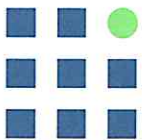




GOVERNANCE REPORT 2021

In accordance with the resolution of Securities & Commodities Authority (“Authority”) Chairman No. (3/R.M) of 2020 concerning adopting the Corporate Governance Guide for Public Joint Stock Companies and pursuant to the provision of Article No. (77) of this Resolution, Deyaar Development PJSC “the Company” is submitting this Governance report for the fiscal year ended on 31 December 2021, through which it affirms its commitment to developing its supervisory and control system, and upgrading it to match the best international standards and practices, in order to develop and regulate the securities sector in the United Arab Emirates, taking into account the requirements related to environmental considerations and social responsibility.

This report was prepared in accordance with 2021 governance report template approved by the Authority which was issued on 11 January 2022. This report will be available to all shareholders prior to holding the General Assembly with sufficient time via the internet through the website of the Authority, Dubai Financial Market and the Company’s website (www.deyaar.com).



26.

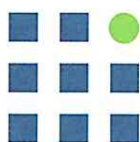
1. Procedures taken to complete the corporate governance system during 2021 and its method of implementation

The Board of Directors (“the Board”) believes in the importance of applying the highest standards of governance to enhance the Company’s performance, protect shareholders’ rights and achieve sustainable growth in financial markets, as the Board of Directors and the Executive Management established an internal control system which is deemed as a conclusive element of the Company’s governance structure.

The Governance framework in the Company acts in accordance with the principles and standards identified and applied by each of the Authority, Dubai Financial Market and the provisions set forth within the Federal Law No. (2) of 2015 and its amendments as per Federal Law no. (26) of 2020 on Commercial Companies regarding the determination of governance requirements.

In 2021, the Management has effectively applied governance rules in a transparent manner based on the responsibility of the Board towards the shareholders to protect and promote their rights through the following:

- Development of the governance manual in line with the legislations and resolutions of the Authority;
- The Board held four meetings during the year and notified Dubai Financial Market with dates and results of these meetings as per procedures applicable in Dubai Financial Market. Additionally, five meetings of the Audit Committee, one meeting of the Nomination & Remuneration Committee and three meetings of the Executive Committee were held;
- The commitment of the independent Directors to disclose any change affecting their independence and to ensure it on an ongoing basis by the Nomination and Remuneration Committee. This resulted in two members losing their independence during the year, because one of the new criteria for withdrawing the independence status of a Board member states that if a member is selected for a fourth consecutive term, his/her independence status is lost. During the General Assembly meeting held on April 4, 2021, the amendments of the articles of association were approved as per the new requirements stated in the Companies Law, especially the article related to the formation of the Board of Directors, which stipulated that majority of the members of the Board of Directors must be independent non-executive members. Due to these amendments, majority of the members of the Board of Directors (7 out of 9) are not independent, and this will be taken into account in the upcoming Board elections at the General Assembly meeting in 2022.
- Confirmation of the Committees’ composition; practicing all powers and responsibilities needed to perform their work as well as any other additional duties assigned by the Board to these Committees. The Board monitors and receives reports from these Committees in line with the rules and regulations of the Authority;
- Establishment of the Internal Control Department (*Internal Audit Department, Compliance Department and Risk Management Department*) reporting to the Board through the Audit Committee. The Internal Control Department submits reports to the Audit Committee and practice all powers and authorities assigned thereto pursuant to the internal control system and powers approved by the Board;



- Confirmation of the powers vested to the Management, any other additional tasks assigned by the Board and identifying duration necessary to practice these powers;
- Disclosure of the quarterly and annual financial statements reviewed by the External Auditors and approved by the Board and submitting thereof to the Dubai Financial Market and the Authority;
- The Board through the Audit Committee developed a framework and strategy to manage the risks and measured the acceptable levels of risks available to the Executive Management to be followed and complied with;
- Activating the participation of a female candidate in the Company's Board of Directors;
- Review of the internal control system; update and approve some of the Company's policies and procedures such as procedures which govern Board members and employees' trading activities, whistle-blowing policy, policy on annual remuneration and code of conduct.

2. Ownership and transactions of Board of Directors, their spouses and children in the Company's securities during 2021

The Board Members conform to the policy defined in the Company's governance manual concerning trading of securities issued by the Company. Further, the Board Members adhered to the period of trading prohibition stated in the system of trading, setoff, settlement, transfer and holding of securities issued by the Authority. They also disclose their own and their first-degree relatives' trading on an annual basis using the form prepared for this purpose.

No.	Name.	Position/ Kinship	Owned shares as on 31/12/2021	Total sale	Total purchase
1	Mr. Abdullah Al Hamli	Chairman	NA	NA	NA
2	Mr. Abdullah Lootah	Vice-Chairman	NA	NA	NA
2.1	Mrs. Sherina Nasser Lootah	Relation Wife ship	6,532	NA	NA
3	H.E. Khalifa Al Zaffin	Board member	NA	NA	NA
4	Mr. Mohamed Al Sharif	Board member	NA	NA	NA
5	Mr. Mohammed Al Nahdi	Board member	NA	NA	NA
6	Dr. Adnan Chilwan	Board member	NA	NA	NA
7	Mr. Obaid Nasser Lootah	Board member	309,552	NA	NA
8	Mr. Yasser Bin Zayed	Board member	NA	NA	NA
9	Ms. Maryam Bin Fares	Board member	NA	NA	NA

According to the statement of the Board Members and as per the response from Dubai Financial Market sent to the Company on 21 January 2022 under Ref. No.2022/00284, stating that "There are no transactions by the Board Members and their first-degree relatives of the Company securities (selling or purchasing) during 2021 as well as for the quantity of shares owned."

3. Board of Directors' Formation

The Board of Directors devotes all efforts and utilizes its expertise to improve the Company's performance as per the shareholders objectives. Such objectives are converted into actions and decisions which are closely monitored by the Board along with the Executive Management in a manner that ensures sustainability, value realization and profitability to all stakeholders.






The Board has set a specific governance framework to ensure the effectiveness of the Board members in fulfilling their duties toward the main objectives and facilitate their positive contribution. The Board has delegated some tasks and responsibilities to the Committees where each committee submits reports and recommendations to the Board of Directors in a responsible and transparent manner.

A. Statement of the current Board formation:





According to Federal Law No. (2) of 2015 on the Commercial Companies and Article No. (15) of the Company's Articles of Association, the Board of Directors was elected by the General Assembly for a subsequent term of three years on 15 April 2019.

The Board of Directors consists of nine Non-Executive Board members. The Board members are classified as Non-Executive (Non-Independent) or Non-Executive (Independent) according to the definition of each category by the Authority. Noting that the Chairman of the Board and the majority of the Directors are citizens of United Arab Emirates.

