 2019:

The Board of Directors held four (4) meetings during the fiscal year of 2019 on the following dates to discuss matters that do not require disclosure as per the relevant disclosure and transparency regulation issued by the Securities and Commodities Authority, other than the board meeting held on 20 March 2019 held to discuss the financial results of 2018 and to invite the annual general assembly to convene:

- 20 March 2019
- 17 July 2019
- 14 October 2019
- 10 December 2019

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

f. Number of the Board resolutions passed by circulation during the 2019 fiscal year, along with convening dates:

The Board of Directors issued five (5) resolutions by circulation to during the Fiscal Year 2019, which were held on the following dates regarding matters that do not require disclosure as per the relevant disclosure and transparency regulation issued by the Securities and Commodities Authority:

- 31 March 2019
- 21 April 2019
- 23 April 2019
- 22 May 2019
- 21 October 2019

g. Delegation of Authority:

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

h. Related Party Transactions:

The Company has not entered into any transaction with related parties in accordance with the definitions provided for these terms in the Governance Resolution. Annex (K) attached to this report provides the key related party transactions as such term is defined in the International Financial Reporting Standards (IFRS) and which are already reflected in the consolidated financial statements for the year 2019, and carried out during the year in the normal course of business on the terms agreed between the parties.

i. Organizational structure of the Company:

Please refer to Annex C attached to this report which includes the Company's organizational structure as of 31 December 2019.

j. Senior Executive Employees:

Please refer to Annex D attached to this report which includes a list of the Company's senior executive employees, date of appointment, total salaries and allowances paid in 2019.

4- External Auditor:

a) Brief Background on the External Auditor:

KPMG is a global network of independent member firms offering audit, tax and advisory services. KPMG member firms operate in 147 countries, collectively employing more than 219,000 people. KPMG Lower Gulf Limited is a provider of audit, tax and advisory services to a broad range of domestic and international clients across all sectors of business and the economy. KPMG Lower Gulf Limited has been operating in the UAE for more than 40 years through its offices in Abu Dhabi, Dubai and Sharjah, which together comprise more than 100 partners and directors and over 1,300 employees.

In addition to its presence in the UAE and Oman, KPMG is widely represented in the Middle East for more than 50 years and has offices in the UAE, Bahrain, Egypt, Jordan, Kuwait, Lebanon, Oman, Palestine, Qatar, and Saudi Arabia, with more than 8,000 employees in the Middle East.

KPMG was the first major firm of its kind to organize itself along industry lines – a structure which enabled them to develop in-depth knowledge of their clients' businesses and to provide them with an informed perspective. Over the years, KPMG has developed specialist industry and discipline groups to meet client requirements for professional advisors who understand and are experienced in a wide variety of business fields. KPMG have significant experience across key geographic areas and are engaged with leading industry players on a range of issues critical to the future of their industries. In addition to having many of the Middle East's leading organizations and government-related entities as its clients, KPMG in the Lower Gulf has been party to numerous milestone engagements in the region.

b) Audit Fees:

A table is attached to this report (Annex A) showing the total fees and costs related to the audit and other services provided by external auditors, including the details and nature of the services provided, and a statement of the other services provided by external auditors other than the Company's auditor in 2019, in addition to the number of years served as an external auditor of the Company.

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

The auditor's report did not provide any qualified opinion regarding the interim or annual financial statements for the year 2019.

5- Audit Committee:

a) **Mr. Ali Ibrahim**, as the Chairman of the Audit Committee, acknowledges his responsibility for the committee's system in the Company, for reviewing its working mechanism and for ensuring its effectiveness.

b) Composition and Functions:

The composition of the Company's Audit Committee during the year 2019 was as follows:

1- **Mr. Ali Ibrahim** (chairman).

