

# Corporate Governance Report for the year 2018 RAK Properties P.J.S.C.

The official document is in the Arabic language which shall prevail

## Corporate Governance Report issued by RAK Properties P.J.S.C. for the year 2018

**First, Measures taken to complete the corporate governance system during 2018 and how to implement them:**

RAK Properties has been implementing and adopting corporate governance laws and regulations since 2009. The Corporate Governance Report for the year 2009 was issued in June 2010 and published on the Securities and Commodities Authority website. The Corporate Governance Report for the year 2010 was published in February 2011. 2011 report was issued in March 2012 and published on the Securities and Commodities Authority website and the Company's website. Governance reports for the years ,2012 ,2017 ,2016 ,2015 ,2014 ,2013 were issued and published on the Securities and Commodities Authority website and the Company's website. This report, the tenth report, is for the year 2018.

RAK Properties believes in the necessity and importance of practical application of the principles and laws of governance and standards of institutional discipline in a precise manner and in line with the interests of the Company and its shareholders because these laws and controls have positive effects that benefit all parties. RAK Properties believes that adherence to the principles and rules of governance will preserve its funds and those of shareholders due to the transparency standards and efficiency guaranteed by such principles that defend the Company's reputation and secure the shareholders' trust in its Board of Directors leading to production boosting.

Therefore, RAK Properties abides, in all its activities and transactions, by compliance standards by implementing the resolutions, statutes, rules and regulations related to the organization and management of public joint stock companies and mostly based on the Federal Law No. (2) of 2015 on Commercial Companies and its subsequent decisions, interpretations or directives that have been further issued in all its activities and

transactions to date by the Securities and Commodities Authority and competent official authorities in the UAE.

RAK Properties is pleased to confirm its commitment to the implementation of the provisions contained in Ministerial Resolution No. 7 of 2016 as the latest legislation in this regard. The most important measure taken by the Company in implementation of this regulation is the periodic disclosure of the Board's meeting dates more than two working days in advance, and the disclosure of the results of the meeting immediately thereafter.

RAK Properties has also committed to the disclosure standards of financial statements relating to the Company for every quarter during 2018 which was performed on time and under the supervision of the Stock Market and the Commodities and Services Authority. Moreover, pursuant to law provisions, Board Members have not received any representation or attendance allowances for attending the Board meetings. However, some of them have received attendance allowances for attending the meetings of the Board committees, as hereinafter detailed, as an effort added to the normal assignment of a Board member.

The current session started with the election of nine Board Members on March 2018 ,17 at the ordinary general assembly meeting of the Company. The current session of the Board expires on March 2021 ,16.

**Second, Transactions performed by the Board Members, their spouses or sons regarding the securities of the Company during the year 2018:**

The Board of Directors and its Executive Management abide by the rules and procedures governing the transactions performed by the Board members and Company's employees who have information by virtue of their positions in order to improve the level of transparency and disclosure and allow the shareholders to be equal in their transaction regarding the shares of the Company.

The Company has provided the stock market with a list of names of the Company Chairman and Board Members as well as an updated list of the insiders from the

executive management and heads of departments in order for these insiders to comply with the procedures established by the market and the Authority through receiving the approval of the director of the stock market on any transactions conducted regarding the Company's security (The Company share) whether by selling or buying and through the trading floor or family transfers in the management of the clearing.

Furthermore, the Stock Market Department automatically suspends, through its electronic system, all those listed in the insiders list from trading, through buying or selling, in the Company's shares fifteen days in advance until the disclosure of the required financial results for each period. This procedure is automatically performed by the market system and the Securities and Commodities Authority.

If any insider wishes to buy or sell the Company shares during the grace period (outside the suspension periods), he/she must submit an application in accordance with the forms approved by the Abu Dhabi Securities Exchange and its financial intermediary.

It is worth noting that RAK Properties has obligated all its employees to follow the procedures of the stock market in this regard, emphasizing, from time to time, the importance of applying and abiding by these laws as well as any new laws, resolutions and circulars issued by the Market and the Authority governing these transactions.

The measures are aimed at maintaining the Company reputation and enhancing the confidence of shareholders and investors so that the Company Board of Directors and employees do not exploit the information that may be available for them before the others to achieve material gains at the expense of the others. Therefore, the Company applies all the regulations issued or to be issued in the future by the Securities and Commodities Authority and Abu Dhabi Securities Exchange.

During 2018, the following Board Members or their relatives up to the first degree traded in the shares during the grace periods according to the following table:

No.	Name	Position / relationship	Shares held as of 2018/12/31	Total sales during 2018	Total purchase during 2018
1	Mohammad Hassan Abdullah Omran Al Shamsi	Chairman	3,058,678	-	-
2	Abdulaziz Abdullah Salem Al Zaabi	Vice-Chairman	1,000,000	-	-
3	Mohammad Sultan Mohammad Al Qadi Al Shehhi	Managing Director	1,000,000	-	-
4	Sheikh Tariq Ahmed Humaid Mohammed Al Qassimi	Independent Board Member	6,001,000	-	-
5	Sheikh Ahmed Omar Abdullah Al Qassimi	Independent Board Member	200,000	-	-
6	Mohammed Abdullah Mohammed Al Hammoudi Al Meherzi	Independent Board Member	2,136,376	-	-
7	Mohamed Ahmed Ali Hassan Ruqait Al-Ali	Independent Board Member	120,000,000	-	80,000,000
8	Nawwaf Ghubash Ahmed Ghubash Al Marri	Independent Board Member	273,347	-	200,000
9	Samih Onsi Naguib Sawiris	Independent Board Member	-	-	-

### Third, Composition of the Board of Directors:

#### A. Composition of the Board of Directors and its Chairman and Members' details, experience and qualifications:

Pursuant to Article 19 of the Company's Articles of Association, the Board of Directors of the Company shall be composed of nine (9) Board Members elected by the Ordinary General Assembly of the Company by secret vote. The term of the Board shall be three years. Therefore, Board of Directors of the Company was elected for the fifth session during the Company's Annual Meeting on Saturday, 17 March 2018 and thus the Board has spent about a year until the preparation of this report.

The elected Board consists of nine Board Members, 8 Emiratis and one Egyptian, i.e. Mr. Samih Onsi Naguib Sawiris. The Board Members are well known for their long and varied experience and high efficiency. The Board still exercises its powers to date as the term of the current Board ends on 16 March 2021 The following is the Board's composition according to the categories of its members and their details, experiences and qualifications:

No.	Position	Name	Category	Experiences	Qualifications	The duration of his/her tenure as a Company Board Member	Their membership and positions at any other joint stock companies	Their other important regulatory, governmental or commercial positions
1	Chairman	Mr. <b>Mohammad Hassan Omran</b>	Independent	He has very extensive and rich experience in communications. He has served as Chairman of the Board of Directors of Emirates Telecommunications Corporation (Etisalat) from 2005 to 2012, which is considered one of the largest companies in the world, ranked among the top 500 companies on the Financial Times list. He was named as one of the 100 most powerful Arab people in the world by the Arabian Business magazine in the year 2010, and he is the only Arab person to maintain his presence on the list of 2010. The Telecommunications Regulatory Authority awarded him the Chief International Officer prize for the year 2011, acknowledging him as the best international leader in the telecommunications sector. He joined Etisalat in the year 1977, one year after it was established. In 1982, he served as the Director of Ras Al-Khaimah region, and in 1984, he was appointed the Deputy General Manager of Etisalat. In the year 2004, he was appointed the Company's Chief Executive Officer. From 1977 and until 2012, he also served as the Chairman of the Board of Directors of Thuraya, a leading company in mobile satellite services covering around two thirds of the globe. His Highness Sheikh Khalifa bin Zayed Al Nahyan, President of the UAE, issued a decree appointing Mohammad Omran Al Shamsi as the Chancellor of Higher Colleges of Technology with rank of minister. He held this post until 2018.	Holds a BA in electronic engineering from Cairo University, Egypt, 1977.	10 years	Chairman at National Bank of Ras Al Khaimah	Chairman of RAK Properties
2	Vice-Chairman	<b>Abdulaziz Abdullah</b>	Independent	He has very rich experience in the field of business Administration in	Holds a BA in International Business	10 years	Chairman of Al Khaleej Investment	Second Vice President of the