Experiences, qualifications, memberships and positions of the Board members in other joint stock companies and/or governmental companies are listed below:

No.	Name	Category (Executive, Non-executive, Independent, Non-Independent)	Experience	Qualifications	Period served as a Board member from the date of first election	Their membership and positions in any other joint- stock companies	Their positions in any other important regulatory, government or commercial companies
1	 Mr. Abdullah Al Hamli	Chairman Non-executive / Non-independent	Banking, real estate, finance, investments and information technology	Bachelor of Science with majors in Economics and Mathematics from Al Ain University, United Arab Emirates	Appointed since 2008 (13 years)	Managing Director of Dubai Islamic Bank PJSC	Chairman of Emirates REIT and Chairman of Al Tanmyah Services LLC.
2	 Mr. Abdullah Lootah	Vice Chairman Non-executive / Non-Independent	Real estate, trading and investments	Bachelor of Business Administration from the Dubai Men's College, United Arab Emirates	Appointed since 2008 (13 years)	-	Vice Chairman of the Lootah Group of Companies; Chairman of Nomination & Remuneration Committee; and Member of the Executive Committee of the Company
3	 H.E. Khalifa Al Zaffin	Board Member Non-executive / Non-Independent	Real estate, construction and airports	Bachelor of Science in Chemical Engineering from Arizona State University, United States of America	Appointed since 2006 (15 years)	-	Executive Chairman of Dubai Aviation Corporation and Executive Chairman of Dubai Aviation Engineering Projects; Chairman of Cleveland Bridge; Board member in Dubai World Trade Centre; Chairman of the Executive Committee and Member of the Nomination & Remuneration Committee of the Company
4	 Mr. Mohamed Al Sharif	Board Member Non-executive / Non-Independent	Real estate, trading, banking, accounting and finance	Master of Science in Accounting from Catholic University of America; accredited CPA from Virginia State of Council of Accountants	Appointed since 2009 (12 years)	Chief of International Business & Real Estate Investments at Dubai Islamic Bank PJSC	Vice Chairman in Tamweel and Member of the Audit Committee of the Company
5	 Mr. Mohammed Al Nahdi	Board Member Non-executive / Non-Independent	Real estate, banking, information technology and finance	Bachelor of Science in Accounting Management from Mustansiriyah University in Baghdad	Appointed since 2009 (12 years)	-	Member of the Board of Directors of Dubai Islamic Bank in Khartoum and Board Member in Tanmyah LLC Member of NRC and the Executive Committee of the Company



No.	Name	Category (Executive, Non-executive, Independent, Non-Independent)	Experience	Qualifications	Period served as a Board member from the date of first election	Their membership and positions in any other joint- stock companies	Their positions in any other important regulatory, government or commercial companies
6	 Dr. Adnan Chilwan	Board Member Non-executive / Non-Independent	Banking, marketing, real estate, financing and investments	Doctorate and master's in marketing and Bachelor in Islamic Banking and Insurance at American University of London; and Certified Islamic Banker (CeIB)	Appointed since 2009 (12 years)	Group Chief Executive Officer of Dubai Islamic Bank PJSC	Member of the board of Tamweel and Associate Fellow Member in Islamic Finance Professionals Board
7	 Mr. Obaid Nasser Lootah	Board Member Non-executive / Non-Independent	Real estate and banking	Bachelor of Business Administration from the University of United Arab Emirates	Appointed since 2010 (11 years)	-	Board Member at Arady Development LLC; and Member of the Executive Committee of the Company
8	 Mr. Yasser Bin Zayed	Board Member Non-executive/ Independent	Real estate, financing and operations	Bachelor of Business Administration from California State University, United States of America	Appointed since 2016 (5 years)	-	General Manager at Dubai Office; Board member in Falcon Holding Ltd. and Chairman of Audit Committee of the Company
9	 Ms. Maryam Bin Fares	Board Member Non-executive/ Independent	Banking and Corporate Treasury Management	Master's Degree in International Business at Wollongong University Dubai, United Arab Emirates	Appointed in 2019 (2 years)	-	Senior Manager Treasury Dealing at Etihad Airways; and Member of the Audit Committee of the Company

B. Statement of the percentage of female representation in the Board of Directors for 2021:

In line with the mindset of the United Arab Emirates to make women an essential partner in leading the process of sustainable development, and with the aim of taking into account gender diversity, Deyaar has allocated a space for the female candidate in its Board of Directors. The female representation is 10% of the total number of Board members.

C. Statement of Board members' remunerations and allowances to attend the meetings of the Committees:

1. Total remunerations paid to the Board members for 2020:

There is no remuneration paid to Board members given that the Company did not achieve net profit for the fiscal year ended on 31 December 2020.

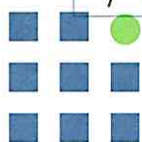
2. Total remunerations of the Board members proposed for 2021 to be presented in the annual General Assembly meeting for approval:

It is proposed to pay AED 3 million from the net profit of the financial year ended on 31 December 2021 (After deducting depreciation and reserves) as a remuneration to the members of the Board of Directors, after obtaining the approval of the General Assembly.

3. Allowance paid to the Board members for attending meetings of the Board Committees for 2021:

The Board of Directors received allowance for attending the meetings of the Board Committees as follows:

Allowance paid to the Board members for attending meetings of the Board Committees					
No.	Name	Committee Name	Allowance per meeting	No. of attended meetings	Total allowance of 2021
1	Mr. Abdullah Lootah	Nomination and Remuneration Committee	5,000	1	20,000
		Executive Committee	5,000	3	
2	H.E. Khalifa Al Zaffin	Nomination and Remuneration Committee	5,000	1	20,000
		Executive Committee	5,000	3	
3	Mr. Mohamed Al Sharif	Audit Committee	5,000	5	25,000
4	Mr. Mohammed Al Nahdi	Nomination and Remuneration Committee	5,000	1	20,000
		Executive Committee	5,000	3	
5	Mr. Obaid Nasser Lootah	Executive Committee	5,000	3	15,000
6	Mr. Yasser Bin Zayed Al Falasi	Audit Committee	5,000	5	25,000
7	Ms. Maryam Bin Fares	Audit Committee	5,000	5	25,000



4. Details and reasons of additional allowances, salaries or fees paid to the Board members for 2021 other than the attendance allowance:

Allowances paid to a Board Member other than the allowances paid for attending the committees			
No.	Name	Reason	Total allowance of 2021
1	Mr. Obaid Nasser Lootah	For attending the meetings of the Board of Directors of a joint venture and an associate company (Arady/Al-Zawra) in his capacity as a member of the board of directors	15,000

D. Board of Directors meetings for the fiscal year 2021

The Board of Directors held four (4) meetings during 2021, as follows:

No.	Name	Meeting Dates			
		17 Feb 2021	1 Jun 2021	19 Sep 2021	8 Dec 2021
1	Mr. Abdullah Al Hamli	T	√	√	T
2	Mr. Abdullah Lootah	T	√	√	T
3	H.E. Khalifa Al Zaffin	T	√	√	T
4	Mr. Mohamed Al Sharif	T	√	√	X
5	Mr. Mohammed Al Nahdi	T	√	√	T
6	Dr. Adnan Chilwan	T	√	√	X
7	Mr. Obaid Nasser Lootah	T	√	√	T
8	Mr. Yasser Bin Zayed Al Falasi	T	√	X	T
9	Ms. Maryam Bin Fares	T	√	X	T
√	Attended the meeting	X	Absent with apology	T	Attended through modern technology

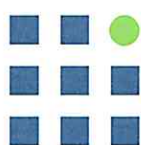
E. Number of Board's decisions issued by circulation during the fiscal year 2021

Three decisions were issued by circulation on 23 March, 2 May and 29 September 2021 and they were documented in subsequent Board meetings.

