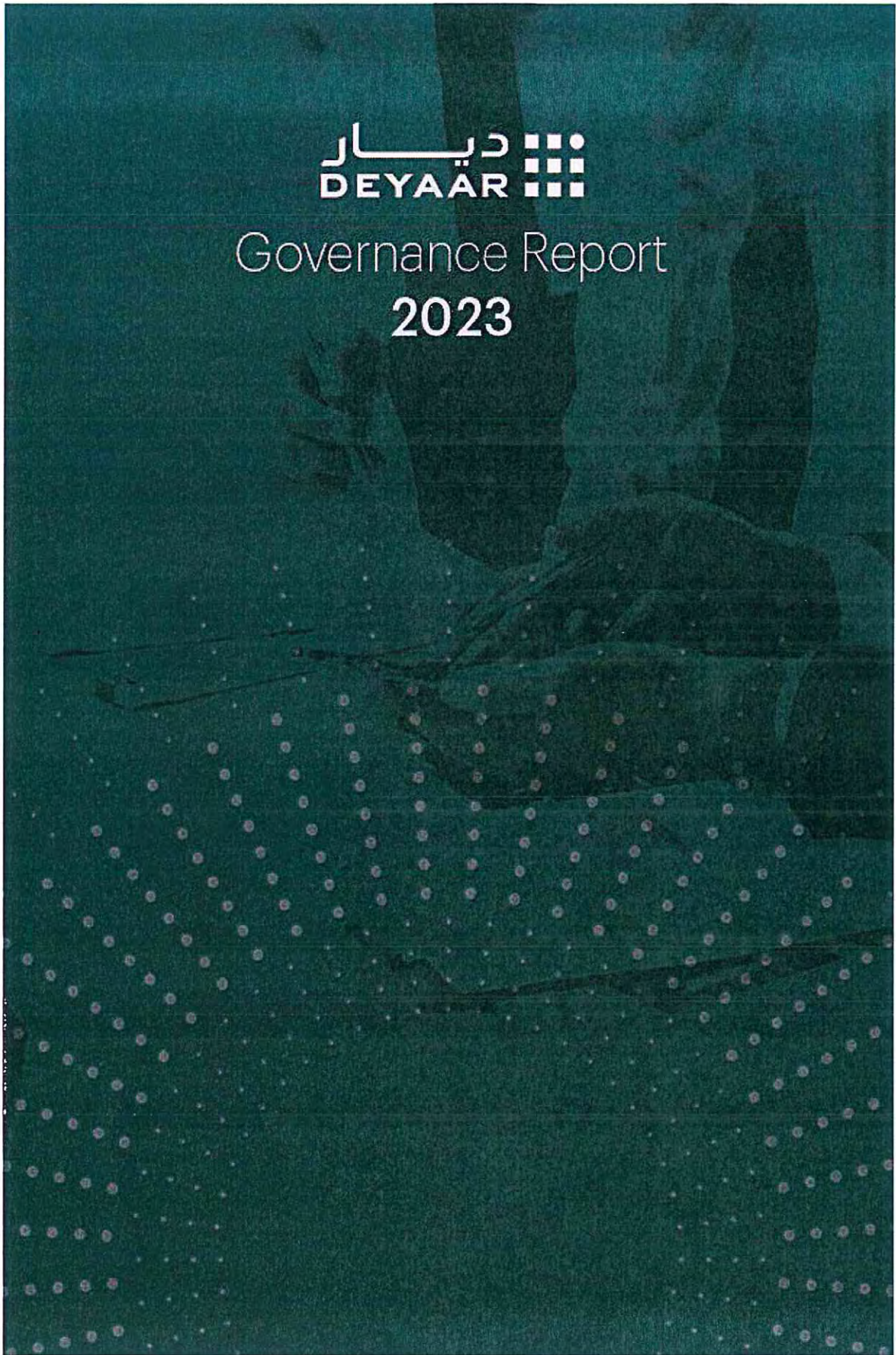




Governance Report 2023



Governance report 2023

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 2023, 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 2023 governance report template approved by the Authority which was issued on 31 January 2024. 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).

