

UNION PROPERTIES PJSC

CORPORATE GOVERNANCE REPORT

FOR THE YEAR 2014

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## 1. Corporate Governance Practice

Pursuant to the responsibility of the Board of Directors towards shareholders and its duty to protect and promote the value of the shareholders' equity, the management of Union Properties PJSC ('UP' or 'the Company') has endeavored to apply the rules and principles of corporate governance set forth in the Ministerial Resolution No. 518 of 2009 in an effective and transparent manner.

The Board of Directors ('the Board') believes that the driving principles of transparency, fairness, disclosure and accountability to stakeholders have been pivotal to the performance of the Company, its Board, its Senior Management, employees and other stakeholders.

UP has taken many governance initiatives which are as follows:

- Prepared and issued Corporate Governance Manual of the company;
- Prepared and disseminated Corporate Social Responsibility (CSR) policy and created the culture within the organization to 'give back to the Society';
- Prepared and disseminated the 'Whistleblower' policy that creates awareness among the employees that they are important and responsible to report any wrong doing in the company;
- Established Risk Management function and framework within the organization. Promoted Risk Culture within the organization through training and workshops for employees;
- Adoption of the Rules and Procedures governing the transactions by the Board of Directors and employees;
- Adoption of the Code of Business Conduct and Ethics Charter;
- Effective operations of Audit Committee and Nomination and Remuneration Committee according to their approved charters;
- UP has complied with the disclosure of the quarterly and annual financial statements within the legal timeline;
- Board members have complied with the annual disclosure of their independence during 2014, and the disclosure of any change affecting their independence, including their membership on other boards.

## 2. Corporate Trading In Securities and Disclosure Policy

### 2.1 Trading in the Company's Shares by Board Members and their First - degree Relatives during 2014

The members of the Board of Directors comply with the provisions of Article 17 of the Cabinet Decision No (12) of 2000 concerning the regulations of listing of securities and commodities, and the applicable policy concerning their trading in the Company's shares as contained in the Company's Control Procedures and Corporate Governance Manual by obtaining the required approvals from the regulatory authorities. The Board members also undertake annually to disclose their trading and the trading of their first-degree relatives.

The period of ban on trading was specified under Article 14 of the SCA Regulations pertaining to Trading, Clearing, Settlement, Transfer of Ownership and Custody of Securities as follows:

- Ten (10) working days prior to disclosing any important information which affects the share price, unless the information was a result of urgent and unexpected events.
- Fifteen (15) days prior to the end of the quarterly, half-yearly or annual financial period and until the financial statements are disclosed and the annual financial statements are approved by the Ordinary General Assembly.

The Board Members strictly comply with the period of ban on trading as specified under Article 14 of the SCA Regulations pertaining to Trading, Clearing, Settlement, Transfer of Ownership and Custody of Securities.

All Board members acknowledged that neither they nor their first-degree relatives traded in the Company's shares during 2014.

In addition to the approved policy pertaining to the Board members' dealings, the Company adopts a policy for its employees' trading in the Company's shares. All Union Properties employees are regarded as insiders and are required to comply with specific requirements stated in its Corporate Governance Manual.

### 2.2 Company's Policy of Disclosure & Conflict of Interest during 2014

The Board of directors acknowledged that each Director of the Board was committed to the

requirements of Disclosure and Conflict of Interest and other laws and regulations issued by The Ministry of Economy and Securities and Commodities Authority. There is no indication of any non-compliance by any Director of the Board.

**Main highlights of UP's policy of disclosure & conflict of interests, are as follows:**

- A Board of Director shall not attend any board meeting at which any matter of personal interest related to him will be discussed during the meeting, unless the other Board of Directors vote otherwise.
- Should there be any conflict of interest for any major shareholders or any Director of the Board with regard to any matter that may affect the price or investment volume in company's securities, Board of Directors shall call for a meeting and issue a resolution in this regard in presence of all the Directors, except for the concerned Shareholder/ Director member. In unusual cases, these matters may be solved by special committee formed for this purpose.
- Each Director at the start of his tenure shall disclose to the company the nature of positions held by him within the public companies and organizations as well as other major obligations.
- Director shall annually disclose the nature of positions and functions held by him at the company, or the holding company, any other subsidiary or affiliate.

### 3. The Board of Directors' Structure

#### 3.1 Board of Directors composition

On 10<sup>th</sup> April, 2014 the Board of Directors were elected by the Annual General Assembly for three years tenure. The Board consists, as of December 31<sup>st</sup> 2014 of seven non-executive members. The Board is currently chaired by Mr. Khalid Bin Kalban. The Board members are categorized into 'non-executive /non independent' or 'non-executive/independent' as per definition of these categories by Securities and Commodities Authority and in accordance with the directors' acknowledgment with regard to independency. During the year 2014, 1/3<sup>rd</sup> of the Board members held the capacity of non-executive/independent category.