2- **Mr. Abdullah Belyohah** (member)

3- **HE. Helal Al Marri** (member)

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

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

c) Meetings and Attendance:

The committee held its meetings during 2019 to discuss matters relating to financial statements and other matters as follows:

- 13 February 2019
- 3 March 2019
- 28 April 2019
- 28 July 2019
- 27 October 2019

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

6- Nomination and Remuneration Committee:

- a) **H.E. Helal Al Marri**, as the Chairman of the Nomination and Remuneration Committee, acknowledges his responsibility for the committee's system in the Company, for reviewing its working mechanism and for ensuring its effectiveness.

b) Composition and Functions:

The composition of the Company's Nomination and Remuneration Committee during the year 2019 was as follows:

- 1- **H.E. Helal Al Marri** (chairman)
- 2- **Mr. Ahmad Al Matrooshi** (member)
- 3- **Mr. Ali Ibrahim** (member)

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

c) Meetings and Attendance:

The committee held its meeting during 2019 as follows:

- 13 March 2019

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

7- Investment Committee:

a) **Mr. Abdulrahman Al Hareb**, as the Chairman of the Investment Committee, acknowledges his responsibility for the committee's system in the Company, for reviewing its working mechanism and for ensuring its effectiveness.

b) Composition and Functions:

The composition of the Company's Investment Committee during the year 2019 was as follows:

1- **Mr. Abdulrahman Al Hareb** (chairman)

2- **H.E. Mohamed Ali Alabbar** (member)

3- **Mr. Mohammed Al-Hussaini** (member)

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

c) Meetings and Attendance:

No meetings were held by the Investment Committee during the year of 2019.

8- Committee for Monitoring Insiders Trading:

a) **Mr. Ahmed Al Matrooshi**, as the Chairman of the Committee for Monitoring Insiders Trading, acknowledges his responsibility for the committee's system in the Company, for reviewing its working mechanism and for ensuring its effectiveness.

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

The members of the committee are **Mr. Ahmed Al Matrooshi** (Vice Chairman) and **Mrs. Natalie Bogdanova** (Chief Operating Officer), who was appointed as a successor to Mr. Patrick Francois Bousquet-Chavanne on 2 July 2019. The committee is responsible for managing, monitoring and supervising trading and ownership of securities of the Company by insiders, maintaining a register of the insiders and submitting periodic statements and reports to the stock market.

c) Summary of the Committee's activities report for 2019

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

9- Internal Control System:

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

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

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

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

In the event of material violations falling within the scope of the Internal Control Department or identification of issues that must be disclosed in the annual reports, a report will be prepared regarding the matter and submitted to the Audit Committee which will take the necessary measures to deal with each of these cases, including requesting the management to provide the necessary clarifications or to take the necessary measures to deal with these cases.

During 2019, the Audit Committee received reports and memorandums from Internal Control Department on operational effectiveness, financial reporting and compliance with the Company policies including applicable laws and regulations. The Audit Committee is assisting the Board of Directors in overseeing the application of internal control systems and presented the Internal Control Department's reports and memorandums for the records of the Board. The number of audit reports and memorandums issued to the Audit Committee are 12 reports.

10- Violations:

The Company did not commit significant violations of the Governance Resolution during 2019.

11- Local community development and environmental conservation:

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

- The Dubai Mall took part and supported the event of Innovation Week "Minds Gate" for Dubai Customs by organizing the event, providing a free space in Galeries Lafayette Corridor, and promoting the event across all Dubai Mall social media platforms.
- The Dubai Mall celebrated the World Down Syndrome Day with parade filled with joy and happiness in association with Kidzania and Ministry of Health.
- The Dubai Mall management, in cooperation with "Watani" provided a free space on the second floor next to the aquarium to support the "Children's Fairy Tales from the UAE" event which publishes Emirati folklore stories and tales of childhood.
- The Dubai Mall management welcomed 30 children in two days from Emirates Autism Society and provided a free space on the first floor of the "Pull & Bear" store as a platform to promote the charity.
- In partnership with Expo 2020, the Dubai Mall management organized and provided free venue at the Dubai Mall Waterfall as a promotional pop up for Expo 2020 to increase awareness and engage visitors.
- In support of Ministry of Community Development, Dubai Mall management provided free venue and promoted "Forsaty" program, which is a government initiative to support local small businesses of arts and crafts from GCC countries.
- The Dubai Mall management has organized an annual graduation ceremony for police summer camp students at the Galeries Lafayette, The Dubai Mall.
- The Dubai Mall management, in cooperation with Roads and Transport Authority (RTA), participated in RTA promotional campaign to celebrate 10th anniversary of Dubai Metro, by providing free venue at Souk Atrium, where RTA were distributed free giveaways from a replica Metro carriage in the mall.
- On 19th Ramadan which coincides with Zayed Day for Humanitarian Action, The Dubai Mall hosted the UAE Red Crescent charity campaign under the slogan "From UAE to Rohingya", which aims to collect donations to respond to the victims of the Rohingya refugee crisis, especially women and children in a number of sectors such as Education, nutrition, health services, water, sanitation and shelter materials.