1. Procedures taken to complete the corporate governance system during 2023 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 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 2023, 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, four meetings of the Audit Committee, three meetings of the Nomination & Remuneration Committee, four meetings of the Executive Committee and three meetings of the Risk Committee were held;

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- 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.
- 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 Audit Department reporting to the Board through the Audit Committee. The Internal Audit 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 authorities vested to the Management, any other additional tasks assigned by the Board and identifying duration necessary to practice these authorities;
- 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 Risk 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 2023

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 31/12/2023	Total sale	Total purchase
1	Mr. Abdullah Al Hamli	Chairman	-	-	-
2	H.E. Hamad Buamim	Vice-Chairman	1,514,654	-	-
3	Mr. Rashid Hasan Al Dabboos	Board member	22,105	-	-
4	Mr. Mohamed Al Sharif	Board member	-	200,000	200,000
5	Mr. Mohammed Al Nahdi	Board member	-	-	-
6	Dr. Adnan Chilwan	Board member	-	-	-
7	Mr. Obaid Nasser Lootah	Board member	234,432	-	-

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No.	Name	Position/ Kinship	Owned shares as on 31/12/2023	Total sale	Total purchase
8	Mr. Yasser Bin Zayed	Board member	-	-	-
9	Ms. Maryam Mohammed Bin Fares	Board member	-	-	-

According to letter received from the Dubai Financial Market sent to the Company on 23 January 2024 under Ref. No.2024/00221, there are no transactions made by the Board Members of the Company other than the transactions mentioned in the above table.:

3. Board of Directors' Formation

The Board 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 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 was elected by the General Assembly for a subsequent term of three years on 27 April 2022.

The Board 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 (15 years)	Chief Advisor to the Board of Directors of Dubai Islamic Bank PJSC	Chairman of Emirates REIT and Chairman of Al Tanmyah Services LLC.
2	 H.E. Hamad Buamim	Vice Chairman Non-executive / Non- Independent	Finance, banking and investments	Bachelor of Electrical Engineering from University of Southern California; Master of Science in Finance and Banking from University of Missouri, Kansas City United States of America, Doctorate in Business Administration from Warwick Business School-UK.	Appointed in 2022 (2 years)	Chairman of National General Insurance (NGI) PJSC; Board Member of Dubai Islamic Bank PJSC	Chairman of Dubai Multi Commodities Centre Authority (DMCC) and National General Insurance PJSC(NGI); Board Member of Economic Zones World (EZW); Board Member of Awqaf Dubai & Dubai Islamic Bank; Board Member and Partner of Advanced Media Trading LLC (AMT); Board Member of UAE Banks Federation (UBF); Board Member of International Hotel Investment PLC in Malta, Chairman of the Executive Committee of the Company.
3	 Mr. Rashid Al Dabboos	Board Member Non-executive / Independent	Investments, Real Estate and brokerage	Diploma in Commerce and Economics from Dubai Higher College of Technology	Appointed in 2022 (2 years)	-	Chief Executive Officer of Al Sharif & Al Daboos Trading Co. LLC and Deira Capital LLC; Member of the Executive Committee of the Company. Chairman of Deyaar Facilities Management.
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 (14 years)	Chief of International Business & Real Estate Investments at Dubai Islamic Bank PJSC	Vice Chairman in Tamweel and Member of the Audit Committee and Risk 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
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 (14 years)	-	Board Member in Tanmyah LLC; Member of the NRC, Audit and Risk Committee of the Company.
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 (14 years)	Group Chief Executive Officer of Dubai Islamic Bank PJSC	Member of the Board of Tamweel; Associate Fellow Member in Islamic Finance Professionals Board; and Member of the Executive Committee of the Company.
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 (13 years)	-	Member of the NRC and 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 (7 years)	-	General Manager at Dubai Office; Board member in Falcon Holding Ltd.; Chairman of the NRC and Member of the Audit Committee and Risk 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 (4 years)	-	Chairman of the Audit Committee and Risk Committee and Member of the NRC of the Company.

B. Statement of the percentage of female representation in the Board for 2023:

In line with the vision 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, the Company has allocated a space for the female candidate in its Board of Directors. One female Board Member has been elected on 27 April 2022 for the next term.

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

1. Total remunerations paid to the Board members for 2022:

2.73% of the net profit for the financial year ended in 2022 (after deducting depreciations and reserve) was given as a remuneration to the Board members, which represents the amount of AED 3.55 million after obtaining approval of the General Assembly which was held on 22 Mar 2023.

2. Total remunerations of the Board members proposed for 2023 to be presented in the annual General Assembly meeting for approval:

It is proposed to pay AED 4.55 million from the net profit of the financial year ended on 31 December 2023 (After deducting depreciation and reserves) as a remuneration to the Board members, after obtaining the approval of the General Assembly.

(We will make the necessary update if the proposed remuneration is changed in the upcoming General Assembly meeting).