## Profiles of Board of Directors

### Mr. Khalid Bin Kalban

**Position :** Chairman of the Board

**Position held :** Since 2008

**Category:** Non-executive/non-independent.

**Re – elected Date:** Re-elected to the Board on 10th April, 2014.



The chairman holds Degree in business management from Arapahoe, Community College-USA. Also got Bachelor of Science from Metropolitan State College - USA. Expertise in various fields such as, industrial, financial, investment and real-estate sectors. He contributes through his ambitious vision and far-sighted skill in incorporating of many entities in United Arab Emirates and currently holds many important positions among which:

- National General Insurance- Dubai – UAE – Board Member
- Arab Insurance Group (ARIG) – Bahrain – Chairman
- Islamic Bank of Asia – Singapore - Board Member
- Arcapita Group – Bahrain – Board Member
- Dubai Investment (PJSC) – Managing Director & CEO

In the year 2011 he got (Creative Chief Executive Officer Award of the Year) during fourth turn of Middle East and Northern Africa Chief Financial Officer awards distribution celebration.

### Mr. Saeed Mohammed Rashed Al Sharid

**Position :** Vice Chairman of the Board

**Position held :** Since 1999

**Category:** Non-executive/independent.

**Re – elected Date:** Re-elected to the Board on 10th April, 2014.



Mr. Al Sharid holds a Bachelor degree in Accounting and Business Administration from UAE University in 1981. He has participated in several multi training courses, workshops and

conferences which includes management skills, strategy, leadership, quality, governance, government sector management, private sector management, KPI's, and human resource. He is Certified Auditor & Accounting Expert and holding Chief Advisory position in Emirates General Transport & Service Corporation.

**Mr. Abdulaziz Yaqoob Al Serkal**

**Position :** Director of the Board

**Position held :** Since 1999

**Category:** Non-executive/non-independent.

**Re – elected Date:** Re-elected to the Board on 10th April, 2014.



Mr. Abdul Aziz AlSerkal has got education from University of Southern California, US, where he majored in Industrial and System Engineering.

He has vast experience in industrial dealings and business management. He has evaluated the potential performance and resource requirements of hundreds of projects across diverse industrial sectors. The experience enabled him gain comprehensive understanding of different industries – from planning, implementation, trouble shooting and monitoring to ensuring successful operation.

He holds the position of director in Dubai Investments Industries, Dubai Investment Park, Masharie, Thuraya Telecommunications, and Thermo LLC. He also serves as the Chairman of the Board for Emirates District Cooling, Edible Oil Company, International Rubber Company.

**H.E. Hamad Mubarak Buamim**

**Position :** Director of the Board

**Position held :** Since 2008

**Category:** Non-executive/independent.

**Re – elected Date:** Re-elected to the Board on 10th April, 2014.



His Excellency holds an MBA with Honor in Banking and Finance from University of Missouri, Kansas, USA. His Excellency also graduated in Electrical Engineering from Southern California University, Los Angeles, USA.

His Excellency currently occupied a number of significant positions such as:

- President & CEO of Dubai Chamber of Commerce & Industry;
- Managing Director and Board Member of Dubai World;
- Board Member of UAE Central Bank;
- Chairman of National General Insurance (NGI) PJSC;
- Board Member of Dubai Islamic Bank.

**Mr. Ali Fardan Ali Al Fardan**

**Position :** Director of the Board

**Position held :** Since 2008

**Category:** Non-executive/independent.

**Re – elected Date:** Re-elected to the Board on 10th April, 2014.



Mr. Al Fardan holds a Bachelor of Science Degree in Information Systems from Metropolitan State College - USA. He has been involved with various sectors including Real Estate Management and Property Investment, Capital Investment Management and Hospitality Management. Mr. Al Fardan currently holds the following positions:

- Director at the Board of Commercial Bank of Dubai PJSC
- Director at the Board of Dubai Investment Company PJSC

**Mr. Saeed Humaid Bin Draï**

**Position :** Director of the Board

**Position held :** Since 2010

**Category:** Non-executive/independent.

**Re – elected Date:** Re-elected to the Board on 10th April, 2014.





Mr. Bin Draï graduated in Politics and International Relations from University of Kent at Canterbury - UK.

In September 1998, he joined his family business of ship handling, foodstuff, steel trading, road marking and real estate development among others. Currently, Mr. Bin Draï holds the following positions;

- CEO – Bin Draï Enterprises, UAE
- Director - Gulf Shipchandlers LLC

**Mr. Mana Mohamed Saeed Al Mulla**

**Position :** Director of the Board

**Position held :** Since 2014

**Category:** Non-executive/independent.

**Elected Date:** Elected to the Board on 10th April, 2014.



Mr. Mana has graduated with a BS in Business Administration from The University of Suffolk, Boston - USA. Mana Al Mulla is a well-known business leader in the Middle East. He has an extensive network of relationships with major firms and business communities across UAE.