- The Dubai Mall hosted the "Ramadan Dubai" event in partnership with Islamic Affairs & Charitable Activities Department at Waterfall Atrium, which was a live artist canvas painting of Sheikh Zayed and the mall visitors were encouraged to participate in the painting by plotting flowers to make the figure of Sheikh Zayed.
- In partnership with Dubai Culture and Arts Authority, The Dubai Mall has organised UAE's premier humanitarian event, "Suqia Al Amal" or "Well of Hope" near the Dubai Aquarium and Underwater Zoo, which is a new and unprecedented humanitarian project in the region, and a part of the "Hope makers" initiative operating under the umbrella of The Mohammed Bin Rashid Al Maktoum Global Initiatives Foundation. The largest volume of virtual water has been pumped and donated to people living in remote areas.
- The Dubai Mall offered a free space at Souk Atrium and organized a stand for Montblanc The Art of Heritage Writing. The aim of the activation is to link Montblanc's heritage & craftsmanship with Arabic calligraphy and create an experiential activity around calligraphy.
- On the occasion of UAE Flag Day and in cooperation with Watani Al Emarat Foundation, The Dubai Mall managed and organized this national event in the presence of His Highness Sheikh Mohammed bin Rashid Al Maktoum to raise the flag along with his Highness office, Dubai Police, Dubai Media, and Emaar's Top Management.

12- General Information:

- a. Please refer to Annex E of this report for information on the Company's share price in the financial market at the end of each month during year 2019.
- b. Please refer to Annex F regarding the comparative performance of the Company's shares as opposed to the market index and the sector index to which the company belongs during year 2019.
- c. Please refer to Annex G for categories of shareholders as of 31 December 2019.
- d. There are no shareholders holding **5%** or more of the company's capital, except for **Emaar Properties PJSC**, which owns **84.6323%** of the share capital of the Company as of 31 December 2019 by way of owning **11,014,297,000** shares.
- e. Please refer to Annex H for categories of shareholders by reference to the size of their percentage shareholding as of 31 December 2019.
- f. Please refer to Annex I for the significant events that took place in the Company in 2019.

g. Emiratization percentage in the Company at the end of 2017, 2018, 2019 is as follows:

- 2017: **4.7%**
- 2018: **7.53%**
- 2019: **8.23%**

h. Please refer to Appendix J for the list of innovative projects and initiatives implemented by the Company or which were under development during 2019.

i. Investor Relations Guidelines:

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

Mr. Faisal Falaknaz

Contact Information:

- o Tel No.: 04 367 3487
- o Email: investor-relations@emaar.ae

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

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

j. Special Resolutions presented to the Annual General Meeting held in 2019 and the procedures taken in relation to the same:

- By virtue of a Special Resolution, it was resolved to cancel the Constitutive Regulation of the Employees Incentive Program approved in the annual general assembly meeting in April 2018 and such program was accordingly cancelled.

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

Mr. Ayman Hamdy and **Ms. Rana Matar** were appointed on 18 April 2017 as Board Secretary and Assistant Board Secretary respectively.

Mr. Ayman Hamdy

Group Chief Legal Officer of the Group.

Mr. Ayman Hamdy joined Emaar in 2006.