F. Duties and responsibilities assigned by the Board of Directors to the Executive Management:

The Board authorized the CEO, Mr. Saeed Al Qatami to carry out the daily tasks of the Company's business as per the authority delegation matrix approved by the Board on 29 July 2018 and the amendments therein dated 29 December 2019. The Board also granted the CEO a set of authorities determined under a valid and indefinite - term power of attorney issued on 10 September 2015. The Board approved the extension of these authorities delegated to the CEO during the meeting held on 1 May 2019, summarized as follows:

- Executing all tasks and necessary matters to manage and operate the Company to achieve its objectives and conduct its business on all financial and administrative aspects, representing the Company in its dealings with third parties and signing all contracts of all types.
- Filing and registering lawsuits, claims and demands and defending Company's interests as a plaintiff or defendant, claimant or respondent in legal proceedings, lawsuits or complaints before any court, committee, arbitration/ judicial/ administrative court and appointing & authorizing attorneys and legal consultants.



- Signing cheques and commercial documents under the terms and conditions and powers determined by the Board represented by the Chairman of the Board. In addition, signing all kinds of contracts and assigning of its ownership before government authorities provided that these actions are within the limits of the plans and strategies approved by the Board represented by the Chairman of the Board.
- Forming and registering branches, representative offices, subsidiary companies, joint ventures, associates, or strategic alliances with other parties in the United Arab Emirates as approved by the Board.

The Board also authorized the General Counsel/Secretary of the Board - Mr. Amer Al Zoubi on 15 June 2017. The Board approved the extension of these authorities, granted to the General Counsel, during the meeting held on 1 May 2019 summarized as follows:

- Representing the Company in all matters of disclosure and compliance before all competent official authorities including the Securities & Commodities Authority and the Dubai Financial Market. Further, the Secretary may delegate some of these authorities to other employees of the Company. He is also authorized to represent the Board before the Notary Public in authentication and ratifying all the minutes of Board meetings.
- Representing the Company in all legal affairs before all official authorities and courts.
- Amending the Memorandum of Association of Company's subsidiaries according to the new commercial law.
- Representing the Company and its subsidiaries before the Notary Public, Department of Economic Development, free zone authorities and all the competent authorities in making all necessary amendments to the Companies' Articles of Association.

These powers have been extended until the current session of the Board which ends in 2022.

G. Statement of the details of transactions made with related parties (stakeholders) during 2021

The Group enters into transactions with companies and entities that fall within the definition of a related party as contained in IAS 24 Related Party Disclosures.

Related parties comprise entities under common ownership and/or common management and control and key management personnel.

Balances and transactions with related parties

Apart from those mentioned in the Clause No. (11) of the notes included in the financial statements of the Company for the year 2021, there are no transactions with related parties (stakeholders) or any other parties during 2021. The transaction details are as follow:

a) Related party transactions

During the year, the Group entered into the following significant transactions with related parties in the normal course of business and at prices and terms agreed by the Group's management.

	2021 AED' 000	2020 AED'000
Ultimate majority shareholder		
Other operating income/finance income	770	2,937
Finance cost	10,258	16,355
Borrowings drawdown	626,407	60,350
Borrowings repayments	121,064	239,349

b) Remuneration of key management personnel

	2021 AED' 000	2020 AED'000
Salaries and other short term employee benefits	13,281	13,938
Termination and post-employment benefits	451	423
Board of Directors' remuneration	2,850	-
	16,582	14,361

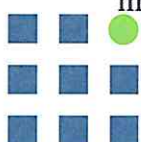
c) Due from related parties comprises:

	2021 AED' 000	2020 AED'000
Current		
Due from a joint venture	2,350	1,473
Due from other related parties	445,426	962,046
	447,776	963,519
Less: provision for impairment	(33,622)	(396,475)
	414,154	567,044

Cash and bank balances include amounts held with the ultimate majority shareholder of the Group (One of the banks), bank account balances of AED 113 million (2020: AED 195 million) and fixed deposits of AED 168 million (2020: AED 100 million), at market prevailing profit rates.

In 2010, the Group entered into a sale and purchase agreement with a related party ("the purchaser") to sell properties for a sale consideration agreed on by both parties as per the initial agreement of AED 3,648 million.

1. In the prior year, the Group received a favorable judgment by the Court of Cassation in relation to certain disputed properties with a UAE based developer, a related party. The judgment included a settlement amount due to the Group of AED 412 million plus additional compensation of AED 61 million and interest accruing at 9% from the date of filing the case. Accordingly, based on further hearings and court judgments, the management has concluded that amount of AED 412 million due will be settled by UAE



management has concluded that amount of AED 412 million due will be settled by UAE based developer, a related party instead of another counter party (ii) who is also a related party of the Group.

- Following these amendments and various previous amendments to the original agreement, during the year the Group had entered in a mutual settlement agreement with the related party (the purchaser). As a result of the settlement agreement, the Group has accepted plots of land as a kind consideration valuing AED 154 million against the outstanding receivable balance and classifying the plots of land received as settlement, as properties held for development and sale (Note 8). Accordingly, the Group has obtained necessary approvals and written off the provision for impairment amounting to AED 362.9 million against the balance receivable from a related party.