He currently holds the following positions:

- Director - Etisalat P.J.S.C
- Director - Commercial Bank of Dubai P.J.S.C
- Director - Oman Refreshment Company (Sultanate of Oman) SAOG
- Director - ABJAR Hotels L.L.C
- Director - Aramex P.J.S.C
- Director (Chairman) - United Kaipara Dairies Co. – UNIKAI

### 3.2 The Board Meetings

The Board of Directors is committed to the shareholders to deliver growth and performance of the Company and consequently had convened Eight (8) meetings during 2014. Personal attendance record of the Directors for the meeting is recorded below:



S.No	The Board Meeting Time Line	Personal Attendance							
		1	2	3	4	5	6	7	8
1	02 February 2014	✓	✓	✓	✗	✓	✓		✓
2	23 February 2014	✓	✓	✓	✗	✓	✓		✓
3	05 May 2014	✓	✓	✓	✓	✓	✓	✓	
4	05 June 2014	✓	✓	✓	✓	✓	✓	✓	
5	22 July 2014	✓	✓	✗	✓	✗	✗	✓	
6	09 October 2014	✓	✓	✓	✗	✓	✓	✗	
7	09 November 2014	✓	✓	✓	✓	✓	✓	✓	
8	15 December 2014	✓	✓	✓	✓	✓	✓	✗	

1. Mr. Khalid Bin Kalban

2. Mr. Saeed Mohammed Alsharid

3. Mr. Abdul Aziz AlSerkal

4. H.E. Hamad Mubarak Buamim

\*Appointed during the year on 10<sup>th</sup> April, 2014

\*\*Left during the year on 10<sup>th</sup> April, 2014

5. Mr. Ali Fardan Ali Al Fardan

6. Mr. Saeed Humaid Bin Draï

7. Mr. Mana Mohammed Saeed Al Mulla\*

8. Mr. Saeed Abdullah Yousuf\*\*

✓ Attended

✗ Apologized

### 3.3 Remuneration of Board of Directors

The remunerations of Board members shall be a percentage of net profit. The Company may pay ancillary fees or a month salary, determined through a Board resolution, to any member if such a member works in any committee, exerts special efforts or undertakes additional duties for the Company beyond his/her normal duties as a member of the board of Directors of the company. In all cases, the remunerations of Board members may not exceed ten percent (10%) of net profits, having deducted depreciation, reserve and distribution of a dividend of at least five percent (5%) of capital to shareholders. In implementation of the above, the Directors remuneration is determined by a suggestion or a recommendation by the Board of Directors raised to the Annual General Meeting. In all cases, Directors' remuneration shall not exceed ten percent (10%) of net profits as per the previously mentioned controls.

As for Board and emerging committees attendance allowance, such allowances which is received by members amounts to AED 1,367,000 for financial year 2014, and the suggested remunerations for the Board of the Directors for the financial year 2014 is AED 5,000,000. The total amount paid to the Directors inclusive of remuneration and attendance allowances for the financial year 2013 was AED 5,639,000.

### 3.4 Responsibilities Assigned to the Executive Management

The Executive Management of the Company has been assigned by the BOD with the following responsibilities:

- The Board empowered the Executive Management to carry out the day to day business as prescribed in the company's Articles of Association.
- Represent the company before ministries, governmental departments and organizations and official bodies in the United Arab Emirates, whether federal or local.
- Appoint employees, fix their salaries, specified their job description, and to evaluate their performance on behalf of the company.
- Follow-up on and issue periodical reports to be presented to the Board of Directors.
- Sign on behalf of the company as per authorization by the Chairman on all official transactions related to the activities of the company, as well to sign contracts.
- Executive Management shall refer to the Board when taking decisions related to strategic policies of the company.

### 3.5 Transactions with Related Parties

Related parties comprise companies under common ownership or management, key management, businesses controlled by shareholders and directors as well as businesses over which they exercise significant influence. During the year, the Group entered into transactions with related parties in the ordinary course of business. These transactions were carried out at mutually agreed terms and conditions. The transactions with related parties and balances arising from these transactions are as follows:

Transactions during the year	2014
<b>AED '000'</b>	
Project Management Revenues and Contracts Revenues	1,548
Interest earned from deposit	167
Interest paid on bank overdraft	637
Interest on term loans	35,065
<b>Compensation to key management personnel are as follows:</b>	
Salaries and other short term employee benefits	5,841
Provision towards employees terminal benefits	209
	=====