	<b>Al Zaabi</b>		Real estate and banking sector and real estate and banking investments. He also has considerable experience in Federal National Council (FNC) affairs.	Administration from San Jose State University, USA, 1987.		Board Member of Julphar pharmaceutical company	Federal National Council (FNC). Chairman of Ras Al Khaimah Charity Association Vice-Chairman of RAK Properties	
<b>3</b>	<b>Managing Director</b>	<b>Mr. Mohammad Sultan Al Qadi</b>	Non-executive Board Member	He has 35 years of extensive managerial experience during which he hold different positions. He spent most of his experience years in Emirates Telecommunications Corporation (Etisalat), 26 years, where he held several leadership positions, including General Manager at Etisalat Ras Al Khaimah, chairman of Etisalat Zanzibar "Zantel". He led a work team that managed to win license for Etisalat to operate in Sudan (Sudatel). He was a board member at the Arab Satellite Communications Organization (Arabsat) for 15 years and the UAE representative at Arab ICT Permanent Committee, Arab League and other important roles. Mr. Mohammad Sultan Al Qadi was awarded an advanced rank among top 100 CEOs for the year 2017 in the GCC region. The awards was organized by TRENDS magazine, KSA, and evaluated by INSEAD business school. He also was named Top CEO for 2018 in the GCC during the of Top CEO of GCC Conference and Award, which was evaluate by the INSEAD business school and organized by TRENDS Magazine in Saudi Arabia.	Graduated from the British Royal University, mail & communication college	10 years	Vice-Chairman of Ras Al Khaimah Co. for White Cement & Construction Materials. Chairman of Commercial Bank International (CBI)	Managing Director of RAK Properties
<b>4</b>	<b>Board Member</b>	<b>Sheikh Tariq Ahmed Bin Humaid Al Qassimi</b>	Independent	He has vast experience in the banking, bank management and business administration.	Holds a BA in Business Administration from San Francisco University, USA	7 years	Non	Board Member, RAK Properties
<b>5</b>	<b>Director</b>	<b>Sheikh Ahmed Bin Omar</b>	Independent	Has more than eight years of experience in management and business administration.	Holds a Master's degree in Business Administration from	4 years	Non	Director, RAK Properties



		<b>Al Gassimi</b>			the Canadian University Dubai			
<b>6</b>	<b>Board Member</b>	<b>Dr. Mohammed Abdullah Al Meherzi</b>	Independent.	Has extensive experience in the field of customs and ports in Ras Al Khaimah. He also has considerable experience in managing, organizing and supervising the Customs and Ports.	Holds a PhD in Governmental Administration (Added Tax) from the University of Canberra, Australia, and a master's degree in literature from the University of Westminster, UK.	4 years	Non	Director General of RAK Customs Department Board Member, RAK Properties
<b>7</b>	<b>Board Member</b>	<b>Mohamed Ahmed Ruqait</b>	Independent	He has extensive experience in the field of real estate, construction, development and investment, and has held several positions, most notably being a Federal National Council (FNC) member.	Graduated from the Royal Navy College	10 years	Non	Chairman of Al Ali Construction & Development company. Secretary-General of Saqr Bin Mohammed Al Qasimi Charity and Humanitarian Foundation. Director General of the Private Office of H.H. Sheikh Saud bin Saqr Al Qasimi, a UAE Supreme Council Member and Ruler of Ras Al Khaimah. Director, RAK Properties Owner of Mohamed Ruqait Properties
<b>8</b>	<b>Director</b>	<b>Nawwaf Ghubash Al Marri</b>	Independent	Has more than 20 years of experience in managing and developing real estate and shopping malls, investment, insurance, health, retail and new business establishment, as well as strong experience in corporate and institutional administration.	Bachelor of Business Administration from the United Arab Emirates University, 1998	8 years From 2005 to 2012 And from 2018 to present	Chairman of United Insurance Company	Vice-Chairman of Ghubash Trading and Investment Company Ltd since 1999. Board Member and member of the Executive Committee of the Sahara Centre in Sharjah since 2000. Chairman of Julphar Bangladesh since 2015.

		<b>Al Qassimi</b>			the Canadian University Dubai			
<b>9</b>	<b>Board Member</b>	<b>Samih Onsi Sawiris</b>	Independent.	Extensive experience in managing companies of various fields	BA in Economic Engineering from the Technical University of Berlin, 1980	1 year	Non	Founder and Chairman of Orascom Development Holding, Egypt Founder and Member of Sawiris Foundation for Social Development, established in April 2001.

## **B - Women's representation in the Board of Directors for the year 2018:**

Under Article 19 of the Company's Articles of Association, the Board of Directors shall consist of nine (9) members elected by the Ordinary General Assembly by secret vote. The number and percentage of male and female members was as follows:

Women are not represented according to the following table:

Gender	Number	Percentage
Male Board Members	9	100%
Female Board Members	0	0%

## **C) Reasons why no woman run for Board Membership election.**

RAK Properties believes in the importance of women's participation in the development process and the need for their participation in companies' boards of directors. During the previous Boards terms, candidacy for the Board of Directors membership was made available for both sexes without any discrimination. However, no woman runs for Board membership election for the Board' previous sessions.

## **D) Board Members Remuneration and attendance allowance for attending the meetings of the Board and its committees:**

### **1. Total of Board Members' remuneration paid for the year 2017:**

The remuneration paid to the Chairman and Board Members for the year 2017 amounted to AED 5,263,000 which was presented to the shareholders' General Assembly held on March 17, 2018 and received its approval.

### **2. Total of Board Members' remuneration proposed for the year 2018, which will be presented at the Annual Meeting for approval:**

Pursuant to the federal laws and governance rules, Board remuneration shall not exceed 10% of the net profit, provided not exceeding 10% of such profits for the financial year. The Company may also pay the expenses, fees, bonus or a monthly salary as determined by the Board of Directors for

any of its members if such member is working for any committee, makes special efforts or performs additional work to serve the Company above his normal duties as a Company Board Member in accordance with the Board of Directors' decision No. 7 of 2016 on the standards of institutional discipline and governance of public joint stock companies. Board Members propose to the General Assembly a bonus of 4 million Dirhams to be distributed among them for the year 2018.