Impairment provision

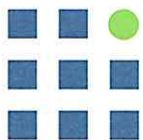
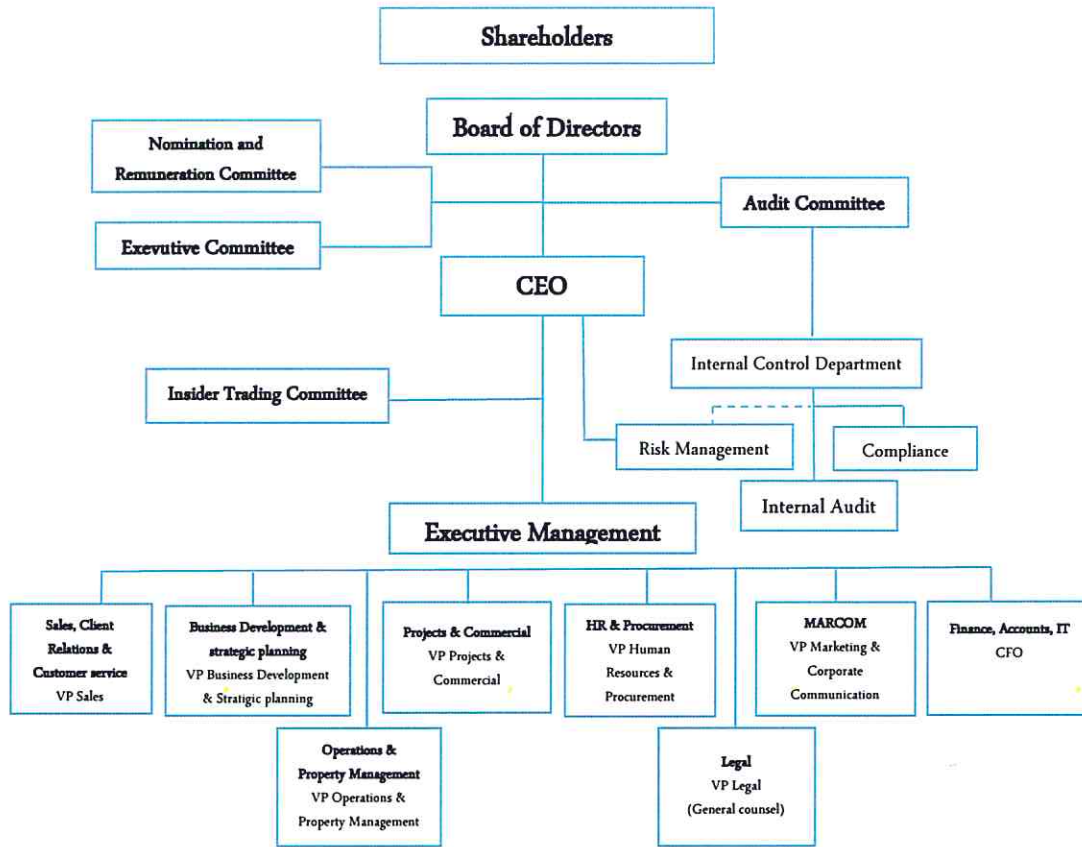
To determine the provision for impairment, management applied certain key assumptions and judgments in accordance with IFRS 9 - Financial Instruments in order to determine the expected credit loss which includes the use of various forward-looking information that could impact the timing and/or amount of recoveries.

3. Due to related parties comprises:

	2021 AED '000	2020 AED'000
Current		
Due to a significant shareholder	322	133
Due to other related parties	435	397
	757	530

As of 31 December 2021, the Group had bank loans from the ultimate majority shareholder of AED 795.2 million (2020: AED 289.8 million) at market prevailing profit rates.

H. Organizational structure of the Company



I. Statement of Senior Executives staff, their positions and date of appointment, total salaries and bonuses paid thereto:

No.	Position	Appointment date	Total salaries and allowances paid for 2021 (AED)	Total Bonuses paid for 2021 (AED)	Any other cash/in-kind bonuses for 2021 or due in the future
1	Chief Executive Officer (CEO)	1 Jun 2007	2,069,434	1,500,000	NA
2	Chief Financial Officer (CFO)	2 Aug 2015	1,424,496	650,000	NA
3	Vice President-Operations and Property Management	1 May 2004	1,048,650	140,000	NA
4	Vice President-Sales	8 Jan 2006	1,195,181	530,000	NA
5	Vice President-Human Resources and Procurement	15 Jul 2006	912,358	150,000	NA
6	Vice President-Business Development and Strategic Planning	16 Sep 2007	1,137,419	-	NA
7	Vice President-Marketing and Corporate Communications	1 Aug 2008	741,124	250,000	NA
8	Vice President-Legal (General Counsel)	7 Feb 2017	1,134,629	380,000	NA
9	Vice President-Projects & Commercial	8 Jul 2018	1,213,399	400,000	NA
10	Vice President-Asset Management & Hospitality	24 Nov 2016	791,466	437,145.37	NA

4. External Auditor

A- Deloitte & Touche M.E. (Deloitte) was reappointed as external auditor for the year 2021 at the General Assembly meeting on 4 April 2021 and with the approval of majority shareholders. Deloitte is one of the four world's largest accounting and auditing companies. The company provides auditing, taxation and consulting services in various sectors.

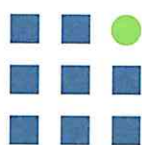
B- Statement of the fees and costs of the audit or the services provided by the External Auditor:

Name of Audit Office	Deloitte & Touche (Middle East)
Name of Partner Auditor	Mohammad Jallad
Number of years served as the Company's external auditor	Three years
Number of years the Partner Auditor spent auditing the Company's accounts	Three years
Total audit fees for 2021 (in AED)	AED 410,000
Fees and costs of special services other than auditing the financial statements for 2021 (in AED), if any, and in case of absence of any other fees, this shall be expressly stated	No other fees
Details and nature of other services (if any). If there are no other services, this shall be expressly stated.	No other services

The table below shows a statement of other services provided by an **external auditor other than** the Company's auditor in 2021:

Auditor	Partner Auditor	Type of services	Amount (AED)
KPMG Lower Gulf Limited	Maryam Zaman	Consulting services	245,600
EY Consulting LLC	Jeremy Choner	Consulting services	18,750

C- There are no reservations made by the External Auditor of the Company in the interim and annual financial statements for the year 2021.



5. Audit Committee:

The Company's Audit Committee reviews financial and accounting policies and procedures, monitors the independence of the External Auditor, reviews financial control systems, internal control and risk management, and performs a wide range of tasks related to following up on the work of the External Auditor.

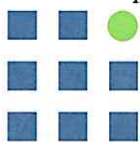
- A. Mr. Yasser Bin Zayed Al Falasi, Audit Committee Chairman, acknowledges his responsibility for the committee system in the Company, to review its work mechanism and ensure its effectiveness.

B. Names of members of the Audit Committee

No.	Name	Title
1	Mr. Yasser Bin Zayed Al Falasi	Chairman
2	Mr. Mohammed Al Sharif	Member
3	Ms. Maryam Bin Fares	Member

The roles and duties assigned thereto:

1. Reviewing the Company's financial policies and accounting procedures;
2. Developing and implementing the policy of contracting with the External Auditor and submitting reports to the Board of Directors specifying the important issues that require actions with recommendation on the steps to be taken;
3. Monitoring the independence and objectivity of the External Auditor, discussing the nature and scope of the audit process and its effectiveness according to the approved audit standards, ensuring the External Auditor's fulfillment of the terms and conditions stipulated in the applicable laws, regulations and resolutions and the Company's Articles of Association;
4. Monitoring the integrity of the Company's financial statements and its (annual and quarterly) reports and reviewing them as part of its duty during the year and after closing of the books after each quarter. It shall particularly focus on the following: Any changes in accounting policies and practices; highlighting the areas subject to management's discretion; material modifications resulting from the audit; assumption of continuity of the Company; compliance with the accounting standards established by the Authority; compliance with the rules of listing, disclosure and other legal requirements regarding the preparation of the financial reports;
5. Coordinating with the Board of Directors, the Executive Management, Chief Financial Officer (CFO) or whoever carry out the same responsibilities in the Company to perform its duties;
6. Meeting with the External Auditors of the Company at least once a year without the presence of the Senior Executive Management or any of its representative and discussing the nature and scope of auditing and its effectiveness in accordance with the approved auditing standards;
7. Examining any significant and unusual terms that are stated or must be stated in those reports and accounts and shall give due consideration to any matters issued by the CFO or whoever carries out the same responsibilities, the Compliance Officer or the External Auditors;