He is responsible for establishing the Emaar Group's legal strategy, overseeing its legal and governance functions, securing legal protection for the company's assets, structuring major transactions and supervising the implementation of the company's bylaws, policies and regulations.

Mr. Hamdy started his career with one of the largest law firms in Egypt, working on international business transactions and foreign investment matters. He served as a public prosecutor for three years before joining Unilever in Dubai as their Regional Head of Legal.

Mr. Hamdy studied law in Egypt, France and the United States. He holds an LL.M. in US Law from the law school of Washington University in St. Louis.

Mrs. Rana Mattar

Director Legal and Assistant Company Secretary - Emaar Properties PJSC

Rana joined the corporate legal department of Emaar in March 2008 and is assisting on company secretary matters for the Group. Rana started her career in 2000 with Abousleiman & Partners one of the leading law firms in Lebanon. She joined the inhouse legal department of BankMed in Lebanon in 2005 before relocating to Dubai. Rana studied law in Lebanon, France and the United States. She holds an LL.M. in Business Law from USJ – Panthéon-Assas Paris II and will graduate in March 2020 with an LL.M. in US Law from Washington University in St. Louis, USA. Rana is a member of the Lebanese Bar Association and a certified company secretary from Hawkamah.

Mohammed Al-Hussaini
Chairman

Date: .../.../ 2020

Ali Ibrahim
Audit Committee
Chairman

Date: .../.../ 2020

Helal Al Marri
Nomination and
Remuneration Committee
Chairman

Date: .../.../ 2020

Irfan Sadiq
Internal Audit Department
Director

Date: .../.../ 2020

Annex (A)

Audit fees Table Report

Name of the audit firm and partner auditor	Emilio Pera - KPMG
Number of years spent as external auditor of the Company	1 year
Total audit fees for 2019 (in AED)	220,000
Fees and costs of other special services other than auditing the financial statements for 2019 (in AED)	<u>Quarterly reviews – AED 397,268 in total</u> KPMG – AED 231,966 E&Y – AED 165,622
Details and nature of other services provided (if any)	N/A
Statement of other services that an <u>external auditor</u> other than the company accounts auditor provided during 2019 (if any)	<p>Other than KPMG as external auditors, other audit firms were engaged by the company for Tenant sales audit, below is the list and amount paid: -</p> <ul style="list-style-type: none">• Horwath Mak – AED 81,650/- <p>Other than KPMG as external auditors, other audit firms were engaged by the company for Consultancy and advisory, below is the list and amount paid: -</p> <ul style="list-style-type: none">• E&Y – AED 35,922/-

Annex (B-1)

Board members' attendance to the committee meetings and the allowances paid to the Board members for the year 2019

Name	Nomination & Remuneration		Audit Committee		Investment Committee	
	Attendance	Allowance	Attendance	Allowance	Attendance	Allowance
1. Mr. Mohammed Al-Hussaini	-	-	-	-	-	-
2. Mr. Ahmad Al Matrooshi	-	-	-	-	-	-
3. H.E. Mohamed Ali Alabbar	-	-	-	-	-	-
4. Mr. Abdullah Belyohah	-	-	5	50,000	-	-
5. Mr. Abdulrahman Al Hareb	-	-	-	-	-	-
6. H.E. Helal Al Marri	1	12,000	4	40,000	-	-
7. Mr. Ali Ibrahim	1	10,000	5	60,000	-	-

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

¹ Allowances amount in AED

Annex (B-2)