**3. Attendance allowance received by the Board Members for attending the meetings of the Board committees for the fiscal year 2018 are as detailed in following table:**

No	Name	Position	Attendance allowance for attending the meetings of the Board's committees				
			Executive and Investment Committee	Nominations and Remunerations Committee (NRC)	Audit committee	Total of allowance value	Number of meetings
1	Mr. Mohammad Hassan Omran	Chairman	-	-	-	-	-
2	Mr. Abdulaziz Abdullah Al Zaabi	Vice-Chairman and Chairman of Executive and Investment Committee	4 meetings (10,000) per meeting	-	-	40,000	4
3	Mr. Mohammad Sultan Al Qadi	Managing Director, Chairman of Nominations and Remunerations Committee and former member of Nomination Committee and Executive Committee for the previous session.	Meeting (5,000) per meeting	Meeting (5,000) per meeting	-	10,000	2
4	Sheikh Tariq Ahmed Humaid Al Qassimi	Board Member and member of Executive and Investment Committee	3 Meetings (5,000) per meeting	-	-	15,000	3
5	Sheikh Ahmed Omar Al Qassimi	Board Member, member of Nominations and Remunerations Committee and	4 meetings (5,000) per meeting	-	-	20,000	4

		member of Executive and Investment Committee					
6	Dr. Mohammed Abdullah Al Meherzi	Board Member, Chairman of Audit committee and a former member of Nomination Committee for the previous session.	-	Meeting (5,000) per meeting	4 Meetings (10,000) per meeting	45,000	5
7	Mr. Mohamed Ahmed Ruqait	Director, member of Nomination and Remuneration Committee and member of Executive Committee and Investment	2 Meetings (5,000) per meeting	-	-	10,000	2
8	Mr. Nawwaf Ghubash Al Marri	Board Member, member of both Executive and Investment Committee and Audit committee	Meeting (5,000) per meeting	-	Session (5,000) per meeting	10,000	2
9	Mr. Samih Onsi Sawiris	Board Member	2 Sessions (5,000) per meeting	-	-	10,000	2
10	Mr. Mustafa Ali Al Sheryani.	Former Board Member for the previous session and former member of both Audit committee and Executive Committee for the previous session.	Meeting (5,000) per meeting	-	Session (5,000) per meeting	10,000	2
	Mr. Jamal Salem Bin Darwish	Former Board Member for the	Meeting (5,000) per	Session (10,000) per	-	15,000	2

		previous session and former Chairman of both Nomination committee and Executive Committee for the previous session.	meeting	meeting			
11	Mr. Andrew Robinson	Independent member of Audit committee	-	-	3 Meetings (5,000) per meeting	15,000	3
12	Mr. Saju Augustine	(Former member of the Audit Committee) for the previous meeting.	-	-	Meeting (5,000) per meeting	5,000	1

Note 1: The Managing Director, Mr. Mohammad Sultan Al Qadi, receives an additional effort allowance of AED 100,000 per month for performing the duties and responsibilities of the Managing Director as an additional effort above Board Member normal duties.

Note 2: Mr. Andrew Robinson, an independent member of the Audit committee, receives a monthly bonus of AED 1,667 in addition to AED 5,000 per meeting as attendance allowance.

### C. Number of Board meetings during 2018:

During the fiscal year 2018 ended 31 December 2018, the Board held 8 meetings as follows:

No	Meeting date	Personal Attendance	Attendance by Proxy	Names of Absent Members/ sent their apologies
1	Meeting no. 2018/1 on 2018/2/15	9		
2	Meeting no 2018/2 on 2018/3/8	7		Sheikh Tariq Ahmed Al Qassimi Mr. Jamal Salem Bin Darwish (former member)
3	Meeting no 2018/3 on 2018/3/17	8	1	Mr. Samih Sawiris sent his apologies and nominated Mr. Nawwaf Ghubash to attend on his behalf
4	Meeting no 2018/4 on 2018/4/19	8		Mr. Mohamed Ahmed Ruqait
5	Meeting no 2018/5 on 2018/6/30	8		Dr. Mohammed Abdullah Al Meherzi
6	Meeting no 2017/6 on 2018/10/4	7		Sheikh Ahmed Bin Omar Al Qassimi Mr. Samih Onsi Sawiris
7	Meeting no 2017/7 on 2018/10/27	9		-
8	Meeting no. 2018/8 on 2018/12/8	9		-

### Chairman and Board Members Personal attendance was as follows:

Name	Attendance
Mr. Mohammad Hassan Omran	8
Abdulaziz Abdullah Al Zaabi	8
Mr. Mohammad Sultan Al Qadi	8
Sheikh Tariq Ahmed Al Qassimi	7
Sheikh Ahmed Bin Omar Al Qassimi	7
Dr. Mohammed Abdullah Al Meherzi	7
Mr. Mohamed Ahmed Ruqait	7
Mr. Nawwaf Ghubash Al Marri	6
Mr. Samih Onsi Sawiris	4



#### **D. Functions and powers assigned by the Board of Directors to the Executive Management:**

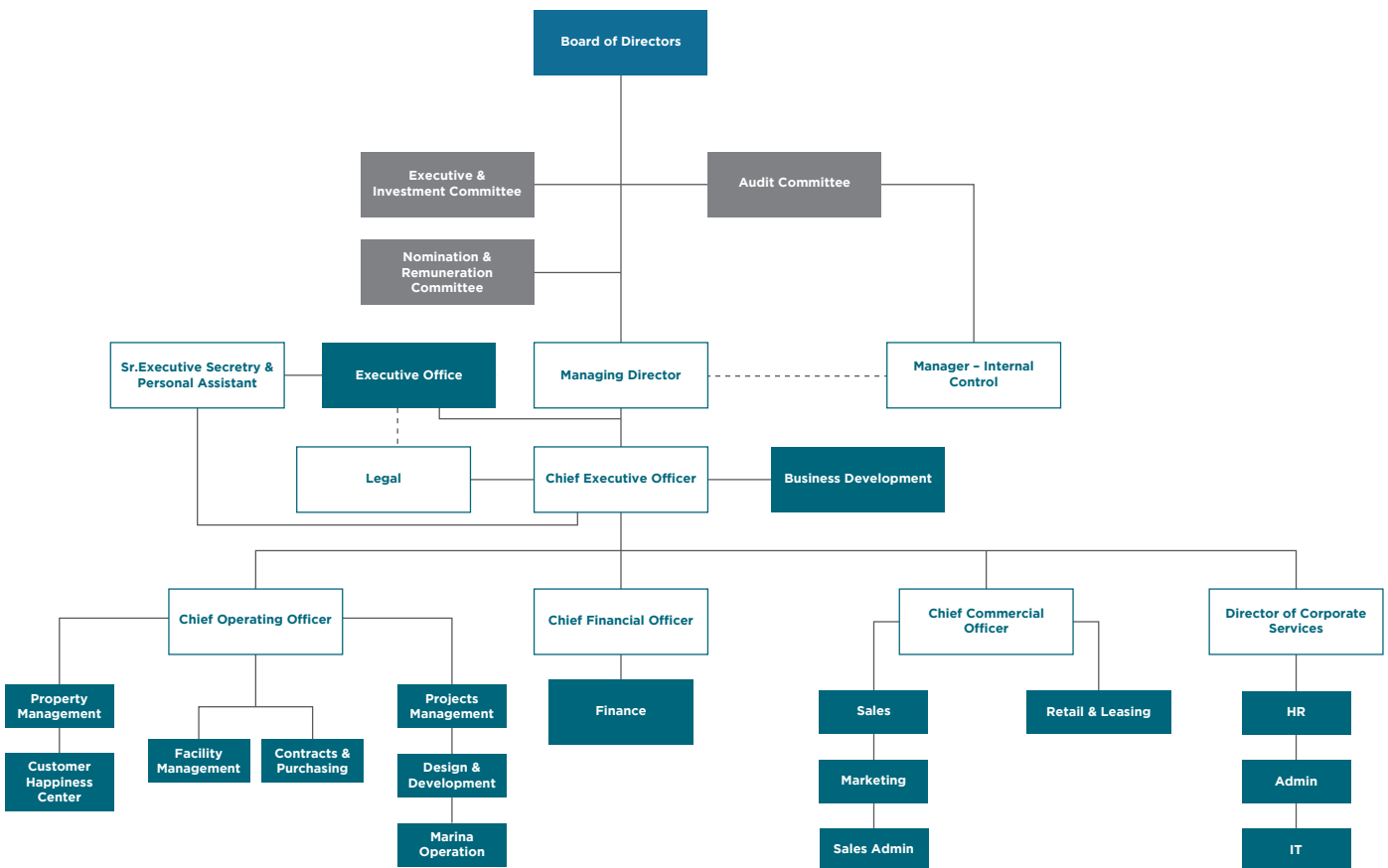
General authorization issued by the RAK Properties' Board of Directors based on the articles of association of RAK Properties "Company" and the Board of Directors' tenth resolution issued on 17/5/2016 at its second meeting held on 30/4/2016, the item on reviewing the authorization form of the Managing Director / CEO. The Board unanimously approved the appointment of Managing Director / CEO of RAK Properties, Mr. Mohammad Sultan Al Qadi, to represent the Company before all departments; authorities; private, official or nonofficial entities; companies; establishments and private sector establishments. They also appointed him to sign all transactions and papers necessary for the completion of the Company's business in all governmental, non-governmental and private entities, banks and financial institutions. His powers include also representing the Company and signing on its behalf in all financial, administrative, legal and judicial matters. In addition, he is authorized to purchase shares and stocks in existing or under establishment companies, participate in their management, take decisions regarding them, manage all their financial, administrative, legal and judicial affairs.