3. Allowance paid to the Board members for attending meetings of the Board Committees for 2023:

The Board 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 2023
1	H.E. Hamad Buamim	Executive Committee	5,000	4	20,000
2	Dr. Adnan Chilwan	Executive Committee	5,000	4	20,000
3	Mr. Mohamed Al Sharif	Audit Committee	5,000	4	30,000
		Risk Committee	5,000	2	
4	Mr. Mohammed Al Nahdi	Nomination and Remuneration Committee	5,000	3	50,000
		Audit Committee	5,000	4	
		Risk Committee	5,000	3	
5	Mr. Obaid Nasser Lootah	Nomination and Remuneration Committee	5,000	3	35,000
		Executive Committee	5,000	4	

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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 2023
6	Mr. Yasser Bin Zayed Al Falasi	Nomination and Remuneration Committee	5,000	3	50,000
		Audit Committee	5,000	4	
		Risk Committee	5,000	3	
7	Ms. Maryam Bin Fares	Nomination and Remuneration Committee	5,000	3	50,000
		Audit Committee	5,000	4	
		Risk Committee	5,000	3	
8	Mr. Rashid Al Dabboos	Executive Committee	5,000	4	20,000

4. Details and reasons of additional allowances, salaries or fees paid to the Board members for 2023 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 2023
1	Mr. Rashid Al Dabboos	For attending the meetings of the Board of Directors of a subsidiary company (Deyaar Facilities Management) in his capacity as a Chairman of the Board	15,000

D. Board of Directors meetings for the fiscal year 2023

The Board held four (4) meetings during 2023, as follows:

No.	Name	Meeting Dates			
		13 Feb 2023	9 May 2023	27 Sep 2023	19 Dec 2023
1	Mr. Abdullah Al Hamli	√	√	√	√
2	H.E. Hamad Buamim	√	√	√	√
3	Mr. Rashid Hasan Al Dabboos	√	√	X	√
4	Mr. Mohamed Al Sharif	√	√	√	√
5	Mr. Mohammed Al Nahdi	√	√	T	√
6	Dr. Adnan Chilwan	√	√	√	√
7	Mr. Obaid Nasser Lootah	T	√	√	T
8	Mr. Yasser Bin Zayed Al Falasi	T	√	√	√
9	Ms. Maryam Bin Fares	√	√	√	√
√	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 2023

No decisions were issued by circulation during the fiscal year 2023.

F. Duties and responsibilities assigned by the Board 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

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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 10 May 2022, 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 approved additional authorization to the CEO in the resolution passed by circulation dated 20 September 2022 as follows:

- To open and close bank account/s, deposit, endorse or withdraw funds to or from any of the Company's bank accounts or safe deposit box.
- To execute, sign and deliver to banks on behalf of the Company and its subsidiaries any forms, mandates to add signatories to operate the accounts, agreements, deeds and any account opening and servicing documentation and do all acts, things and matters whatsoever necessary for the opening, maintenance and operation of the account/s and to avail all cash management, credit cards or any electronic / online banking services with roles.

The Board also approved to do the necessary changes to the POA given to the General Counsel in the Board Meeting held on 10 May 2022 and summarized as follows:

- 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 during the Board meeting held on 10 May 2022.

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The board determined the duration of the authorities/POAs delegated mentioned above to the CEO and General Counsel until the end of the current serving period of the Board during its meeting held on 13 February 2023.

G. Statement of the details of transactions made with related parties (stakeholders) during 2023

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. (10) of the notes included in the financial statements of the Company for the year 2023, there are no transactions with related parties (stakeholders) or any other parties during 2023. 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.

	2023 AED' 000	2022 AED' 000
Ultimate majority shareholder		
Other operating income/finance income	18,408	3,691
Finance cost	41,760	25,288
Borrowings drawdown	100	219,793
Borrowings repayments	317,450	216,129
Joint venture		
Other operating income	2,811	1,125
Dividend income	50,000	19,095
Repayment of capital contribution		30,905
Associate		
Dividend income		2,000

b) Remuneration of key management personnel

	2023 AED' 000	2022 AED' 000
Salaries and other short term employee benefits	15,156	13,980
Termination and post-employment benefits	382	508
Board of Directors' sitting fees*	365	330
Board of Directors' remuneration**	4,100	3,150
	20,003	17,968

*During the year, additional sitting fees for the Board of Directors' amounting to AED 0.09 million (2022: AED 0.17 million) was recognized pertaining to the previous year.

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**During the year, an additional provision for the Board of Directors' remuneration amounting to AED 0.55 million (2022: AED 0.15 million) was recognized based on the final approval of the shareholders in the Annual General Meeting dated 22 Mar 2023.

c) Due from related parties comprises:

	2023 AED' 000	2022 AED' 000
Current		
Due from a joint venture	3,466	1,084
Due from other related parties	257,184	245,426
	260,650	246,510
Less: provision for impairment	(1,394)	(33,613)
	259,256	212,897

Management believes that based on the court judgement and the Conditional Settlement Agreement signed with a related party during 2022, the receivable balance from a related party amounting to AED 256 million is recoverable. During the year, management has reversed the impairment provision amounting to AED 32.2 million and also has recognized income of AED 11.8 million based on the settlement agreement and further discussions with the related party.