### 3.6 Executive Management

The following chart showing senior executives in the company, their designations and appointment dates:

Name	Designation	Date of joining	Total Annual Salary Paid (AED)**	Total Annual Bonus Paid (AED)
Mr. Ahmed Al Marri	General Manager	December 2009	1,319,000	440,000
Mr. Murtaza Chevel	Chief Financial Officer	February 2010	1,089,846	280,000
Ms. Shahnaz Hasan	Acting GM - Mirdiff	February 2012	504,000	180,000
Mr. Ghalib Bin Kharbash	GM - Motorcity	April 2014	*547,637	-
Mr. Isam Ababneh	Director Projects	October 2013	703,116	-
*part of the year				
** Includes allowances of furniture, car, education, tickets, general pension and social security.				

### 4. External Audit

KPMG International is a global network of professional firms providing Audit, Tax and Advisory services. It operates in 155 countries and has more than 155,000 people working in member firms around the world. The independent member firms of the KPMG network are affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. Each KPMG firm is a legally distinct and separate entity and describes itself.

The annual general meeting held on 10<sup>th</sup> April, 2014 has approved the re-appointment of M/s KPMG as company external auditor for the year 2014. The Audit committee, a committee emanating from the Board attested the annual plan presented by the external auditor. KPMG is the company's external auditor for the period of 20 years. External Audit Company is independent from the company and it's Board of directors and complies with highest professional standards. They take part at the ordinary and extraordinary general assembly, they comply with international and local accounting rules and standards, present periodical reports on the company's business to the audit committee and hold regular meeting with audit committee to share views with regards to internal regulations applied in the company and the effectiveness and organization of its management.

The professional fee which was calculated amounted to AED 120,000 against auditing of annual financial statements and amount of AED 120,000 against reviewing of quarter accounts.

Other than the foresaid, the company did not appoint any external auditors to render other services during the year 2014.

## 5. Audit Committee

### 5.1 Audit Committee Composition

The Audit Committee is composed of the following Board members:

S.No	Name	Role	Capacity
1	Mr. Abdulaziz Yaqoob Alserkal	Chairman	Non-executive/non independent
2	Mr. Saeed Mohammed Alsharid*	Member	Non-executive/independent
3	H.E. Hamad Mubarak Buamim	Member	Non-executive/independent
4	Mr. Mana Mohamed Al Mulla **	Member	Non-executive/independent

\* Mr. Saeed Mohammed Alsharid named as financial and accounting expert in the committee appointed on December 2013.

\*\* Appointed during the year on 10<sup>th</sup> April, 2014.

### 5.2 Audit Committee Meetings

Audit committee meetings held for Six (6) times during the year 2014, minutes of the meetings are being recorded and approved, and copy of the same is being distributed to the Board members. Recorded below are the dates and attendance records of the Audit Committee Members:

S.No	The Committee Meeting Time Line	Personal Attendance				
		1	2	3	4	5
1	02 February 2014	✓	✓	✗		✓
2	22 April 2014	✓	✓	✓	✗	
3	05 May 2014	✓	✓	✓	✗	
4	16 July 2014	✓	✓	✓	✓	
5	09 October 2014	✓	✓	✗	✗	
6	09 November 2014	✓	✓	✓	✓	

1. Mr. Abdulaziz Yaqoob AlSerkal ✓ Attended
2. Mr. Saeed Mohammed Alsharid ✗ Apologized
3. H.E. Hamad Mubarak Buamim
4. Mr. Mana Mohamed Al Mulla\*
5. Mr. Saeed Abdullah Yousuf\*\*

\*Appointed during the year on 10<sup>th</sup> April, 2014.

\*\*Left during the year on 10<sup>th</sup> April, 2014.

### 5.3 Roles & Responsibilities

In order to accomplish its purpose, the Audit Committee is charged with the following responsibilities:

- Oversight of the preparation of the financial statements;
- Review of the annual and quarterly financial statements prior to them being made public;
- Review the process of Business Continuity and Going concern aspects;
- Abiding by the accounting standards and DFM Exchange Listing Rules and disclosure, and other legal requirements pertaining to the preparation of financial reports;
- Submit reports to the Board of Directors based on the Reporting and Communication protocol within UP;
- The performance of the External Auditor in the review of the financial statements and information for the Committee;
- Review any insider, affiliated or related party transactions and ensure that rules for the conduct and approval are complied;
- Communicate with the Company's Board of Directors, the External and the Internal Auditors;
- Review reports from Management with respect to the Company's compliance with applicable legal and regulatory requirements as well as the Company Code of Ethics;
- Discuss with Management and the External Auditor any correspondence with regulators or governmental agencies and any published reports which raise material issues regarding the Company's financial statements or accounting policies;
- On an annual basis, Audit Committee should identify the matters that could have a significant impact on the organization's financial statements, the Company's compliance with applicable laws and regulations and inquiries received from regulators or governmental agencies:
  - review with CFO and External Auditors the Financials of the Company;
  - review with the Company's counsel any legal matters;
  - review with the Head of Internal Control Department on matters pertaining to compliance with the Regulatory rules and regulations.
- Examine any instances of misconduct where fictitious or fraudulent or misleading figures appear in the financial statements, and lay down strict control procedures to ensure the application of accounting policies and principles that show a true and fair financial position of the Company;
- Review all reports concerning any significant fraud or regulatory non-compliance that occurs at the Company. This review should include consideration of the internal controls that should be strengthened to reduce the risk of a similar event in the future;
- The Audit Committee should ensure that Risk Management policies are developed and