The Board of Directors also decided to authorize Mr. Mohammad Sultan Al Qadi (Managing Director / CEO) to sign contracts containing the arbitration clause and conclude and sign the arbitration agreements with any party in the name of the Company and on its behalf. He is authorized to take all the necessary procedures in this regard including appointing and challenging arbitrators and experts, do reconciliation and waiver and take all other procedures related to arbitration which require special authorization under the law pursuant to provisions of Article 25 of the Company's Articles of Association. He has been vested with the power to authorize and ratify all arbitration agreements and contracts that include the arbitration clause that was previously concluded By Mr. Mohammad Sultan Al Qadi (Managing Director / CEO) in the name of the Company and on its behalf with any party, and all the measures taken in this regard in light of the Company's Articles of Association provisions. The Board of Directors' resolution No. 3/3/2018 renewed the authorization of powers granted to the Managing Director at the meeting held on 17/3/2018. The mandate is due to end when the current Board of Directors' term ends on March 16, 2021.

### E. Related Party Transactions (Stakeholders)

No transactions with related parties were made in the year 2018.

### F. Company's Organizational Structure:



#### G. Details of the Company's senior executives

Name	Position	Date of appointment	Total salaries and remunerations paid for the year 2018 in Dirhams	Total bonuses paid for the year 2018 in Dirham	Any other cash / in-kind bonuses for 2018 or due in the future
Mr. Samuel Dean Sidiqi	CEO	2018/5/6	1,279,256	-	495,000
Mr. Mohammed Al Tair	Chief Operating Officer	2008/2/17	1,064,486	-	39,000
Mr. Maroky Joseph	Chief Financial Officer	2005/12/5	842,848	-	33,000
Mr. Giles Alexander Hannah	Chief Commercial Officer	2018/6/24	799,755	Sales commission 10,654	Sales commission 14,906
Mr. Omar Al Ali	Manager of Corporate Services Department	2017/8/20	690,740	-	24,420
Dr. Ahmad Husam Al Sagheer	Legal advisor and Secretary of the Board of Directors	2017/2/1	502,074	-	19,085

#### Fourth: External Auditor:

##### **a. About the Company's auditor and details of audit and other services' fees and costs:**

Deloitte & Touche is one of the most experienced external auditing firms accredited by the Ministry of Economy. Deloitte & Touche has offices in Abu Dhabi, Dubai, Sharjah, Ras Al Khaimah and Fujairah. Deloitte & Touche was appointed the Company's External Auditor. It is independent of the Company and the Board of Directors. It is not a partner or agent of any of the Company's founders, Board Members or any of their relatives to the fourth degree. All the work performed by the external auditor is free from any conflict of interest. The Company complies with all terms and conditions related to the External auditor pursuant to the provisions of Resolution No. 7 of 2016 on the rules of governance and standards of institutional discipline.

##### **b. Fees and costs for auditing and services performed by the External Auditor:**

<b>Name of Auditing Office</b>	<b>Deloitte &amp; Touche</b>
Number of years spent as an external auditor of the Company	8 years
Total audit fees in AED for 2018 financial statements	AED 275,000
Fees and costs for special services other	Non
Details and nature of other services provided	Quarterly and annual financial reports review
Details of other services performed and submitted by an external auditor other than the company's auditor during 2018	There is no another external auditor

Deloitte & Touche was appointed the Company's External Auditor by the approval of the Annual General Meeting for the year 2011 at its Ordinary Meeting on 24 March 2011 and their fees was set at AED 215,000 (Two Hundred Fifteen Thousand Dirhams). It was reappointed at the AGM on April 18, 2012 and their fees were set at AED 255,000 (Two Hundred Fifty Five Thousand Dirhams); for FY2014 at the AGM on 13 March 2014 and their fees were set at 275000 (Two Hundred Seventy Five Thousand Dirhams); for FY2015 at the AGM on 19 March 2015 and their fees were set at AED 235,000 (Two Hundred Thirty Five Thousand Dirhams); on 19 March 2016 and their

fees were set at AED 275,000 (Two Hundred Seventy Five Thousand Dirhams); on March 18, 2017 and their fees were set at AED 285,000 (Two Hundred Eighty Five Thousand Dirhams) and for FY2018 at the AGM on March 17, 2018 and their fees were set at AED 275,000 AED (Two Hundred Seventy Five Thousand Dirhams). Their services included all professional services related to auditing quarterly and annual financial reports in accordance with all terms and conditions associated with the external auditor pursuant to Ministerial Decree No. 7 of 2016.

RAK Properties also resorted to Land Sterling Property Consultants LLC to assess the land owned by RAK Properties for AED 57,000 and resorted to HLB Hamat to assess RAK Properties shares at other companies and investment funds for AED 20,000 in order to obtain unbiased and independent assessments of its property.

**c. Qualified opinions made by the Company's auditor in the annual interim financial statements for the year 2018:**

No Qualified opinions made by the Company's auditor for the year 2018

**Fifth: Audit Committee**

**a. Audit Committee's members names, terms of reference and tasks:**

This committee was formed in accordance with the corporate governance rules and regulations. It consists of four members, three of whom are Board members and the fourth is an independent member from outside the Board of Directors appointed by the Board of Directors:

Members of the Audit Committee during the Board previous session that ended on March 19, 2005 are:

- Sheikh Tariq Ahmed Bin Humaid Al Qassimi, Committee's Chairman  
(Non-Executive & Independent Board Member)
- Mr. Mohammed Abdullah Al Meherzi, independent committee member  
(Non-Executive & Independent Board Member)
- Mr. Mohamed Thaaloob Alderei  
(Non-Executive & Independent Board Member)
- Mr. Saju Augustine, committee member

b. Report summary of the Committee's work during 2018:

The Committee has updated the lists of insiders at the stock market to include the Board of Directors members and Company's senior employees of first and second grade, as well as some insiders from relevant department.

