

**Al Firdous Company P.J.S.C**

**Governance Report for the Financial Year ended on  
March 31, 2020**

**Al Firdous Holding P.J.S.C**

**Governance Report for the Financial Year ended on March 31, 2020**

**Dear valued shareholders,**

Out of the commitment of the Board of Directors of Al Firdous Holding P.J.S.C and based on the Resolution of the Chairman of the Board of Directors of the Securities and Commodities Authority No. (7/C.C) of 2016 on the institutional discipline standards and corporate governance of the public joint stock companies, and believing in the importance of applying this Resolution due to its effective impact on developing the Company's performance and protecting the rights of shareholders and stakeholders in particular, as well as the Company's contribution with other companies and official supervisory authorities in providing a transparent and fair work environment in the market and the Country in general.

We hereby provide our report on the governance of Al Firdous Holding P.J.S.C for the financial year ended on March 31, 2020.

It is worth mentioning that the time of issuance of this report is based on the letter No. EE/KH/2699/2009/A.B issued by Securities and Commodities Authority on 31/12/2009, which provided for that: **“Accordingly, Al Firdous Company shall provide the governance report along with its annual estimation within the legal periods set for submission of the annual report”**.

In addition, this report has been prepared according to the regulations indicated in the Resolution of the Chairman of the Board of Directors of the Securities and Commodities Authority No. (7/R.M) of 2016 concerning the institutional discipline standards and corporate governance of the public joint stock companies, and in accordance with a governance report form for 2016 approved by the Authority.

This report will be available and published for all Company's shareholders within ample time prior to the General Assembly's meeting date via the internet on the website of the Securities and Commodities Authority, Dubai Stock Exchange and the Company's official website ([www.alfirdouspjsc.com](http://www.alfirdouspjsc.com)), so that the information and data of interest to the shareholders, stakeholders and investors will be accessible to all, which will enhance the governance requirements.

**Chairman of the Board of Directors**

## **1- Statement of the procedures taken to complete the governance system of the companies during 2019/2020:**

### **A- Preparation of the evidences and the procedural rules:**

The Company accomplished the following according to the Resolution of the Chairman of the Board of Directors of the Securities and Commodities Authority No. (7/R.M) of 2016 on the institutional discipline standards and corporate governance of the public joint stock companies:

- 1- Preparation of the procedural rules guide for the governance of Al Firdous Company, which includes all regulations, standards and procedures the companies must comply with to achieve the institutional discipline in managing the Company in accordance with the international standards and styles and determining responsibilities and duties of the members of the Board of Directors and the Executive Administration of the Company, taking into account the protection of the rights of the shareholders and stakeholders.
- 2- Following the professional Code of Conduct of Al Firdous Company.

### **B- Resolutions of the Board of Directors related to the Governance:**

The Board of Directors (elected in the Ordinary General Assembly of the shareholders of Al Firdous Company held on 13/06/2017) took governance related procedures and resolutions in its meeting convened on 23/06/2019, 08/08/2019, 5/11/2019, 12/11/2019 and 12/02/2020 as follows:

- Forming the Audit Committee and Follow up & Remunerations Committee and determining the competence and authorities of each Committee.
- Establishing the Internal Control Department, appointing of a head of such Department and determining his authorities, and incorporating it into the organizational structure of the Company.
- Approving and issuing a statement of the rules and procedures governing the transactions of the members of the Board of Directors of Al Firdous Company (PJSC) and its employees as to the securities issued by the Company, the Parent Company, the Affiliated Company or the Sister Company.
- Approving the professional code of conduct of Al Firdous Company.
- Approving the procedural rules of the governance of Al Firdous Company.
- Approving the formation of the Nominations & Remunerations Committee and determining the competence and authorities of each Committee.
- Electing the Chairman of the Board and his deputy through the secret voting.
- Informing the members of the obligations of the Executive and Non-Executive member of the Board of Directors according to Article (11) of the Resolution of the Chairman of the Board of Directors of the Securities and Commodities Authority No. (7/R.M) of 2016.
- Periodically reviewing of the responsibilities of the Chairman of the Board of Directors and the tasks provided for in Article (42) of the Resolution of the Chairman of the Board of Directors of the Securities and Commodities Authority No. (7/ R.M) of 2016.
- Following up the work of the Internal Control Department and reviewing its reports.