- undertake regular examination of cases of noncompliance with the same;
- Perform any other activities consistent with Audit Committee Charter, the Company's by-laws and governing law, as the Committee or the Board deems necessary or appropriate.

## 6. Nomination and Remuneration Committee (NRC)

### 6.1 Nomination and Remuneration Committee (NRC) Composition

Nomination and Remuneration Committee is composed of the following Board members:

S.No	Name	Role	Capacity
1	Mr. Saeed Humaid Bin Draï	Chairman	Non-executive/independent
2	Mr. Ali Fardan Al Fardan	Member	Non-executive/independent
3	Mr. Mana Mohamed Al Mulla*	Member	Non-executive/independent

\* Appointed during the year on 10<sup>th</sup> April, 2014.

### 6.2 Roles and Responsibilities

The Nomination and Remuneration Committee is charged with the following responsibilities:

- Verification of ongoing independence of independent board members. If the committee discovers that any of the members do not meet the independency criteria, it shall present this matter to the company's board of directors and the board shall notify the member by a letter to be sent by registered mail to the members' registered address recorded in the company's files and shall address the reasons for the lack of independency; such member shall provide clarification to the board within fifteen days from the date of the notification.
- Formulation and annual review of the policy on granting remunerations, benefits, incentives and salaries to board members and employees of the Company and the committee shall verify that remunerations and benefits granted to the senior executive management of the Company are reasonable and in line with the Company's performance.
- Determination of the Company's needs for qualified staff at the level of the senior executive management and employees and the basis of their selection;
- Formulation, supervision of application and annual review of the Company's human resources and training policy; and

- Organization and follow-up of procedures of nomination to the membership of the board of directors in line with applicable laws and regulations.

## 6.2 Nomination and Remuneration Committee Meetings

There were two (2) NRC meetings held during 2014. Minutes of meetings are being recorded and approved copy of the same is being distributed to Board Members, shown below is committee attendance records:

S.No	The Committee Meeting Time Line	Personal Attendance		
		1	2	3
1	23 February 2014	✓	✓	✓
2	12 March 2014	✓	✓	✓

1- Mr. Saeed Humaid Bin Draï

✓

Attended

2- Mr. Ali Fardan Ali Al Fardan

✗

Apologized

3- Mr. Saeed Abdullah Yousuf\*

\*Left during the year 2014 on 10<sup>th</sup> April, 2014.