Eighth: Any committee(s) approved by the Board of Directors (Executive and Investment Committee)

a. Executive and Investment Committee's members names, terms of reference and tasks:

The Executive and Investment Committee is entrusted with some of the Board of Directors' duties and responsibilities in order to increase Board effectiveness by employing the skills of some of the Committee members in supervising some important issues such as supporting the Company's Executive Management. The Committee is formed by a Board of Directors decision for a period not exceeding 3 years and consists of a number of members not less than 4 members.

The Executive Committee and the Investment was formed in accordance with the Board of Directors Decision No. 4/3/2018. It consisted of 5 members before adding Mr. Samih Onsi Sawiris as a member of the Committee by the Board of Directors Decision No. 1/4/2018. The 6 Board Members are the members of the Executive and Investment Committee during the Board's current on 17 March 2018 and their names are as follows:

- 1- Mr. Abdulaziz Abdullah Al Zaabi, Committee Chairman  
(Board's Vice-Chairman)
- 2- Sheikh Tariq Ahmed Bin Humaid Al Qassimi, Committee member  
(Non-Executive & Independent Board Member)
- 3- Sheikh Ahmed Bin Omar Al Qassimi, Committee member  
(Non-Executive & Independent Board Member)
- 4- Mr. Samih Onsi Sawiris, Committee member  
(Non-Executive & Independent Board Member)
- 5- Nawwaf Ghubash Al Marri, Committee member  
(Non-Executive & Independent Board Member)
- 6- Mr. Mohamed Ahmed Ruqait, Committee member  
(Non-Executive & Independent Board Member)

6- Adhering to the rules of listing, disclosure and other legal requirements related to the preparation of financial reports.

- Coordinating with the Board of Directors, Executive Management and the Chief Financial Officer in order to perform its tasks. The Committee shall meet with the external auditors at least once a year.
- Considering any important and unusual items that are or should be included in such reports and accounts and giving due consideration to any matters raised by the Company's Chief Financial Officer, compliance officer or the Company's external auditors.
- Reviewing the Company's financial control, internal control and risk management systems.
- Discussing the internal control system with the management and ensuring that it fulfills its duty to establish an effective internal control system.
- Considering the results of the main investigations in the internal control matters assigned to it by the Board of Directors or on its initiative with the approval of the management.
- Ensuring that there is coordination between the Company's internal auditor and external auditor and that the necessary resources for the internal control system are available in addition to reviewing and controlling the effectiveness of the system.
- Reviewing the Company's financial and accounting policies and procedures.
- Reviewing, replying to and approving the external auditor's letter and work plan and any material inquiries presented by the auditor to the executive management regarding accounting records, financial accounts or control systems
- Ensuring that the Board of Directors responds in a timely manner to the inquiries and material issues raised in the external auditor's letter.
- Developing controls that enable the Company's employees to report any potential violations in financial reports, internal control or other matters in a confidential manner and the procedures necessary to ensure independent and fair investigations of such violations
- Monitoring the Company's compliance with professional codes of conduct
- Ensuring the application of work rules related to its tasks and the powers assigned to it by the Board of Directors
- Discussing, approving and ratifying the Company's quarterly financial reports and submitting them to the stock market and the Securities and Commodities Authority in the event that the Board of Directors cannot meet in a timely manner.

- Ensuring the application of corporate governance controls as set forth in the Securities Authority's decision No. 7 of 2016.
- Reviewing and evaluating the Company's investments, and adopting appropriate solutions regarding them such as selecting exit mechanisms or adopting the most suitable investment opportunities in amounts not exceeding 50 million Dirhams.
- Reviewing the Company's financial balance sheet, cash flows and investment portfolios on a periodic basis and submitting them to the Board of Directors.
- Ensuring that there is an appropriate system for classification and archiving (e.g. meeting minutes, committee decisions, etc.)
- The Committee shall submit all its reports to the Board of Directors for approval and ratification at the first meeting of the Board following the last meeting of the Committee.
- The Committee shall hold its meeting at least once every three months or whenever necessary and the minutes of its meetings shall be kept by the Rapporteur.
- The Company is committed to providing all the resources necessary for the Committee to perform its tasks, including authorizing it to use experts whenever necessary
- The Committee may seek the assistance of any specialized staff members or members of the Executive Board at any time to explain the issues relevant to the work of the Committee
- The Board of Directors shall have the right to request a meeting with the Committee whenever it deems appropriate
- Any other matters assigned to it by the Chairman or the Board of Directors or matters necessary for the business in conformity with the Committee's functions and nature of work.
- Considering any other matters determined by the Board of Directors.

**b. Number and dates of meetings held by the Committee and number of members attended in person:**

During the fiscal year ended 31 December 2018, the Committee held the following meetings:

- 1- Meeting no. 1/2018 on 13/2/2018
- 2- Meeting no. 2/2018 on 10/5/2018
- 3- Meeting no. 3/2018 on 2/8/2018
- 4- Meeting no. 4/2018 on 25/10/2018



Name	Attendance
Mr. Mohammed Abdullah Al Meherzi	4
Dr. Mr. Mustafa Ali Al Sheryani (former member of the Audit Committee)	1
Mr. Nawwaf Ghubash Al Marri	1
Mr. Andrew Robinson	3
Mr. Saju Augustine (former member of the Audit Committee)	1

#### **Sixth: Nominations and Remunerations Committee:**

##### **a. Nominations and Remunerations Committee's members names, terms of reference and tasks:**

The Nominations and Remunerations Committee was formed in accordance with the Corporate Governance Regulations and Rules. It consists of three Board members as follows:

Members of the Nominations and Remunerations Committee during Board of Directors' current session on March 17, 2018. They are as follows:

- Mr. Mohammad Sultan Al Qadi, Committee Chairman (Managing Director)
- Sheikh Ahmed Bin Omar Al Qassimi, Committee member (Non-Executive & Independent Board Member)
- Mr. Mohamed Ahmed Ruqait, Committee member (Non-Executive & Independent Board Member)

For the purpose of achieving its objectives, the Nominations and Remuneration Committee have the following responsibilities:

- Constantly ensuring the independence of independent members
- Identifying the Company's needs of competent individuals at senior executive management level and employees and the bases of their selection.
- Selecting candidates and reviewing all nomination processes for the appointment or reappointment of the following:
  - 1- Board of Directors members for the purpose of being approved by the shareholders
  - 2- Managing Director

### 3- Members of the various Board's committees for the purpose of being approved by the Board

- Arranging and following up the procedures related to proposals of membership in the Board of Directors in accordance with the provisions of the applicable laws and regulations and the regulations of the Securities and Commodities Authority
- Organizing and following up the procedures for nomination to the Board of Directors in accordance with the applicable laws and regulations and the Securities and Commodities Authority's provisions.
- Searching for qualified individuals to nominate as Board Members, recommending them to the Board of Directors and conducting a study on the potential candidates' background and qualifications for submission to the Board of Directors.
- Submitting an annual list to the Board of Directors containing the individuals recommended for nomination during the shareholders' annual general meeting.
- Submitting annual reports to the Board of Directors accompanied by an assessment of the Board's performance. The Committee shall discuss the report with the Board after the end of each financial year.
- Reviewing the formation of the Board and the committees on an annual basis and submitting recommendations to the Board of Directors when necessary regarding the membership of the committees
- Generally supervising the evaluation of the performance of the Board and its members and their areas of responsibility, at least annually, and proposing objective performance criteria.
- Developing, monitoring the application of and annually reviewing the Company's HR and training policy.
- Reviewing the plans of professional development and succession within the institution and discussing the same with the Board and senior management.
- Reviewing and submitting to the Board the recommendations regarding labor contracts, dismissal and retirement arrangements and any privileges of key members of senior management
- Developing and annually reviewing the policy of granting bonuses, benefits, incentives and salaries to Board of Directors members and its employees. The Committee should verify that the bonuses and benefits granted to the senior executive management of the Company are reasonable and commensurate with Company performance.
- Identifying the Company's needs of competent individuals at senior executive management level and employees and the bases of their selection.