Cash and bank balances include amounts held with the ultimate majority shareholder of the Group, bank account balances of AED 164.9 million (2022: AED 166.6 million) and fixed deposits of AED 437 million (2022: AED 354 million), at market prevailing profit rates.

Impairment provision

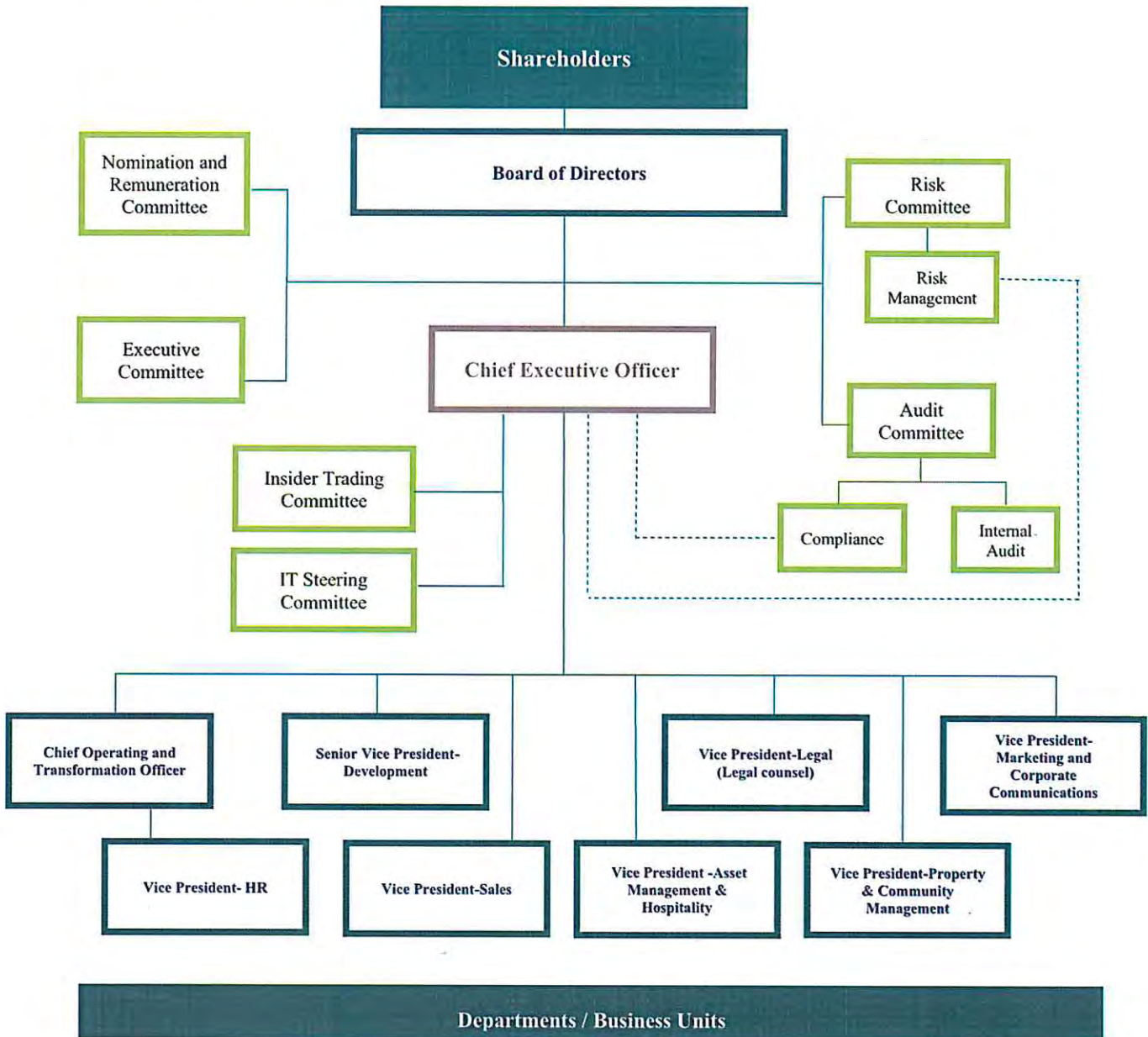
To determine the provision for impairment, management applied certain key assumptions and judgments in accordance with IFRS 9 - Financial Instruments in order to determine the expected credit loss which includes the use of various forward-looking information that could impact the timing and/or amount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