Attendance of Board Meetings

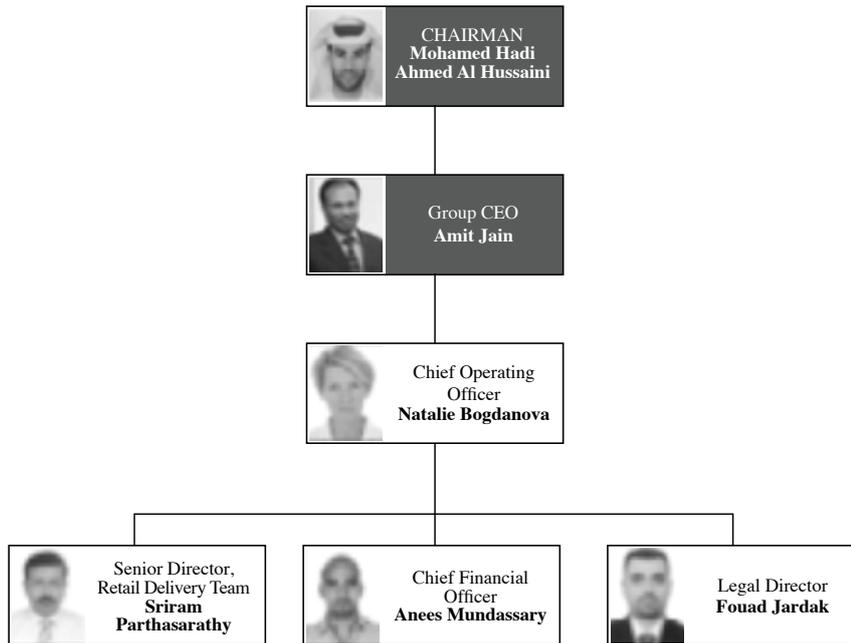
Name	Attendance
Mr. Mohammed Al-Hussaini	4
Mr. Ahmad Al Matrooshi	4
H.E. Mohamed Ali Alabbar	1
Mr. Abdullah Belyohah	4
Mr. Abdulrahman Al Hareb	4
H.E. Helal Al Marri	4
Mr. Ali Ibrahim	3

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

Annex C

Organizational Structure of the Company as of 31 December 2019

Emaar Malls



Annex D

Senior Executive Employees

SN	Position	Date of Appointment	Total Salaries and Allowances paid for 2019 (AED)	Total Bonuses paid during 2019 (AED)	Any other Cash/in-kind bonuses for 2019 or due in the future
1	COO Emaar Malls	23 February 2003	1,943,297	402,202	600,028
2	General Manager	1 April 2003	810,089	25,077	None
3	Senior Director, Retail Delivery Team	17 October 2010	782,135	253,611	162,376
4	Legal Director	8 May 2011	892,204	193,234	None
5	Chief Financial Officer	11 October 2015	1,027,023	311,991	251,061
6	Head of The Dubai Mall	25 November 2018	1,350,276	None	None
7	Senior Director, Leasing	22 September 2019	453,000	None	None
8	Senior Director, Leasing	29 September 2019	363,792	None	None