- Considering and approving the end of service gratuities, bonuses, dismissal payments and similar payments the Board of Directors members, managing directors and executive management.
- Reviewing and evaluating the efficiency of the Committee's charter on an annual basis and requesting the Board of Directors' approval on the proposed changes

**b. Number and dates of meetings held by the Committee and number of members attended in person:**

During FY2018, the Committee held one meeting chaired by of Mr. Jamal Salem Bin Darwish (former Board Member and former Chairman of Nominations and Remunerations Committee for the previous session) prior to the General Assembly held on 4/3/2018. The meeting was attended by:

- 1- Dr. Mohammed Abdullah Al Meherzi (Board Member and former member of Nominations and Remunerations Committee for the previous session)
- 2- Mr. Mohammad Sultan Al Qadi (managing director, present chairman of the committee during its current session and former member of Nominations and Remunerations Committee for the previous session)

**Seventh: Follow-up and Supervision of Insiders' Trading Committee (FSIT Committee)**

a. FSIT Committee's members names, terms of reference and tasks:  
FSIT Committee was formed as follows:

- 1- Company's Legal Advisor: Dr. Ahmed Hossam Al Sagheir
2. Company's Chief Financial Officer: Mr. Maroky Joseph
3. Manager of Internal Control Department: Mr. Usman Zishan

The functions of this committee are to develop a special and integrated record for all insiders, including persons who may be considered as temporary insiders and who are entitled or have access to the Company's internal information prior to publication. The record also includes insiders' previous and future disclosures.

## **b. Report summary of the Committee's work during 2018:**

The Committee has updated the lists of insiders at the stock market to include the Board of Directors members and Company's senior employees of first and second grade, as well as some insiders from relevant department.

### **Eighth: Any committee(s) approved by the Board of Directors (Executive and Investment Committee)**

#### **a. Executive and Investment Committee's members names, terms of reference and tasks:**

The Executive and Investment Committee is entrusted with some of the Board of Directors' duties and responsibilities in order to increase Board effectiveness by employing the skills of some of the Committee members in supervising some important issues such as supporting the Company's Executive Management. The Committee is formed by a Board of Directors decision for a period not exceeding 3 years and consists of a number of members not less than 4 members.

The Executive Committee and the Investment was formed in accordance with the Board of Directors Decision No. 4/3/2018. It consisted of 5 members before adding Mr. Samih Onsi Sawiris as a member of the Committee by the Board of Directors Decision No.1/4/2018. The 6 Board Members are the members of the Executive and Investment Committee during the Board's current on 17 March 2018 and their names are as follows:

- 1- Mr. Abdulaziz Abdullah Al Zaabi, Committee Chairman  
(Board's Vice-Chairman)
- 2- Sheikh Tariq Ahmed Bin Humaid Al Qassimi, Committee member  
(Non-Executive & Independent Board Member)
- 3- Sheikh Ahmed Bin Omar Al Qassimi, Committee member  
(Non-Executive & Independent Board Member)
- 4- Mr. Samih Onsi Sawiris, Committee member  
(Non-Executive & Independent Board Member)
- 5- Nawwaf Ghubash Al Marri, Committee member  
(Non-Executive & Independent Board Member)
- 6- Mr. Mohamed Ahmed Ruqait, Committee member  
(Non-Executive & Independent Board Member)

**For the purpose of achieving its objectives, the Executive Committee and the Investment have the following responsibilities:**

- Support and help the Managing Director, CEO and Executive Management Team.
- Periodically review the Company's projects work progress in addition to its works in general.
- Review and approve the policies and procedures followed in the Company and the powers of accreditation and signature from time to time.
- Make suggestions and express opinion in timely manner to the Board and its Chairman regarding issues related to the performance of the Company and its main issues, if any.
- Develop and adopt the Company's organizational structure
- Propose major projects and strategic investments for the Company and propose the contribution to public offerings in companies' shares and submit them to the Board of Directors for approval.
- Discuss and adopt financial reports and commodities in the event that the Board of Directors cannot meet on time.
- Ensure the application of corporate governance controls. Review and evaluate the Company's investments, and adopt appropriate solutions regarding them such as selecting exit mechanisms or adopting the most suitable investment opportunities in amounts not exceeding 50 million Dirhams.

Review the Company's financial balance sheet, cash flows and investment portfolios on a periodic basis and submit them to the Board of Directors. Ensure that there is an appropriate system for classification and archiving (e.g. meeting minutes, committee decisions, etc.)

- The Committee may adopt urgent decisions by passing them in the event that the meeting cannot be held as quickly as possible.
- The duration of the Committee's work is the same as that of the Board unless a decision is issued by the Board of Directors to the contrary.
- Any other matters assigned to it by the Chairman or the Board of Directors or matters necessary for the business in conformity with the Committee's functions and nature of work.

Consider any other matters determined by the Board of Directors.

-The Committee may seek the assistance of any specialized staff members or members of the Executive Board at any time to explain the issues relevant to the work of the Committee

-The Board of Directors shall have the right to request a meeting with the Committee whenever it deems appropriate

- The Committee shall submit all its reports to the Board of Directors for approval and ratification at the first meeting of the Board following the last meeting of the Committee.

- Hold meetings, periodically or at the request of the Committee's Chairman or the majority of its members whenever necessary.

**b. Number and dates of meetings held by the Committee and number of members attended in person:**

During the fiscal year ended 31 December 2018, the Committee held the following meetings:

- 1- Meeting no. 1/2018 on 1/2/2018
- 2- Meeting no. 2/2018 on 24/6/2018
- 3- Meeting no. 3/2018 on 15/9/2018
- 4- Meeting no. 4/2018 on 13/12/2018

Name	Attendance
Mr. Abdulaziz Abdullah Al Zaabi	4
Sheikh Tariq Ahmed Bin Humaid Al Qassimi	3
Sheikh Ahmed Bin Omar Al Qassimi	4
Mr. Samih Onsi Sawiris	2
Mr. Nawwaf Ghubash Al Marri	1
Mr. Mohamed Ahmed Ruqait	2
Mr. Jamal Salem Bin Darwish (former Committee member)	1
Mr. Mustafa Ali Al Sheryani (former Committee member)	1
Mr. Mohammad Sultan Al Qadi (former Committee member)	1

#### **Ninth: Internal Control System:**

##### **a. Confirmation by the Board of its responsibility for the Company's internal control system, reviewing its working mechanism and ensuring its effectiveness:**

The Board of Directors confirms its responsibility for the Company's internal control system. It reviews its working mechanism and ensures its effectiveness. The Board adopted in its meeting No. (2) for the year 2007 held on 19/04/2007 the establishment of a department in the Company called "The Internal Audit Department". The department name changed later by a Board of Directors decision to be "The Internal Control Department" to match the names of the committees in the corporate governance requirements, subject of this report.

##### **b. Department Director's Name, qualifications and date of appointment:**

Mr. Usman Zishan, Manager of Internal Control Department, holds a BA in Commerce, 2002. He is a Board member and has practical experience in internal audit. The Board of Directors continuously reviews the internal control system to ensure its effectiveness and realization of its objectives.