3. Due to related parties comprises:

	2023 AED '000	2022 AED '000
Current		
Due to a significant shareholder	320	271
Due to other related parties	100	110
	420	381

On 31 December 2023, the Group had bank borrowings from the ultimate majority shareholder of AED 481.5 million (2022: AED 798.8 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 as on 31 December 2023:

No.	Position	Appointment date	Total salaries and allowances paid for 2023 (AED)	Total Bonuses paid for 2023 (AED)*	Any other cash/in-kind bonuses for 2023 or due in the future
1	Chief Executive Officer	1 Jun 2007	2,576,700	-	NA
2	Chief Operating and Transformation Officer	2 Aug 2015	1,696,500	-	-
3	Vice President-Operations**	1 May 2004	728,738	-	322,000
4	Vice President-Sales	8 Jan 2006	3,685,298	-	NA
5	Vice President-Human Resources	30 May 2022	870,425	-	NA
6	Vice President-Marketing and Corporate Communications	1 Aug 2008	755,224	-	NA
7	Vice President-Legal (General Counsel)	7 Feb 2017	1,178,295	-	NA
8	Senior Vice President-Development	26 Apr 2022	1,402,550	-	NA
9	Vice President-Asset Management & Hospitality	24 Nov 2016	971,214	-	NA
10	Vice President-Property & Community Management	6 Dec 2022	1,004,670	-	NA

* There are no bonuses paid for the year 2023 as of report date. If any bonuses have been paid, we will make the necessary update.

** Served until 31 July 2023

4. External Auditor

A- Ernst & Young Middle East (EY) was appointed as external auditor for the year 2023 at the General Assembly meeting on 22 March 2023 and with the approval of majority shareholders. EY 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	Ernst & Young (Middle East)
Name of Partner Auditor	Wardah Ebrahim
Number of years served as the Company's external auditor	Started audit from April 2023
Number of years the Partner Auditor spent auditing the Company's accounts	Started audit from April 2023
Total audit fees for 2023 (in AED)	AED 680,000
Fees and costs of special services other than auditing the financial statements for 2023 (in AED), if any, and in case of absence of any other fees, this shall be expressly stated	AED 220,614

Details and nature of other services (if any). If there are no other services, this shall be expressly stated.	<ul style="list-style-type: none"> • Advisory service on VAT treatment • Assessment on impact of Corporate Tax.
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The table below shows a statement of other services provided by an **external auditor other than** the Company's auditor in 2023:

Auditor	Partner Auditor	Type of services	Amount (AED)
KPMG Lower Gulf Limited	Siddharth Behal	Consulting services	90,000

C- There are no reservations made by the External Auditor of the Company in the interim and annual financial statements for the year 2023.

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. Ms. Maryam Bin Fares, Audit Committee Chairman, acknowledges her responsibility for the committee charter in the Company, to review its work mechanism and ensure its effectiveness.

B. Names of members of the Audit Committee:

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

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- 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, the Executive Management, Chief Operational and Transformation Officer (COTO) 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 COTO or whoever carries out the same responsibilities, the Compliance Officer or the External Auditors;
 8. Providing recommendation to the Board 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 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 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 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;

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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 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 for above mentioned issues, and considering any other issues determined by the Board.

C. Statement of number and dates of the Audit Committee meetings held during 2023 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 four (4) meetings during the fiscal year as follows:

No.	Name	Meeting Dates							
		1 Feb 2023	8 May 2023	31 Jul 2023	8 Nov 2023				
		Attendance	Purpose	Attendance	Purpose	Attendance	Purpose	Attendance	Purpose
1	Ms. Maryam Bin Fares	√	Discussion of financial statements and matters of Internal Control	√	Discussion of financial statements and matters of Internal Control	√	Discussion of financial statements and matters of Internal Control	√	Discussion of financial statements and matters of Internal Control
2	Mr. Mohamed Al Sharif	√		T		√		√	
3	Mr. Yasser Bin Zayed Al Falasi	√		√		T		√	
4	Mr. Mohammed Al Nahdi	√		√		√		√	
√	Attended the meeting	T	Attended through modern technology						

6. Nomination and Remuneration Committee

The Nomination and Remuneration 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. Yasser Bin Zayed Al Falasi, Nomination and Remuneration Committee Chairman, acknowledges the responsibility for the committee charter 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. Yasser Bin Zayed Al Falasi	Chairman
2	Ms. Maryam Bin Fares	Member
3	Mr. Obaid Lootah	Member
4	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 of the 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's 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.
- C. Statement of number and dates of Nomination and Remuneration Committee meeting held during 2023, 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		
		1 Feb 2023	31 Jul 2023	21 Dec 2023
1	Mr. Yasser Bin Zayed Al Falasi	√	√	√
2	Ms. Maryam Bin Fares	√	√	√
3	Mr. Obaid Lootah	√	√	T
4	Mr. Mohammed Al Nahdi	√	√	√
√	Attended the meeting	T	Attended through modern technology	