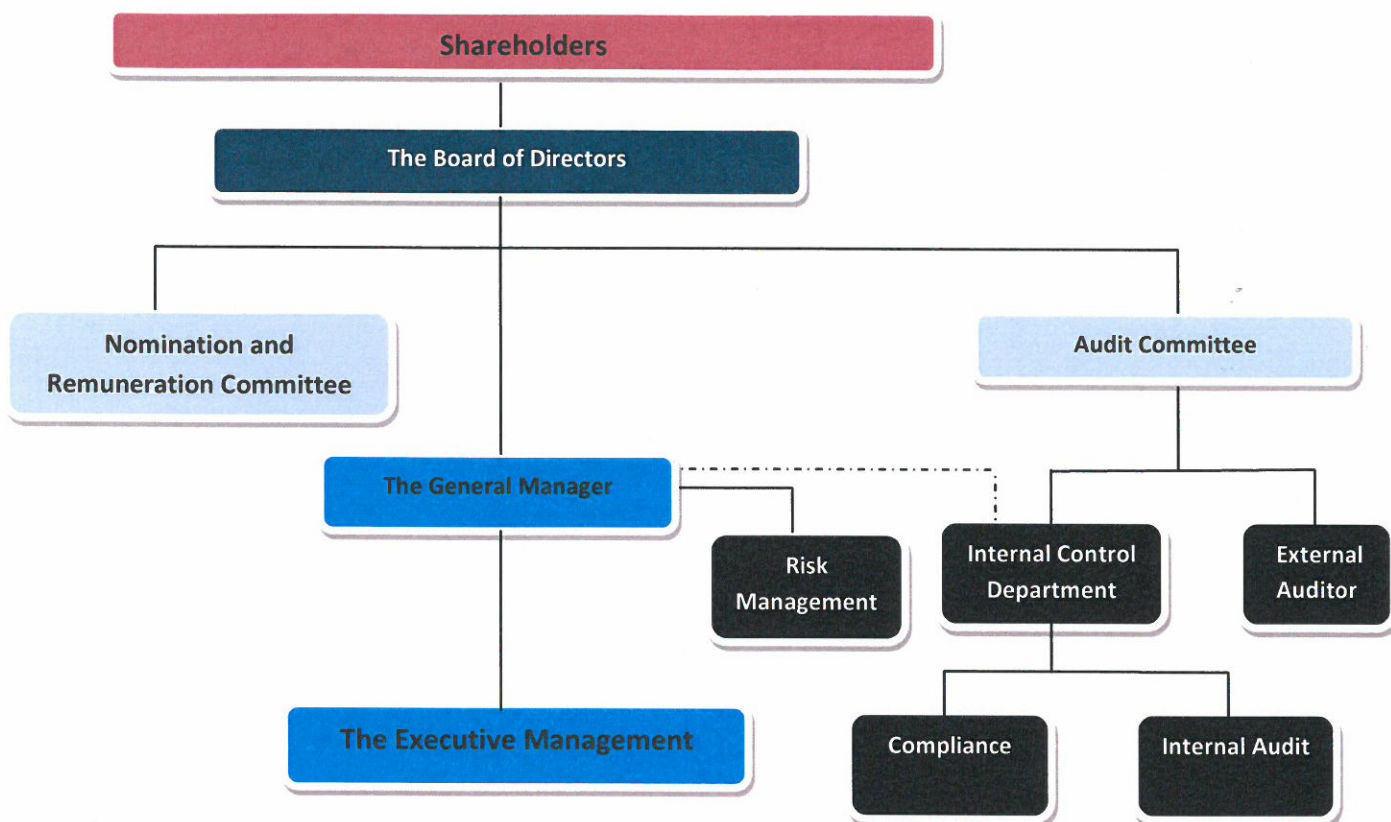
## 7. Internal Control System

### 7.1 The Board of Directors' acknowledgement of its responsibility for the Internal Control System

The Board of Directors acknowledges its responsibility for the internal control system in the Company and for reviewing it and ensuring its effectiveness through the Internal Control Department (ICD).

The Audit Committee is responsible for monitoring the Internal Control System and updating the Board on a quarterly basis at the Board meetings on the resourcing, testing and effectiveness of internal controls in the Company. The Internal Control System's structure established within Union Properties is depicted as follows:





## 7.2 Work Mechanism of the Internal Control Department

The Internal Control Department reports to the Senior Management of the Company and to the Board of Directors through the Audit Committee in such a manner to ensure its independence. In performing its duties, the ICD applies the latest international standards issued by the IIA of USA as well as the international best practices in the following areas:

- Performing the required updates for the procedures manual and charter to be consistent with the latest international standards as approved by the Audit Committee;
- Developing an audit plan based on the risks related to every sector / department / section in order to prioritize the sections with high risks. The plan is discussed with the GM and approved by the Audit Committee;
- At the end of each audit, preparing an audit report for every audited department whereby the objectives, scope, methodology and findings of the audit are presented. The reports also evaluate the notes in terms of the risk levels, in addition to an extensive assessment of the audited sector or department according to the assessment matrix. The Audit



Committee is provided with a copy of the reports and the findings after their discussion with the concerned departments in order to help the Committee to evaluate the internal control within their respective area of responsibility;

- The ICD prepared quality reports on assurances during the year to ensure the efficiency of the completed audit assignments and the availability of permanent and temporary files for each assignment in line with international best practices;
- The ICD followed up on the implementation of corrective actions according to the reports issued by the internal and external auditors;
- Offering consulting services with the aim of developing and improving work procedures in a manner which does not compromise the independence of the auditors, and in accordance with the stipulations of the work charter of the ICD;
- Monitoring the communication channels used for confidential reporting;
- Preparing the Corporate Governance Report in light of the provisions of the Ministerial Resolution No. 518 circulated by the SCA.

### **7.3 Internal Control Department In-charge's Profile:**

Arafat Umer Nawiwala is the Head of Internal Control Department of UP. He is Chartered Accountant (UAECA) and also a fellow member of Chartered Certified Accountant – (FCCA-UK). He is highly accomplished and seasoned professional with strong Governance, Risk & Control (GRC); and Internal Audit and Compliance experience across multiple diversified business environments. He has vast international experience with 2 out of 4 big accountancy practices in South Africa, Saudi Arabia, UAE and Pakistan. The Head of Internal Control Department is responsible for the Group Internal Audit and Compliance function in UP.