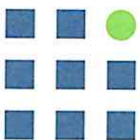


8. Providing recommendation to the Board of Directors regarding the selection, resignation or dismissal of the External Auditor;
9. Reviewing the Company's financial control, internal control and risk management systems;
10. Discussing the internal control system with the Board of Directors and ensuring the latter's establishment of an effective internal control system;
11. Examining the results of primary investigations in internal control matters as assigned to the Committee by the Board of Directors or initiated by the Committee with Board approval on such initiative.
12. Reviewing the auditor's assessment of the internal control procedures and ensuring the coordination between the Company's internal and external auditors;
13. Ensuring availability of resources required for the Internal Audit Department and monitoring the effectiveness of such department;
14. Discussing all matters that are relevant to the External Auditor duties, work plan and correspondence with the Company, observations, reservations and any essential questions raised by the External Auditor to the Executive Management regarding the accounting records, financial accounts or control systems and following up on their response and monitor the responsiveness of the Management and necessary facilities provided to the External Auditors to carry out their work;
15. Ensuring timely response of the Board of Directors to inquiries and substantial matters mentioned in the letter of the External Auditor;
16. Developing the rules that enable employees of the Company to confidentially report any potential violations of financial reports, internal control or any other issues, and procedures necessary for conducting independent & fair investigations concerning such violations and monitoring the extent to which the Company complies with the code of conduct;
17. Reviewing the related parties' transactions of the Company and ensuring that no conflict of interest exists and submitting recommendations concerning such transactions to the Board of Directors before concluding contracts;
18. Ensuring implementation of the work rules of its duties and authorities entrusted by the Board;
19. Submitting reports and recommendations to the Board of Directors for above mentioned issues, and considering any other issues determined by the Board of Directors.

C. Statement of number and dates of the Audit Committee meetings held during 2021 to discuss issues related to the financial statements and any other matters, indicating the number of times of personal attendance of all members of the Committee

The Committee held five (5) meetings during the fiscal year as follows:

No.	Name	Meeting Dates										
		4 Jan 2021		25 Jan 2021		11 Apr 2021		14 Jul 2021		31 Oct 2021		
		Attendance	Purpose	Attendance	Purpose	Attendance	Purpose	Attendance	Purpose	Attendance	Purpose	
1	Mr. Yasser Bin Zayed Al Falasi	T	Discussion of financial statements and matters of Internal Control	T	Discussion of financial statements and matters of Internal Control	√	Discussion of financial statements and matters of Internal Control	T	Discussion of financial statements and matters of Internal Control	√	Discussion of financial statements and matters of Internal Control	
2	Mr. Mohamed Al Sharif	T		T		√		T		√		
3	Ms. Maryam Bin Fares	T		T		√		T		√		
√	Attended the meeting	T	Attended through modern technology									



6. Nomination and Remuneration Committee

The Nominations and Remunerations Committee continuously ensures the independence of the independent members, prepares the policy for granting remunerations, benefits and incentives, determines the Company's needs for competencies at the level of senior executive management and employees, as well as determines the basis for their selection and prepares the policy for human resources and training in the Company.

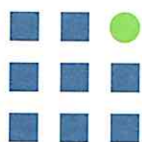
A. Mr. Abdullah Lootah, Nomination and Remuneration Committee Chairman, acknowledges the responsibility for the committee system in the Company to review its work mechanism and ensure its effectiveness.

B. Names of members of the Nomination and Remuneration Committee

No.	Name	Title
1	Mr. Abdullah Lootah	Chairman
2	H.E. Khalifa Al Zaffin	Member
3	Mr. Mohammed Al Nahdi	Member

The roles and duties assigned thereto:

1. Constantly verifying independence of the independent Board members.
2. Developing a policy on which basis of bonuses, benefits, incentives and salaries shall be granted to the Company's Board members & staff and ascertaining that the remuneration and benefits granted to Executive Management are reasonable and in line with the Company's performance;
3. Determining Company's requirements of competencies at the level of Executive Management and employees' level and selection criteria of these requirements;
4. Preparing human resources and training policy, monitoring its implementation and reviewing thereof on annual basis;
5. Organizing and following up the Board nomination procedures according to the applicable laws, regulations and its provisions;
6. Reviewing annually the appropriate skills required for Board membership and preparing of capabilities and qualifications for Board membership including the time a member shall need to allocate to fulfill their duties;
7. Reviewing the Board of Directors' structure and submitting recommendations related to the changes that may be made;
8. Developing a board membership policy with the aim of gender diversification within the formation and encouraging women nominees through offering of incentive and training benefits and programs;
9. Consider any other matters determined by the Board of Directors.



C. Statement of number and dates of Nomination and Remuneration Committee meeting held during 2021, indicating the number of times of personal attendance of all members of the Committee

The Committee held one (1) meeting as follows:

No.	Name	Meeting Date
		29 Aug 2021
1	Mr. Abdullah Lootah	√
2	H.E. Khalifa Al Zafin	√
3	Mr. Mohammed Al Nahdi	√
√	Attended the meeting	

7. Insiders' Trading Committee

The Insiders' Trading Committee prepares a register of all insiders in the company, in addition to the persons likely to have temporary access to internal information, and prepares the systems and laws for the trading of board members and employees in the Company's shares, its subsidiaries, or related companies. It is also responsible for approving these systems and laws by the Board of Directors, and for taking all necessary measures to maintain the confidentiality of the Company's data.

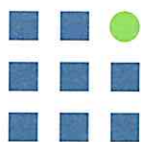
A. Mr. Hani Fansa, Insiders' Trading Committee Chairman, acknowledges his responsibility for the insiders' trading system in the Company to review its work mechanism and ensure its effectiveness.

B. Names of the members of Insiders' Trading Committee

No.	Name	Title	Position
1	Mr. Hani Fansa	Chairman	Chief Financial Officer
2	Mr. Ali Sharif Al Marzooqi	Member	Vice President-Human Resources
3	Mr. Alaa Mansoor	Member	Public Relations and Investors Relations Manager

The roles and duties assigned thereto:

1. Preparing a register of all insiders in the Company in addition to the persons who may have temporary access to internal information;
2. Preparing rules and regulations related to Board of Directors and employees trading in the Company's shares or its affiliates or associated companies' shares and approving these rules and regulations by the Board;
3. Take all necessary measures for maintaining confidentiality of the Company's essential information and ensure dissemination does not occur;
4. Take the necessary procedures to ensure related parties who have access to internal information including information of the Company and the customers maintain confidentiality and prevent this information from abuse or transferring to other parties; and
5. Ensuring that all insiders sign a declaration that they are aware of their status as insiders and have access to the internal information about the Company & its customers and assume all legal consequences in case of disclosing the information or giving recommendations



based on their access by virtue of their positions and informing the Company about any trading of shares of the Company or its affiliates before and after trading.