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, 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 charter 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 Operating and Transformation Officer
2	Ms. Amel Al Hosani	Member	Vice President-Human Resources
3	Mr. Ala Hasan	Member	Board Secretary & Head of Compliance and Risk

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 policies and procedures related to Board and employees trading in the Company's shares or its parent company, affiliates or associated companies' shares and submit such policies and procedures to the Board for review and approval;
3. Take all necessary measures for maintaining confidentiality of the Company's key information;
4. Take the necessary procedures to ensure related parties who have access to internal information including information of the Company maintain confidentiality and prevent this information from abuse or transferring to other parties; and
5. Ensuring that all insiders sign a declaration form confirming their awareness 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 2023

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. Hamad Buamim, Executive Committee Chairman, acknowledges his responsibility for the committee charter 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. Hamad Buamim	Chairman
2	Dr. Adnan Chilwan	Member
3	Mr. Rashid Hasan Al Dabboos	Member
4	Mr. Obaid Lootah	Member

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

The roles and tasks assigned thereto:

1. Monitor and evaluate the progress of achieving Company's strategic goals and initiatives along with providing the necessary directions to the CEO in this matter;
2. Review the Company budget and provide recommendation to the Board;
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;
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;
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;
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 2023, indicating the number of times of personal attendance of all members of the Committee

The Committee held four (4) meetings as follows:

No.	Name	Meeting Dates			
		8 Mar 2023	27 Apr 2023	11 Jul 2023	14 Nov 2023
1	H.E. Hamad Buamim	√	√	√	T
2	Mr. Rashid Al Dabboos	√	T	√	T
3	Dr. Adnan Chilwan	√	√	√	T
4	Mr. Obaid Lootah	√	√	√	T
√	Attended the meeting	T	Attended through modern technology.		

9. Risk Committee

The Risk Committee oversees and approves the Company's risk management framework to assist the Board in identifying and managing the risks that the Company is exposed to. The Committee also communicates with the Board and senior Management on the Company's risk management activities and progress to keep them informed of any potential risks to the Company.

A. Ms. Maryam Bin Fares, Risk Committee Chairman, acknowledges her responsibility for the committee charter in the Company to review its work mechanism and ensure its effectiveness.

B. Names of members of the Risk Committee

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

The roles and tasks assigned thereto:

1. Develop a comprehensive risk management strategy and policies that are consistent with the nature and volume of the Company activities, monitor its implementation, review and update based on the company internal and external changing factors;
2. Identify and maintain an acceptable level of risks that the Company may face and ensure that the Company does not exceed such level;
3. Supervise the risk management framework of the Company and evaluate the effectiveness of the framework and mechanisms of identifying and monitoring the risks that threaten the Company in order to identify areas of inadequacy and adequacy;
4. Provide guidance to management, as needed, to assist them in improving their risk management practices and/or mitigating certain risks, including the presence of qualified management personnel to carry out risk management activities effectively;
5. Obtain assurance from the executive management and internal audit that the risk processes and systems operate effectively with appropriate controls, in addition to compliance with approved policies;
6. Prepare reports on the level of exposure to risks and recommended procedures for managing such risks, along with submitting them to the Board;
7. Make recommendations to the Board on matters relating to risk management;
8. Ensure availability of adequate resources and systems for risk management;
9. Report regularly to the Board on the Company's risk profile and promptly inform the Board of any significant changes in the volume of the risk;
10. Verify that the risk management personnel are apart from the activities that may expose the Company to risk; and

11. Review appointment, performance and replacement of the Risk officer and monitor the effectiveness of the risk management unit in general.