### **7.4 How Internal Control Department handle intractable problems**

Internal Control Department is handling the intractable problems, if any, through evaluation and studying such problems to eliminate its seriousness and prevent future recurrence. The Department shall provide reports by including remarks and recommendations for solving such problems to the Board of Directors through Audit Committee.

During the year 2014 there were no significant problems faced by the Internal Control Department in the company.

## 8. Details Regarding Corporate Non-Compliance

During the year 2014, the company did not undergo any fines or imposed to any restrictions by Securities and Commodities Authority or any legal authority, regarding any issue related to capital markets, in addition to that, there was no availability of any non-compliance issues regarding any of applied laws or regulation.

## 9. Corporate Social Responsibility (CSR)

The company and its subsidiaries recorded the following achievements in terms of CSR activities in the year 2014:

### Clean up the World

Union Properties and its subsidiary Serve U participated in the 'Clean up the World' campaign launched by Dubai Municipality. The environmental initiative took place in Motor City with over 50 participants from our organization. UP have got recognition for CSR program and practices on environmental sustainability, and awarded with the Commendation Award.

### Clean up after New Year's Eve

Serve U provided fifty (50) cleaners 'Free of Cost (FoC)' to help in cleaning the area of Burj Khalifa after the New Year celebration at Burj Khalifa, with the view to provide healthy and clean environment to the inhabitants surrounding the Downtown Burj Khalifa.

### Cleanup Campaign at Dubai Airports

Serve U participated in the 'Cleaning Campaign' of Dubai Airports (i.e. Dubai International and Al Makhtoum International), through providing 40 people helping to clean up the public areas of the Airports.

### Cooperation with Trashco

UP worked with Trashco LLC in order to save the environment and promote recycling of waste disposal. We together with Trashco provided containers of plastic bins for paper, steel and aluminum Can to be placed in Green Community for the campaign of waste disposal.

### **Environment Friendly Developments**

UP is always keen to improve the efficacy and sustainability of the developments. The new development of Phase 3 of Green Community complies with the green building regulations and designed with the sustainable energy like solar for water heating and street lighting.

### **Train Dubai / Revolutionary Nights**

Dubai Autodrome has been taken the initiative that they opened their Track every Wednesday for residents and general public to cycle, run or walk. This initiative had been taken with partnership of 'Revolution Cycles'. Full provision of safety and paramedics are in hand enabling a fun, safe and healthy session for all public to attend. Every week, 300 active participants are benefiting from this facility.

### **Supporting abandon and stray animals**

Uptown Mirdiff was involved in raising money for supporting abandon and stray animals through selling of books with charity organizer "Friends for Animals".

### **Motorcity Masjid**

UP is continuously supporting and operating the local masjid in Motorcity community in order to provide peaceful environment of worship for the residents and general public.

### **Charity Events Support**

Dubai Autodrome (DA) gets involved in different charity events in the year 2014. DA involved through providing giveaways and prizes and space for events' support. Some of the charities supported by DA were as follows:

- Guardian Life management supporting in Rashid Pediatric Therapy Center;
- BertsMC for Autism Awareness Charity Ride; and
- University of Dubai charity campaign for Beit Al Khair Charity.

### **Helping the Needy People**

Uptown Mirdiff was involved in collecting donations for charity work, "the noble goals of helping the needy people throughout the country" with Bait Al Khair Society, Dar Al Ber Society and Dubai Charity association.

### **Your Old is Their New**

Motorcity was involved in charity activity known as "Your Old Is Their New" with Bait Al Khair Society, wherein used clothes were collected as donation for charity.

### **Breast Cancer Research and Patient treatment**

UP and its employees supported Al Jalila Foundation UAE, breast cancer research and patient treatment which was initiated with collaboration of Dubai's Big Pink Ball 2015.

### **Mediclinic Mirdiff**

Uptown Mirdiff has taken initiative for health awareness by conducting free health check-up (such as blood sugar, blood pressure, cholesterol, body mass index measurement etc.) by setting up Medi clinic Mirdiff camp in Uptown Mirdiff center.

### **Basketball Association establishment**

UP and its employees participated in the establishment and ongoing support to the volunteer –led basketball organization in the UAE (i.e. Dubai Amateur Basketball Association), whose aim is to promote basketball sport in the UAE.

### **Family events**

UP and its business units provided many entertaining opportunities to its employees and general public in the communities on National Day, Christmas and community market events for its residents.