C. Summary of the Committee's activities in 2021

1. Updating register of insiders of the Company.
2. Sending the updated register of insiders to Dubai Financial Market and the Authority as per the template provided.

8. Executive Committee

The Executive Committee monitors and evaluates the achievement of the Company's strategic objectives, reviews the financial budget, feasibility studies and plans for developing new projects, approves and reviews new investments, approves new loans and ensures that the necessary terms and conditions for loans and financing are met.

- A. H.E. Khalifa Al Zaffin, Executive Committee Chairman, acknowledges his responsibility for the committee system in the Company to review its work mechanism and ensure its effectiveness.

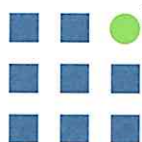
B. Names of members of the Executive Committee

No.	Name	Title
1	H.E. Khalifa Al Zaffin	Chairman
2	Mr. Abdullah Lootah	Member
3	Mr. Mohammed Al Nahdi	Member
4	Mr. Obaid Lootah	Member

The Executive Committee shall assist the Board of Directors in implementing its missions. In order to do that, the Executive Committee was authorized directly by the Board of Directors and granted all powers to take the necessary decisions in order to conduct Company's works in periods between the Board of Directors meetings.

The roles and tasks assigned thereto:

1. Monitor and evaluate the achievement of Company's strategic goals and initiatives as well as provide the necessary directions to the CEO in this regards;
2. Review the Company budget and provide recommendation to the Board of Directors;
3. Review and approve the feasibility studies with total cost up to AED 200 million;
4. Review the feasibility studies for projects that exceed AED 200 million and provide recommendations to the Board of Directors;
5. Review and approve new project development plans with total costs of up to AED 400 million;
6. Review new project development plans that exceed AED 400 million and provide recommendations to the Board of Directors;
7. Approve new or additional investments up to AED 100 million;
8. Review new or additional investments that exceed AED 100 million and provide recommendations to the Board of Directors;



9. Approve new or additional loans up to AED 100 million to existing subsidiaries, joint ventures, associates and others;
10. Ensure appropriate terms and conditions of loan/financing arrangements and approve loan of up to AED 50 million;

C. Statement of number and dates of Executive Committee meetings held during 2021, indicating the number of times of personal attendance of all members of the Committee

The Committee held three (3) meetings as follows:

No.	Name	Meeting Dates		
		4 Apr 2021	29 Aug 2021	13 Oct 2021
1	H.E. Khalifa Al Zaffin	√	√	T
2	Mr. Abdullah Lootah	√	√	T
3	Mr. Mohamed Al Nahdi	√	√	T
4	Mr. Obaid Lootah	√	T	T
√	Attended the meeting	T	Attended through modern technology	

9. Internal Control System

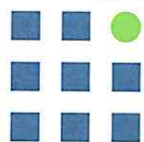
A. Acknowledgment by the Board of Directors of its responsibility for the Company's internal control system

The internal control system is an integrated system; it is established to monitor the application of the administrative measures, terms and laws of the Company's performance. The Board acknowledges its responsibility for maintaining the internal control system and ensuring its continuous effectiveness.

This system shall not be deemed as a deterrent or obstruction on the achievement of Company's objectives; rather, it shall ensure the effectiveness of the performance, risk management and internal control system of the Company. The Board and the Audit Committee members have signed the Internal Control Department manual (Its subdivisions: Internal Audit Department, Risk Management Department and Compliance Department). The manual includes roles and functions of the Department which plays an important role in evaluating the internal control system's effectiveness for supporting the profitable objectives and functions of the Company by ensuring the reliability of the financial statements, efficient and economical use of resources, safeguarding of assets and ensuring compliance to policies and procedures.

Mechanism of the Company's Internal Control Department

The Internal Control Department carries out its responsibilities according to corporate governance requirements and international standards issued by Institute of Internal Auditors and its approved guidelines. This mechanism is based on ascertaining the internal control system's effectiveness and ensuring the extent to which the appropriately designed processes and procedures are applied and implemented in an effective manner in the company. This includes verifying the compliance of the company and its employees with



the provisions of applicable laws, regulations, decisions, policies and internal procedures, and following up on the mechanism of risk management.

The Internal Control Department is reporting to the Board through the Audit Committee so that the Department and its staff are independent to carry out the duties and responsibilities entrusted to them.

It ensures the internal control system's efficiency and effectiveness in accordance with its risk based annual plan approved by the Audit Committee authorized by the Board of Directors and submits reports including observations and recommendations related to systems' improvement to the Management and the Audit Committee.

The Company also adopted a risk management framework that is based on qualitative and quantitative assessment of the risks faced by the Company that may affect the achievement of the Company's strategic, operational and financial objectives by assessing the risks associated with these objectives and processing them through internal controls as one of the effective means of managing, reducing, controlling or transferring risks through insurance and evaluate the level of protection provided by this framework.

B. Name and qualifications of the Head of Internal Control Department

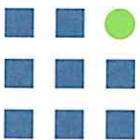
Bassam El Ghawi is the Head of Internal Control Department (*Chief Audit Executive, CAE*) since August 2014; he is a specialist in control and has an extensive experience (around 26 years) in internal and external auditing, risk management, corporate governance, compliance and fraud investigation.

He has a Bachelor's degree in Accounting and Economics, Diploma in Risk Management from the American Academy of Financial Management and he has also the following professional certificates: *Certified Internal Auditor (CIA) – IIA*; *Certified Information Technology Auditor (CISA) - ISACA*; *Certified Fraud Examiner (CFE) - ACFE*; *Certified Risk Management Auditor (CRMA) - IIA*; *Certified Compliance Officer (CCO) Arab Certified Public Accountant ACPA - ASCA*; *Certified Risk Management Information Control Systems Auditor (CRISC) - ISACA*.

C. Name and qualifications of the Compliance Officer

In July 2017, the job description of the Head of Internal Control Department (*CAE*) was amended to include the duties and responsibilities of the Compliance Officer of the Company.

The Head of Internal Control Department performs the duties of Compliance Officer by ascertaining the extent to which the Company and its employees comply with the applicable laws, rules, decisions and regulations issued by relevant authorities including the Authority and Dubai Financial Market, monitoring compliance with the Company's policies and procedures and code of conduct. In addition, Compliance Officer shall submit clarifications



to the Board of Directors (through the Audit Committee) and the Company's employees about issues related to compliance.