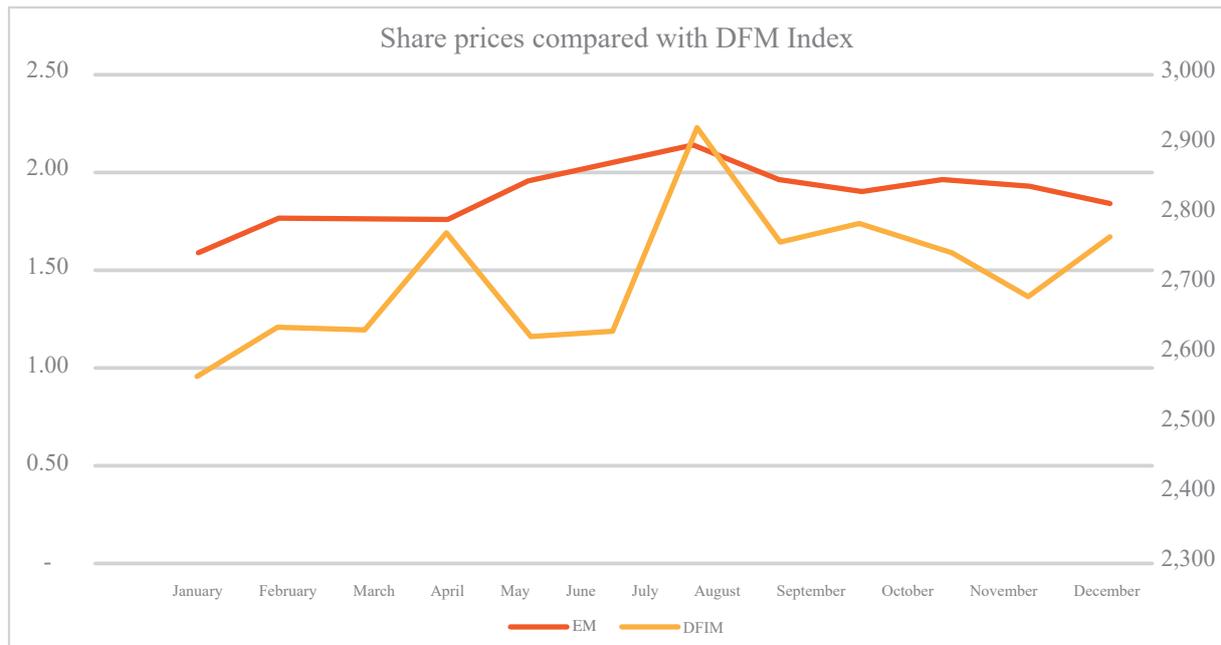
Annex E

Company Share Price in the Market (Closing Price, Highest Price, Lowest Price) at the end of each month during the year 2019.

2019	Highest price	Lowest price	Closing price
January	1.82	1.53	1.57
February	1.85	1.43	1.75
March	1.83	1.43	1.74
April	1.83	1.65	1.74
May	1.94	1.54	1.94
June	2.10	1.84	2.03
July	2.17	1.90	2.12
August	2.13	1.86	1.94
September	1.94	1.87	1.88
October	1.96	1.83	1.95
November	1.96	1.89	1.91
December	1.93	1.83	1.83

Annex F

Comparative performance of the Company's shares with the market index and the sector index to which the Company belongs during 2019



Annex G

Categories of Shareholders as of 31 December 2019 (Individuals, Companies and Governments) classified as follows: UAE, GCC, Arab, foreign

Shareholder Category	Percentage of Shares Owned			Total
	Individual	Companies	Government	
UAE	1.6958%	87.9883%	0.1128%	89.7969%
GCC	0.1752%	1.6182%	-	1.7934%
Arab	0.2597%	0.0108%	-	0.2705%
Foreign	0.2014%	6.7762%	1.1663%	8.1439%
Total	2.3321%	96.3935%	1.2791%	100%

Annex H

Categories of Shareholders According to the Size of their Percentage Shareholding as of 31 December 2019

Share(s) Owned	Number of Shareholders	Number of Share Held	% of Shares Held of the Capital
Less than 50,000	14,108	41,023,360	0.315%
From 50,000 to less than 500,000	897	146,469,996	1.126%
From 500,000 to less than 5,000,000	284	451,343,278	3.468%
More than 5,000,000	79	12,375,463,366	95.091%
Total	15,368	13,014,300,000	100%

Annex I

Significant Events of the Company during 2019

January

- RTA Commences Exclusive Dubai Ferry Route for Emaar's Visitors and Residents Linking the Dubai Mall and Dubai Marina Mall.
- Five New Retail Link Bridges by Emaar Add to Ease of Access to The Dubai Mall.

February

- Emaar To Celebrate Chinese New Year with Special Laser and Light Show on Burj Khalifa.
- Emaar Malls completes full acquisition of Namshi purchasing the remaining 49% from Global Fashion Group (GFG) for AED 475.5 million (US \$129.5 million).
- Emaar Malls records 7% growth in 2018.

March

- Emaar Malls appoints Hadi Badri as Chairman of Namshi.

April

- The 4th Annual General Meeting (AGM) of Emaar Malls approves the distribution of cash dividends to shareholders amounting to AED 1,301,430,000 (One Billion Three Hundred One Million Four Hundred Thirty Thousand UAE Dirhams), representing 10 per cent of the share capital being 10 fils per share.
- Emaar Malls records 7% growth in Q1 2019 net profit to AED 584 million (US\$ 159 million).

June

- Dubai Hills Mall reaches 60% completion mark.

July

- Emaar Malls records 6% growth in revenue to AED2.2 billion (US\$ 606 million) in H1 of 2019.