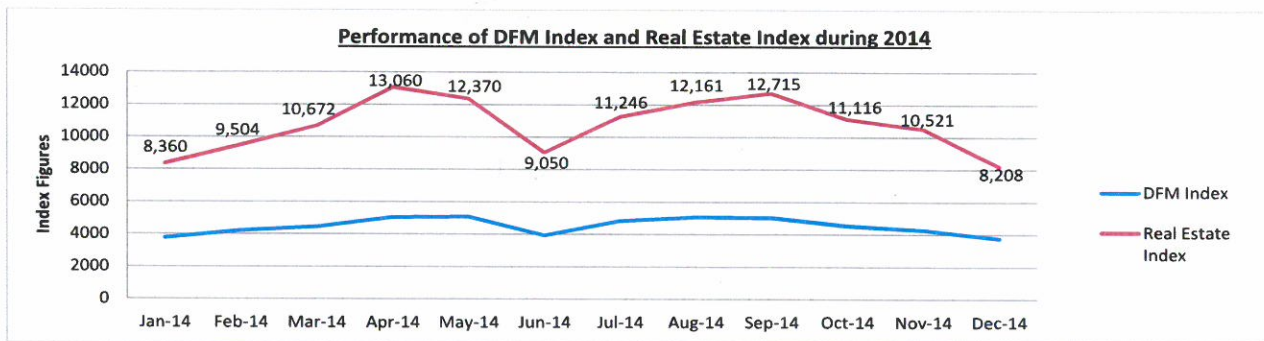
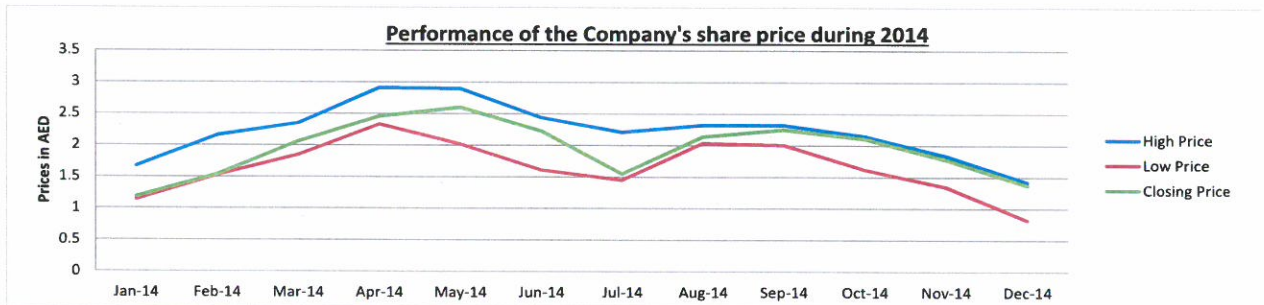
## **10. General Information**

### **10.1 Significant Events during the Year 2014**

- The company raised its foreign ownership limit from 15% to 25%.
- The company participated in Cityscape and International Property Show with upcoming projects.
- The Company paid its first dividend to shareholders after 2009.

**10.2 Statements by company's share price at Dubai Financial Market during Financial year 2014**

Month	High Price	Low Price	Closing Price	DFM Index	Real Estate Index
Jan-14	1.67	1.14	1.18	3,770	8,360
Feb-14	2.16	1.53	1.54	4,220	9,504
Mar-14	2.35	1.85	2.06	4,451	10,672
Apr-14	2.91	2.33	2.46	5,059	13,060
May-14	2.90	2.02	2.60	5,087	12,370
Jun-14	2.44	1.61	2.23	3,943	9,050
Jul-14	2.21	1.45	1.55	4,833	11,246
Aug-14	2.32	2.04	2.14	5,063	12,161
Sep-14	2.32	2.01	2.25	5,043	12,715
Oct-14	2.15	1.62	2.11	4,545	11,116
Nov-14	1.84	1.35	1.78	4,281	10,521
Dec-14	1.42	0.82	1.37	3,774	8,208



### 10.3 Shareholders' Ownership as per their nationalities

Distribution of shareholders' ownership according to the trading activities on 31st December, 2014 is as follows;

S.No	Description	Nationality	Shares	Ownership %
1	Individual	Local	1,762,325,175	49.85
		Others	127,669,287	3.61
		GCC	50,693,285	1.43
		Arab	300,327,753	8.50
2	Company	Local	603,096,366	17.06
		Others	73,244,127	2.07
		GCC	51,548,145	1.46
		Arab	20,724,443	0.59
3	Bank	Local	407,882,393	11.54
		Others	7,772,386	0.22
		GCC	5,410,438	0.15
		Arab	2,312,704	0.07
4	Institution (Sole Property)	Local	120,841,321	3.42
		Arab	168,984	0.00
5	Government	Local	1,182,500	0.03

EmiratesNBD PJSC owns 356,348,090 UP shares, accounting for 10.08 % of the Company's shares.



Mr. Khalid Bin Kalban  
Chairman

02/04/2015