D. The Internal Control Department method in handling any significant issues in the Company

The Internal Control Department reviews the significant issues in the Company, if any, in detail by identifying its nature and classifying in terms of degree of risk and by determining the size of the issue and evaluating the extent of the negative consequences that may affect the Company.

To avoid further aggravating its occurrences, the Department submits its reports on observations resulting from the review and provides recommendations to the Executive Management and the Board of Directors through the Audit Committee. It monitors the implementation of recommendations by ensuring that Board resolutions are implemented. In addition, the Department issues periodic reports to the Audit Committee summarizing the results of its activities as follows:

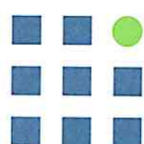
- **On quarterly basis:** Information on the status and results of the annual audit plan, activities of internal audit staffs, results of external quality assessments and adequacy of Department's resources.
- **Twice a year:** It is by providing a list of Department's objectives achieved that are approved by the Audit Committee.
- **On annual basis:** It is by assessing the appropriateness and effectiveness of the internal control system. The assessment covers all key controls of the Company, including financial and operational controls and risk management system.
The implementation of these recommendations is also monitored periodically through issuance of a written report as required.

As per the approved annual audit plan, the Internal Control Department hasn't encountered any significant issues within the Company which required to be disclosed in the 2021 annual financial statements.

E. Number of reports issued by the Internal Control Department to the Board of Directors

The Internal Control Department reports to the Board through the Audit Committee and issued reports during 2021 to the Committee according to the approved audit plan. The number of reports issued is shown below:

Report type	Internal Control	Internal Audit	Compliance	Risk management
Quantity	11	19	1	6



10. Details of violations committed during 2021, its reasons, how to be addressed and how to avoid their recurrence in the future

The Company fully abides by the applicable laws and regulations issued by the Securities and Commodities Authority and any legal authority related to financial markets. Therefore, it did not incur any fines and there were no cases of violations to the applicable laws for the fiscal year 2021.

11. Cash and in-kind contributions made by the Company during 2021 for local community development and environmental conservation

Deyaar seeks to have a positive impact on community and the surrounding environment through effective social contributions and partnerships with bodies specialized in social support and environmental issues, emphasizing the need for social responsibility activities and programs to be in line with the Company's strategy and values.

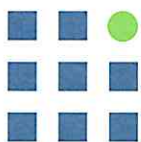
During 2021, Deyaar had a variety of social contributions, as it contributed to the "Color of Their Lives" campaign organized by the Dubai Land Department in cooperation with the Emirates Red Crescent Authority, which aims to maintain the homes of needy families. It provided the necessary maintenance for three houses in Dubai at a value of more than AED 47 thousand.

In the same direction, the Company cooperated with Department of Awqaf in Sharjah, with the aim of carrying out the necessary maintenance for the house of a needy family. This included the complete maintenance of the house from the inside and the outside, in addition to pest control operations, to ensure that the family enjoys a good and safe housing. Maintenance operations were carried out at a value of AED 41 thousand.

In the health field, the Company has continued its continuous cooperation with the Autism Trust Foundation in providing care for people with autism, as it bears the costs of care and rehabilitation for three children undergoing rehabilitation at the foundation. This year's sponsorship amounted to AED 50,000.

Moreover, the Company organized a blood donation campaign in cooperation with Dubai Blood Donation Center at the Company's headquarters and various company projects. The Company's employees, in addition to the building's workers, participated in this campaign.

In the environmental field, Deyaar participated in the "Earth Hour" campaign organized by Dubai Electricity and Water Authority, by turning off the lights in all its projects in support of this initiative, which is held annually.



12. General Information

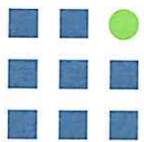
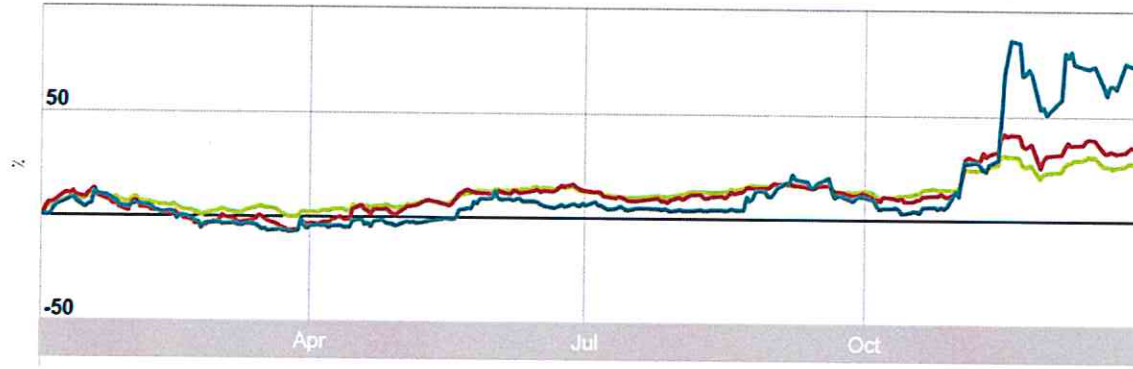
A. Statement of the Company's share price in the market (closing price, highest and lowest price) at the end of each month during 2021:

Month	Highest price	Lowest price	Closing price
January	0.29	0.29	0.29
February	0.27	0.27	0.27
March	0.27	0.26	0.26
April	0.27	0.27	0.27
May	0.31	0.30	0.31
June	0.30	0.30	0.30
July	0.29	0.29	0.29
August	0.31	0.31	0.31
September	0.32	0.31	0.31
October	0.32	0.29	0.32
November	0.43	0.41	0.42
December	0.49	0.48	0.49

B. Statement of the comparative performance of the Company's shares with general market index and sector index to which the Company belongs during 2021

03/01/2021 - 30/12/2021

• Deyaar Development 0.49 • DFM General Index 3,195.91 • DFM Real Estate & Constructions 4,651.15



C. Statement of shareholders' ownership distribution as on 31 December 2021 (individual, companies, governments) classified as follows: Local, Gulf, Arab and Foreign:

Shareholders classification	Percentage of shares held					
	Individual	Companies	Government	Banks	Institution	Total
Local	37.911%	9.747%	0.518%	41.251%	0.052%	89.479%
Gulf	1.874%	1.717%	-	0.130%	0.005%	3.726%
Arab	3.688%	0.231%	-	0.000%	-	3.919%
Foreign	1.431%	1.421%	-	0.024%	-	2.876%
Total	44.904%	13.116%	0.518%	41.405%	0.057%	100%

D. Statement of the shareholders owning 5% or more of the Company's capital as on 31 December 2021

Name	Number of owned shares	Percentage of owned shares of the Company's capital
Dubai Islamic Bank (PJSC)	2,367,999,220	40.983%

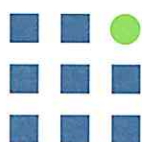
E. Statement of the method of shareholders distribution according to the volume of shares as of 31 December 2021

No.	Shares ownership	Number of shareholders	Number of owned shares	Percentage of owned shares of the Company's capital
1	Less than 50,000	26,987	343,096,826	5.938%
2	From 50,000 to less than 500,000	3,846	576,619,813	9.980%
3	From 500,000 to less than 5,000,000	867	1,095,744,336	18.964%
4	More than 5,000,000	81	3,762,539,025	65.118%
	Total	31,781	5,778,000,000	100%

F. Statement of the procedures taken in respect of the Investor Relations

Deyaar seeks to enhance the continuous communication with investors; it also seeks to be responsive to all shareholders' inquiries and directed the inquiries required therefrom to relevant departments of the Company.