##### **Internal Control Department's functions:**

Internal control is an independent oversight and advisory activity aimed at improving performance and maximizing the value of the Company in order to assist the management in accomplishing its objectives by implementing a coherent and continuous system to evaluate and improve the effectiveness of the risk management performance and the internal regulatory and control system at the Company. The internal control also ensures that the Company's information is comprehensive and credible, policies and procedures are complied with, property are protected, resources are economically and efficiently used and the organizational and operational objectives of the Company are implemented.

## 1. Values:

Internal control department's manager and Staff shall:

- (A) Demonstrate the highest levels of profession, honesty and ethics.
- (B) Establish strong and effective relations through mutual respect and joint work.
- (C) Coordinate with all Company's employees during the audit process and advisory services.
- (D) Recruit and train individuals with relevant expertise.

## 2. Scope of Work:

The Internal Control Department participate with the management, Company's internal society and different parties in achieving of the Company's objectives and supporting the Company in adhering to policies, rules and procedures. The Internal Control Department functions include paying attention to areas of risk that have a significant impact on the Company. The Internal Control Department should have sufficient flexibility to interact with changing circumstances. Specifically, the Internal Control Department assesses the extent to which the Company's internal regulatory and control and risk management system is coherent to ensure that:

- (A) Risks are identified and managed appropriately.
- (B) Important administrative, financial and operational information are accurate, reliable, sound and on time.
- (C) Policies, laws and instructions are complied with by the employees.
- (D) Materials are economically kept, efficiently used and sufficiently protected.
- (E) Programs, plans and objectives are achieved with the required efficiency.
- (F) Company's control process is of high quality and continuously developed.
- (G) Significant legislative and regulatory requirements affecting the Company are properly managed.



### 3. Accountancy:

Internal control department's manager shall be responsible for performing his duties before the Company's Board of Directors through the Audit Committee and shall be responsible for submitting audit reports to the Managing Director. Such responsibility includes the following:

- (A) Regularly verify the accuracy and efficiency of the Company's internal regulation and control in activities that fall within the audit process' scope and functions.
- (B) Submit reports on important issues, provide information on the appropriate decision to address such issues and make recommendations about improving the operation in the activities related to these issues.
- (C) Provide information on a regular basis on the annual audit plan' status and results and on the adequacy of the internal control management tools.
- (D) Coordinate with other internal and external supervision and control tasks, including all areas such as risk management, compliance control, security, laws, ethics, and environmental and external auditing.

### 4. Powers:

Internal control department's manager and staff shall have the following powers:

- (A) Have unrestricted access to all positions, records, property and employees
- (B) Allocate the Internal Control Department's resources, select the tasks, determine the internal control's scope of work and apply the necessary techniques to achieve the audit objectives
- (C) Obtain the necessary assistance from the Company's different departments employees when conducting the audit in addition to other specialized services from inside or outside the Company.

Internal control department's manager and staff shall NOT have the following powers:

- (A) Perform any operational tasks for the Company or its subsidiaries.
- (B) Conduct or approve any accounting transaction outside of the Internal Control Department.
- (C) Take any decisions that fall within the responsibilities of the Department.

## 5. Independence

There is no interference in the Internal Control work in terms of determining the scope of internal control, work performance and reporting results. In order to achieve the independence of the Internal Control Department, the Department's officers shall be accountable to the Internal control department's manager who shall be directly accountable to the Board's Audit Committee and shall have independent powers to deal with any individual within the company to perform his duties.

## 6. Information and confidentiality:

The information obtained by auditors by virtue of their audit provides a reliable basis for auditing, reporting and recommendations. The audit work documents that contain such information are the property of the Company and they remain under the supervision of the Internal Control Department and can only be accessed by authorized individuals.

### The Internal Auditor shall also:

- Be careful with the use of and protect the information obtained during the task.
- Not use the information for any personal purpose or to achieve personal interests in any illegal, illicit or immoral way.
- Disclose all facts known to him, i.e. information whose non-disclosure will cause the audit report to be incomplete.

## 7. Responsibilities:

Internal control department's manager and staff shall be responsible for:

**(A)** Develop the policies related to the Internal Control activity and the Director shall be responsible for the technical or administrative application of such policies.

**(B)** Develop the annual audit plan using an approach based on identifying the risks associated with the activities and submit the plan to the Audit Committee and the CEO for review and approval.

- (C)** Implement the annual audit plan, as approved by the committee, and introduce any special tasks or duties required by the management and the committee.
- (D)** Develop and implement comprehensive programs of work to cover all the audit areas mentioned in the annual plan and evaluate and develop the Internal Regulation and Control system and Company's organizational activities.
- (E)** Re-evaluate the audit plan continuously based on changing circumstances and make adjustments as necessary.
- (F)** Issue audit reports containing audit activities results to the Managing Director, CEO and other managers.
- (G)** Informing the Managing Director, CEO and the Audit Committee of current trends and successful practices in the Company's internal control.
- (H)** Submit a report to the Audit Committee on the Internal Control activities and serious issues in periodic meetings.
- (I)** Follow up on observations sent to the Management and evaluate the plans or corrective actions taken.
- (J)** Undertake accurate follow-up works to ensure that the corrective actions taken are implemented and acted upon.
- (K)** Take into account the scope of work of external auditors and external bodies as necessary for a comprehensive audit of the Company.
- (L)** Assist with investigating the acts related to breach of trust within the Company, notify the ECO, Audit Committee and other Directors of the results and assist official authorities with different claims (if necessary).
- (M)** Perform any advisory services to assist the management with achieving its objectives and addressing various matters. This may include designing systems, training and new initiatives.
- (N)** Participate in different committees, compliance control duties and system development tasks in order to provide the Company with the guidance necessary for addressing potential issues and areas of weakness or inefficiency of internal control.
- (O)** Evaluate the Company's important functions in addition to the changes and developments in the Company's operation system, services, key systems and

control systems while working on increasing the level of assistance with implementing these changes.

**(P)** Perform all the requirements related to Internal Control matters that are assigned by the Board of Directors.

**Standards for Practicing Internal Control:**

At the Company's Internal Control Department, the professional practice of Internal Control is in accordance with the Standards for the Professional Practice of Internal Auditing (SPPIA) issued by the Institute of Internal Auditors (IIA). These standards represent the minimum professional practice at the Company's Internal Control Department.

Accordingly, the Company Board of Directors acknowledges its responsibility for the implementation of the Company's Internal Control System, its periodic review and its effectiveness through the Board's Audit Committee.

**(C) Compliance Officer's Name, qualifications and date of appointment:**

It was decided that Mr. Usman Zishan, Manager of Internal Control Department, to be appointed compliance officer for the financial year 2018. Mr. Usman Zishan has a Bachelor of Commerce from Karnatak University, India, 2002. He has six years of experience and held many positions including Director of Al Bayan Real Estate Establishment, Dubai. He was appointed Internal Auditor of RAK Properties as of March 27, 2008 to date. Currently, he is the Company's Compliance Officer.

**(D) How the Internal Control Department deals with any significant problems in the Company or those disclosed in annual reports and accounts:**

The Company did not face any problems.

**Tenth: Details of violations committed during the fiscal year**

No violation was committed during the fiscal year 2018

**Eleventh: In kind and cash contributions made by the Company in local community and environment preservation.**

During 2018, RAK Properties made the following contributions:

- Sponsorship of the Golden Care Section in the Department of Economic Development.
- Sponsorship of the Ajman Club For Disabled
- Sponsorship of Al-Taawon Club
- Sponsorship of Ras Al Khaimah Club
- Sponsorship of Al Hisn Charity
- Sponsorship of the International Human Conference
- Sponsorship of Ras Al Khaimah Radio
- Organizing a campaign for providing meals fasting workers
- Organizing the mangrove cleaning campaign in cooperation with the Environmental Protection and Development Authority EPDA and Fox Networks Group Middle East.