August

- Emaar Malls to open Dubai Hills Mall in 2020.

November

- Emaar Malls Announce 6% Growth in Revenue Reaching to AED 3.412 Billion (US\$ 929 Million) in 9 Months Of 2019; Net Profit Grows By 6% To AED 1.732 Billion (US\$ 472 Million).

December

- Ekart Zabeel now open at The Dubai Mall Zabeel.

Annex J

Innovative Projects and Initiatives implemented by the Company during 2019

- **Mist Car wash app service**

- The app launched on June 2019, where visitors can book to wash their car through the "Dubai Mall" application using their car registration and online payment.

- **Find My Car app service**

- The app launched on July 2019, it helps the mall's visitors to locate their lost car through the app, using registration precision technology. By simply enter car plate through the app and it will find it for you.

- **Luggage concierge and airport check-in service**

- The app launched on July 2019, shopping before travelling is easy at The Dubai Mall, with a fully integrated luggage concierge and airport check-in service. Monitored by 24-hour CCTV, the guests can store their luggage securely for their comfort and ease while they shop. Guests can also check-in their luggage and receive airline boarding passes from The Dubai Mall with DUBZ - Dubai's premium baggage delivery check-in service provider. This seamless service allows guests to head directly from The Dubai Mall to the airport and arrive baggage free with boarding pass.

- **Shop & Drop mall service**

- The app launched on August 2019, Shop with ease using The Dubai Mall's Shop and Drop Service. This free service seals and stores shopping bags for the visitors' convenience, leaving the visitors free to continue their seamless mall experience.

- **QR codes for app downloads**

- The app launched on September 2019, introduction of QR codes into our advertising campaigns, so guests can instantly install The Dubai Mall app.

- **24-hour social listening / customer sentiments**

The app launched on September 2019, set-up of 24-hour social media listening and generation of customer sentiments using Sprinklr.

- **One More Reason**
 - The app launched on October 2019; daily push notification offers through the app targeting app users.
- **Personal Shopper Lounge - October 2019**
 - A new in-mall space created for TDM personal shopper service to allow guests a VIP experience within the mall.
- **New TDM app launch – December 2019**
 - New app launched to improve user experience, focusing more on events, offers, seamless services and streamlined navigation.
- **WIFI Service – December 2019**
 - Mall visitors can connect with free high-speed Wi-Fi during their visit by logging in on The Dubai Mall app. Our platform is multilingual and available in English, Arabic, Chinese, Russian, Japanese and Korean. Connect to @Dubai Mall by Emaar and you'll be online in just a few simple steps.
- **Mobile Way finding: Using Beacons to guide shoppers inside the Mall through Indoor Positioning systems**
- **Mobile Reserve Parking: VIP customers who register their cars thru the Dubai Mall Mobile App can enter a Barrier controlled reserved parking which opens barrier using ANPR technology**

Annex K

Statement of the Related Parties Transactions in accordance with the International Financial Reporting Standards (IFRS) as listed in the Consolidated Financial Statements of the Company for the year 2019

	<i>2019</i>	<i>2018</i>
	<i>AED'000</i>	<i>AED'000</i>
<i>Parent company, Affiliated entities, entities owned or controlled by</i>		
<i>Directors and other related parties</i>		
Revenue	223,372	190,935
Cost of revenue	357,636	291,256
Sales and marketing expenses	44,732	19,826
General and administrative expenses	64,631	108,443
Finance income	338	22,641
Finance costs	11,052	5,110
Capital expenditures	-	4,359
	223,372	190,935
Related party balances		

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

	<i>2019</i>	<i>2018</i>
	<i>AED'000</i>	<i>AED'000</i>
<i>Parent company, Affiliated entities, entities owned or controlled by</i>		
<i>Directors and other related parties</i>		
Bank balances and cash	2,383	134,682
Trade and unbilled receivables	45,364	7,791
Due from related parties	149,355	158,768
Deferred Income	61,445	69,112
Due to related parties	152,439	118,440
Trade payables	135	163
	135	163