In order to reach a deeper level of communication, the Company updated the investor relations section in the website by feeding it with all the financial statements and the annual report, in addition to designing an investor relations presentation that provides information about the company's strategy, its most important financial statements and its current projects.



The page of the Company in the Dubai Financial Market has also been updated complying with the disclosures on time.

- **Name of Investors Relations Officer and a communication data with the Officer:**

Name of Officer	Mr. Ala Addin Mansoor, Public Relation and Investor Relations Manager
Communication Data	
Phone Number	04/3840175 or 04/3840909 or 050/1411223
Email	IR@deyaar.ae / Alah@deyaar.ae

- **Electronic link of the Investors Relations Page on the Company website:**

Arabic page	http://www.deyaar.ae/ar/investor-relations
English page	http://www.deyaar.ae/en/investor-relations

G. Statement of special resolutions presented in the General Assembly held in 2021 and procedures taken with respect thereto:

On 4 April 2021, a special resolution was approved by the General Assembly to amend the Articles of Association to be aligned with Federal Law no. (26) of 2020 to amend the provisions of the Federal Law no. (2) of 2015 on commercial companies and resolution No. (3/R.M) of 2020 concerning adopting the Corporate Governance Guide for Public Joint Stock Companies in the following articles: 15, 16, 17, 22, 27, 30, 42 and 45. The amendments have been published in the official Gazette after obtaining approval from the relevant authorities.

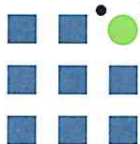
Further, a special resolution was approved by the General Assembly not to proceed with the capital reduction which was approved in the General Assembly Meeting held on 8 April 2020. Subsequent to the AGM resolution, the capital reduction process has been ceased.

H. Name and date of appointment of Board Secretary

Name of Board Secretary	Amer Ayed Al Zu'bi - General Counsel
Date of appointment	28 February 2017

I. Statement of significant events and important disclosures occurred during 2021

- Deyaar begins handing over the Bella Rose Project.
- Deyaar announces its financial results for 2020 and records revenue of AED 412.9 million.
- Deyaar announces its Q1, 2021 financial results and records revenue of AED 149.2 million.
- Deyaar announces significant progress in the third and fourth phases of its Midtown project.
- Deyaar Development Board conditionally approves the settlement offer proposed by Limitless.
- Deyaar launches luxury AED 1 billion smart skyscraper Regalia in Business Bay.
- Deyaar announces its financial results for H1 2021 and records revenue of AED 297.4 million.
- Deyaar breaks ground on Regalia skyscraper in Business Bay.
- Deyaar Development records AED 900 million sales in Regalia project.
- Deyaar returns to Cityscape as Dubai's real estate market continues to boom.



- Deyaar announces its financial results for the first nine months of 2021 and records revenue of AED 418.2 million.

J. Statement of transactions made with related parties during 2021 that are equal to or more than 5% of the Company's capital:

During the year 2021, Deyaar entered into a facility agreement with a major shareholder (Bank) amounting to AED 600 million which was approved by the independent members of the Board of Directors through Board resolution by circulation on 29 September 2021. In accordance with Article 34 of the Authority's Board Chairman Decision No. (3/R.M) of 2020 regarding concluding deals with related parties and since these deals exceed 5% of the Company's capital i.e. 10.38% of AED 5.77 billion, a clarification has been requested from the Authority in this regard and clarification has been made. The Authority clarified that the nature of these deals falls within the jurisdiction of the Board of Directors as stipulated in the Company's Articles of Association and since the Company entered into a loan facility agreement with banks and such activity is among the usual business that fall within the scope of their activities. Hence, the Company entering into loan facility agreement with the major shareholder (Bank) is not considered one of the deals that must be presented to the General Assembly. Article 34 is not applicable but rather falls within the jurisdiction of the Board of Directors as long as it does not include preferential conditions in favor of the main shareholder (related parties).

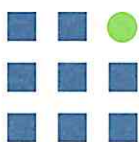
K. Statement of Emiratisation percentage in the Company at the end of years 2019, 2020 and 2021

The Company provides UAE nationals with a suitable work environment and attractive incentives to encourage them for creativity and development. Whereas the UAE nationals have priority of employment as appropriate to the applicable legislations and laws in the country. The Company is keen to provide suitable job opportunities for UAE nationals to sharpen their skills and develop their work experiences. The Company encourages its UAE national employees to complete their study and continue their career development thorough providing suitable training.

The percentage of UAE national employees in the Company in 2019, 2020 and 2021 is 10%, 10% and 8% respectively. We aim to increase this percentage in the upcoming years by creating new job opportunities in line with the overall strategy of the Company.

L. Innovative projects and initiatives carried out by the Company or are under development during 2021

- In 2021, the company launched an online tenant portal which provides complete set of services in one place, such as, contract renewals, early termination, contract negotiation, appointment booking and live chat with customer service staff.

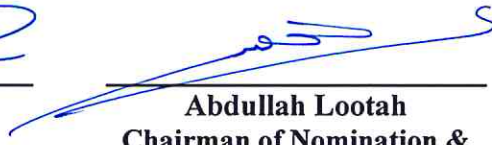


- Deyaar launched Regalia tower in Business Bay featuring smart home technology, including smart control panels to control lighting, air conditioning and more with ability to control using smart phones and voice assistance devices.
- A 3D visualization for Midtown project has been developed to enable sales agents and customers to walkthrough Midtown project and view the community and the apartments in 3D on their PCs, mobiles or tablets at any time.

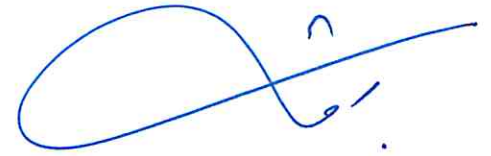
Yours Sincerely,



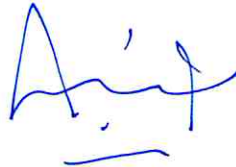
Yasser Bin Zayed
Chairman of Audit
Committee



Abdullah Lootah
Chairman of Nomination &
Remuneration Committee



Bassam El Ghawi
Head of Internal
Control Department



Abdulla Al Hamli
Chairman of Deyaar Development PJSC