**Twelfth: General information:**

**a. The Company's share market price (closing , high and low price) at the end of each month during FY2018**

Month	Date	High	Low	Closing	Volume	Value	Trading No.
Dec	31/12/2018	0.50	0.48	0.50	443,276	217,406.17	9
Nov	29/11/2018	0.52	0.51	0.51	870,057	445,981.47	24
Oct	31/10/2018	0.56	0.55	0.56	1,938,853	1,075,500.49	40
Sep	30/9/2018	0.61	0.60	0.61	729,703	443,802.44	12
Aug	30/8/2018	0.62	0.60	0.62	2,153,480	1,311,041.00	37
Jun	31/7/2018	0.67	0.66	0.67	4,780,564	3,198,188.33	34
Jul	28/6/2018	0.64	0.63	0.64	1,476,779	943,638.56	31
May	31/5/2018	0.65	0.64	0.65	3,809,350	2,466,021.50	42
Apr	30/4/2018	0.66	0.65	0.66	3,549,553	2,336,856.97	51
Mar	29/3/2018	0.69	0.67	0.68	16,391,410	11,068,913.17	161
Feb	28/2/2018	0.82	0.80	0.82	8,784,229	7,143,239.19	88
Jan	31/1/2018	0.78	0.76	0.77	4,131,604	3,182,815.08	42

b. Comparison between the company’s share performance and the general market index and the index of the sector to which the company belongs during 2018:

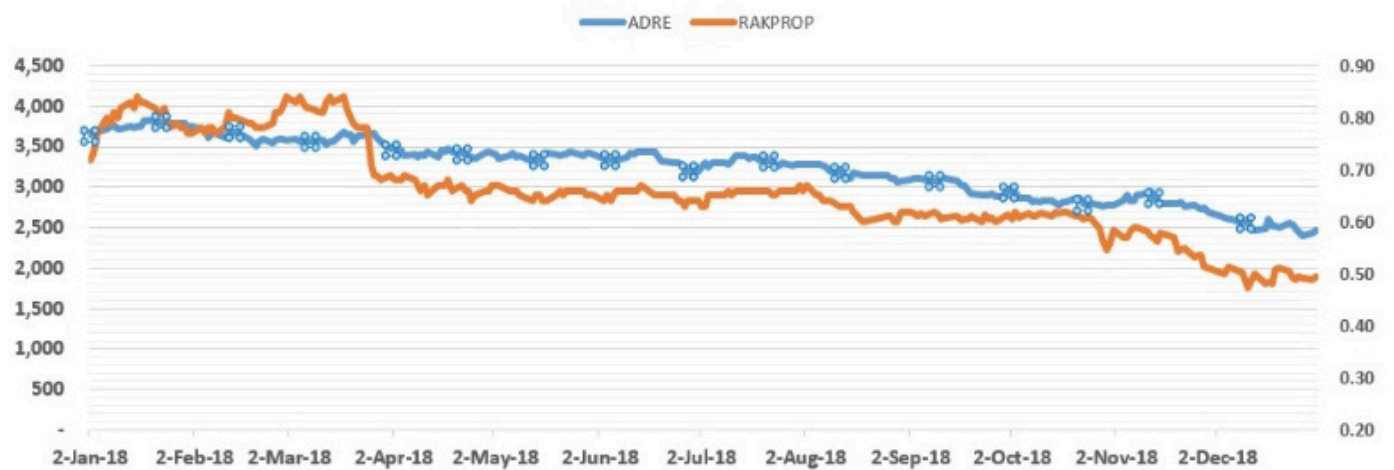
1. Comparing the Company’s share performance with the general market index:

Company’s Share Price Compared to the Market Index



2. Comparing the Company’s index to the sector index

Company’s Share Price Compared to the Sector Index



### 3. Shareholders' equity as of 31/12/2018 classified as follows (National / GCC/ Arab/ Foreign):

Symbol	Company Name	Nationals		GCC		Arabs		Others		Total Foreign	Outstanding
		Allowed	Actual	Allowed	Actual	Allowed	Actual	Allowed	Actual	Ownership %	Shares
RAKPROP	RAK Properties	100%	72%	49%	10.962%	49%	5.559%	49%	11.474%	27.99%	2,000,000,00

### (C) Shareholders' equity as of 31/12/2018 classified as follows (Individuals / Companies/ Governments): National / GCC/ Arab / Foreign:

Individuals				
Nationality Types	Volume	Net Value (AED)	%age	Number of Shareholders
ARB	107,440,372	53,720,186	5.373	16,117
GCC	114,739,444	57,369,722	5.738	10,452
OTH	79,113,297	39,556,649	3.957	7,962
UAE	1,092,881,919	546,440,960	54.656	34,872

Companies				
Nationality Types	Volume	Net Value (AED)	%age	Number of Shareholders
ARB	3,709,819	1,854,910	0.186	34
GCC	104,457,784	52,228,892	5.224	129
OTH	150,300,449	75,150,225	7.517	211
UAE	273,773,584	136,886,792	13.692	638



Governments				
Nationality Types	Volume	Net Value (AED)	Percentage	Number of Shareholders
UAE	73,150,294	36,575,147	3.658	16

(D) Shareholders who own (5%) and above of the Company's capital as at 31/12/2018

No	Name	Number of owned shares	Shareholding percentage against the share capital
1	Mr. Mohamed Ahmed Ruqait (Board Member)	120,000,000	6%

E) Distribution of shareholders according to shareholding volume as at 31/12/2018 according to the following table:

No	Shareholding	Number of Shareholders	Number of shares	Shareholding percentage against the share capital
1	Less than 50,000	12,470	123,034,188	6.1%
2	From 50,000 to less than 500,000	1531	242,308,556	12.1%
3	From 500,000 less than 5,000,000	468	665,677,033	33.3%
4	Less than 5,000,000	78	969,002,953	48.5%

**(F) Measures taken regarding investor relations controls in addition to the following:**

- Name and contact information of the Investor Relations Officer:

- Mr. Ghaith Zghaibi was appointed Manager of Investor Relations. He can be contacted via e-mail ghaith@rakproperties.net. Mr. Ghaith Zghaibi joined RAK Properties as of March 1, 2011 and is one of the Company's competent individuals.

- Link of investor relations web page on the Company's website:

The Company's website contains an a web page for the investor relations which can be reached through the following link:<http://www.rakproperties.net/investor-relations/>

**(G) Special resolutions presented in the general assembly held during 2018 and the actions taken thereon.**

No special resolutions

**(H) Board Rapporteur's name and date of his/ her appointment:**

Board Rapporteur is Dr. Ahmed Hossam El Sagheir. He is the Company's Legal Advisor. He was appointed on 1/2/2017.

**(I) Substantial events that occurred during the year 2018:**

There has been no unusual or substantial events faced by the Company in 2018.

**(J) Percentage of Emiratization in the Company by the end of 2018:**

Number Board's national members are 8 out of 9.and they include the Board's Chairman and Vice-Chairman and percentage of employees' Emiratisation is 8.6%.

**(K) Projects and innovative initiatives undertaken by the Company or initiatives under development in 2018.**

The Company established a specialized committee for innovation that encourages innovation initiatives. The committee organized activities to showcase the latest

technology in the field of robotics and some other innovations in Mina Al Arab complex.

In the case of contradiction between Arabic and English text , the Arabic text shall prevail.

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**Mohammad Hassan Omran**  
Chairman of RAK Properties

**Date:**\_\_\_\_\_ February 2019