C. Statement of number and dates of Risk Committee meetings held during 2023, 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		
		30 Mar 2023	21 Sep 2023	21 Dec 2023
1	Ms. Maryam Bin Fares	√	T	√
2	Mr. Mohammed Al Sharif	√	T	X
3	Mr. Yasser Bin Zayed Al Falasi	√	T	√
4	Mr. Mohammed Al Nahdi	√	T	√
√	Attended the meeting	T	Attended through modern technology	X- Absent with apology

10. Internal Control System

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

The Board has overall responsibility for ensuring the effectiveness of the internal control system of the Company. This system aims to assess effectiveness and efficiency of operations, accuracy of financial reporting and compliance with applicable laws and regulations and Company policies and procedures throughout the following assurance functions:

Internal Audit

The Company's Internal Audit Department is an independent, objective assurance and consulting activity established to enhance and add value to the Company's operations. It carries out its responsibilities according to corporate governance requirements and international standards issued by Institute of Internal Auditors and its approved guidelines. Its activities are conducted in a manner based on a continuous evaluation of perceived business risks and has full and unrestricted access to all activities, documents, records, properties and staff. This includes verifying the compliance of the Company and its employees with the provisions of applicable laws, regulations, policies and procedures and following up on the mechanism of risk management.

The Internal Audit Department is reporting to the Board through the Audit Committee so that the Department and its staff are independent to perform 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 authorised by the Board and submits reports including observations and recommendations related to systems' improvement to the Management and the Audit Committee.

Follow up on implementation of internal audit recommendations:

As a result of continuous follow up and meetings with management during the year, a significant number of open issues were implemented/resolved. Around 79% of the issues are implemented/resolved for reports issued until year 2023.

Risk Management

The Company 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. The Board's Risk Committee is responsible for overseeing risk monitoring and management across all risk types. Collaborating with management, the committee defines the risk appetite and strategy tailored to specific business units. Additionally, it periodically reviews and monitors compliance with the company's overall risk appetite.

Compliance

The Compliance function performs continuous and ongoing monitoring of compliance and implementation of laws and regulations applicable to the Company. It also monitors the extent to which the Company abides by code of conduct rules, review the setup of Fraud Hotline through Internal Audit Department to enhance awareness regarding the prevention and detection of any fraudulent or irregular activity.

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

Bassam El Ghawi is the Head of Internal Audit Department (*Chief Audit Executive, CAE*) since August 2014; he is a specialist in control and has an extensive experience (around 28 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

Mr. Ala Addin Mansoor is the Head of Compliance since April 2022, in addition to his role as the Secretary of the Board of the Company. He joined the Company in 2013 and held the position of Public Relations and Investor Relations Manager until 2022.

He holds a Bachelor's degree in Mass Communication in Public Relations from Al Falah University - Dubai and has more than 15 years of experience in communication, marketing, public relations management, government relations and investor relations.

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

The Internal Audit 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 Audit Committee. It ensures that recommendations 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, status of action taken by each department on the recommendations of the previous audits and adequacy of Department's resources.
- **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 Audit Department has not encountered any significant issues within the Company which required to be disclosed in the 2023 annual financial statements.

E. Number of reports issued by the Internal Audit and Compliance Departments to the Board of Directors

The Internal Audit and Compliance Departments report to the Board through the Audit Committee and issued reports during 2023 to the Committee according to the approved audit plan. The number of reports issued is shown below:

Report type	Internal Control	Internal Audit	Compliance
Quantity	13	14	2

11. Details of violations committed during 2023, 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 2023.

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12. Cash and in-kind contributions made by the Company during 2023 for local community development and environmental conservation

The Company 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 activities in line with the Company's strategy and values.

In June 2023, Deyaar contributed AED 10,000 to the Al Salam Center of Rehabilitation People of Determination, demonstrating our support for individuals facing unique challenges.

Additionally, the company's commitment to inclusivity led us to donate AED 13,340 to the Emirates Down Syndrome Association in the same month, specifically allocated for sponsoring speech therapy for two students with Down Syndrome.

Furthermore, in October 2023, Deyaar participated in the Gaza Relief Collection Drive, contributing AED 34,279 to aid in global humanitarian efforts.

These strategic philanthropic endeavors underscore Deyaar's belief in utilizing our resources to effect positive change, aligning with our corporate values of compassion and social consciousness as integral components of our governance framework.

13. 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 2023:

Month	Highest price	Lowest price	Closing price
January	0.49	0.48	0.48
February	0.49	0.47	0.48
March	0.48	0.48	0.48
April	0.54	0.52	0.53
May	0.67	0.65	0.67
June	0.68	0.65	0.67
July	0.74	0.73	0.73
August	0.71	0.70	0.71
September	0.69	0.67	0.67
October	0.61	0.59	0.59
November	0.68	0.66	0.67
December	0.69	0.69	0.69

B. Statement of the comparative performance of the Company's shares with general market index and sector index to which the Company belongs during 2023



C. Statement of shareholders' ownership distribution as on 31 December 2023 (individual, companies, governments, others) classified as follows: Local, Gulf, Arab and Foreign:

Shareholders classification	Percentage of shares held						Total
	Individual	Companies	Government	Banks	Institution	Others	
Local	35.758%	8.604%	0.003%	41.316%	0.053%	0.007%	85.740%
Gulf	1.644%	3.077%	-	0.256%	0.005%	-	4.982%
Arab	2.755%	0.176%	-	-	-	-	2.932%
Foreign	1.646%	4.700%	-	-	-	0.001%	6.347%
Total	41.802%	16.558%	0.003%	41.572%	0.058%	0.008%	100%

D. Statement of the shareholders owning 5% or more of the Company's capital as on 31 December 2023

Name	Number of owned shares	Percentage of owned shares of the Company's capital
Dubai Islamic Bank (PJSC)	1,793,350,662	40.983%

E. Statement of the method of shareholders distribution according to the volume of shares an of 31 December 2023

No.	Shares ownership	Number of shareholders	Number of owned shares	Percentage of owned shares of the Company's capital
1	Less than 50,000	26,780	273,370,823	6.247%
2	From 50,000 to less than 500,000	2,680	407,451,236	9.311%

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No.	Shares ownership	Number of shareholders	Number of owned shares	Percentage of owned shares of the Company's capital
3	From 500,000 to less than 5,000,000	564	774,848,388	17.707%
4	More than 5,000,000	73	2,920,167,198	66.734%
	Total	30,097	4,375,837,645	100%

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

The Company 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
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 2023 and procedures taken with respect thereto:

There are no special resolutions presented during the General Assembly held on 22 March 2023.

H. Name and date of appointment of Board Secretary

Name of Board Secretary	Alaa Addin Mansoor Hasan
Date of appointment	10 May 2022

I. Statement of significant events and important disclosures occurred during 2023

- Announcement of the financial results for the year 2022 with revenues of AED 803 million.
- Announcement of Q1,2023 financial results with revenue of AED 312.5 million.
- Announcement of the appointment of the main contractor for construction works in Tria project.
- The announcement of the remarkable 77% growth in profit in H1 2023, reaching over AED 118 million.
- Announcement of Jannat, the signature project and final residential district in Midtown Dubai.
- Announcement of the expansion of hospitality portfolio with Millennium Talia Residences, a luxurious addition to Al Furjan, Dubai.
- The announcement of the profit of AED 237.5 million for YTD Sep'2023, up 130% YOY.
- Announcement of Mar Casa by Deyaar sweeps five-star awards at acclaimed Arabian Property Awards 2023
- Announcement of the agreement signed to establish a joint development project at Al Reem Island in Abu Dhabi with Arady Properties.

J. Statement of transactions made with related parties during 2023 that are equal to or more than 5% of the Company's capital:

There are no transactions made with related parties during 2023 that are equal to or more than 5% of the Company's capital.

K. Statement of Emiratisation percentage in the Company at the end of years 2021, 2022 and 2023

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 2021, 2022 and 2023 is 10%, 8% and 9% 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 2023

In the year 2023, Deyaar embarked on a transformative journey, marked by a series of innovative advancements that significantly enhanced our operational processes and customer engagement strategies. This evolution was characterized by a focus on simplification and efficiency, ensuring that our services and internal processes became more accessible and user-friendly, not only for our team but also for our valued customers.

One of the cornerstone achievements of this year was the successful implementation of automation in key operational areas. This initiative streamlined various processes, notably in unit transfers and customer support management, thereby expediting tasks and reducing manual effort. Such enhancements have been universally appreciated for their contribution to operational efficiency and ease of use.

In addition to process automation, we made substantial improvements in our payment systems, prioritizing ease of use and accessibility. This upgrade was geared towards providing our customers with a more seamless and intuitive payment experience, greatly appreciated for its simplicity and efficiency.

Our commitment to technological robustness was further demonstrated through the enhancement of our digital infrastructure. We implemented advanced monitoring systems for our API and Windows Services, ensuring greater reliability and stability in our technological operations.

A significant leap was made in customer interaction and service delivery. We introduced innovative solutions such as integration for service requests, making customer interaction as effortless as sending a simple message. Furthermore, the adoption of digital document signatures facilitated a more streamlined and eco-friendly approach to document management, eliminating the need for physical handling of paperwork. These initiatives were not mere technological upgrades; they represented a fundamental shift towards a more efficient, customer-centric, and technologically advanced organization. Our efforts in the year 2023 have set a new benchmark in service excellence and operational efficiency, underscoring our commitment to continuous improvement and innovation.

Yours Sincerely,

Maryam Bin Fares
Chairman of Audit
Committee

Yasser Bin Zayed
Chairman of Nomination &
Remuneration Committee

Bassam El Ghawi
Head of Internal Audit
Department

Abdulla Al Hamli
Chairman of Deyaar Development PJSC