## **2- Statement of the transactions of the members of the Board of Directors and their spouses and sons as to the securities of the Company during 2019/2020 as per the following schedule:**

- A- Members of the Board of Directors, employees of the company and their relatives of first degree (wife and sons) did not engage in the securities during the financial year ended on 31/03/2020.
- B- Neither of the members of the Board of Directors nor their spouses and sons have any shares in the Company, and they do not have any transactions pertaining to the securities of the Company during 2019/2020, except for the members mentioned below in the following schedule:
- C- **Statement of the title and transactions of the members of the Board of Directors and their spouses and sons in the securities of the Company during 2019/ 2020 is as per the following schedule:**

Ser.	Name	Position/ Kinship Degree	The Shares owned as on 31/03/2020	Total Sale Operation	Total Purchase Operation
1	Shk. Khaled Bin Zayed S. Al Nahyan	Chairman of the Board of Directors – Owns along with his daughters “Sheikha Fatima & Sheikha Somaya Khaled Al Nahyan, on an equal basis, Al Heer Oasis General Trading Company that owns shares in Al Firdous Company.	Total shares of Al Heer Oasis is 30.61%	Nil	Nil
2	Shk. Khaled Bin Zayed S. Al Nahyan	Chairman of the Board of Directors – Owns along with his son “Sheikh Ahmed Bin Khalid Al Nahyan, on a 50-50 basis, Al Ain Holding Company that owns shares in Al Firdous Company.	Total shares of Al Ain Holding is 14.32%	Nil	Nil
3	Shk. Khaled Bin Zayed S. Al Nahyan	Chairman of the Board of Directors – Owns along with his daughter “Sheikha Hamda Khalid Al Nahyan, on a 50-50 basis, Al Wajna Holding Company that owns shares in Al Firdous Company.	Total shares of Al Wajna is 8.46%	Nil	Nil
4	Shk. Khaled Bin Zayed S. Al Nahyan	Chairman of the Board of Directors – Owns along with his daughter “Sheikha Somaya Khaled Al Nahyan, on a 50-50 basis, Diba Holding Company that owns shares in Al Firdous Company.	Total shares of Diba Holding is 8.46%	Nil	Nil
5	Shk. Khaled Bin Zayed S. Al Nahyan	Chairman of the Board of Directors – personally owns shares in Al Firdous Company directly.	5.59%	Nil	Nil

## **3- Formation of the Board of Directors:**

According to the Company’s Memorandum of Association, the Board of Directors is formed of seven members to be elected by the Ordinary General Assembly by the accumulative voting every 3 years.

The current Board of directors has been elected in the Ordinary General Assembly’s meeting convened on 13/06/2017, and therefore the validity of this Board has expired and nomination for the election of the members of the new Board will be announced for the forthcoming three years.

## A- Statement of formation of the current Board of Directors according to the following schedule:

Ser.	Name	Membership Category	Experiences	Qualifications	Membership term from the date of first election	Membership in other joint stock companies in the state	Positions in any critical supervisory, governmental or commercial offices	Remarks
1	<b>Sheikh/ Khalid Bin Zayed Bin Saqr Al Nahyan</b>	Non-Executive Dependent	Manages and chairs several companies	Bachelor's degree in Business Administration from Boston University. PhD in Financial Affairs at Michigan State University.	Since 30/10/2002	Nil	Chairman of the Board of Rochester Institute of Technology, Dubai Silicon Oasis Authority. Chief of the Emirates Sailing Federation.	
2	<b>Mr. Saeed Khalifa Al Rumaithi</b>	Non-Executive Independent	Manages and chairs several companies	Bachelor of Education and Psychology, United Arab Emirates University.	Since the foundation in June 1998	Nil	Nil	
3	<b>Sheikh Zeyab Sultan Al Nahyan</b>	Non-Executive Dependent	Businessman	University qualification	Since 27/07/2011	Nil	Nil	
4	<b>Mr. Adel Ahmed Khalifa Mohammed Al Falasi</b>	Non-Executive Independent	An advisor in the Prime Minister's Office	High diploma in the industrial electronics from the Higher Colleges of Technology, and currently enrolled in the postgraduate studies in business administration in Scotland.	Since 27/07/2011	Nil		
5	<b>Dr. Saleh Malaieka</b>	Non-Executive Independent	Manages and chairs several companies	PhD in Finance and Investment	17/08/2005	Nil	Nil	He resigned on 23/06/2019 and was replaced by Sheikh Midhat Kidawi
6	<b>Mr. Sheikh Midhat Kameel Kidawi</b>	Non-Executive Independent	General Manager of Bin Zayed Group with multiple experiences in the fields of business administration, real estate and investment.	Master's degree of Business Administration.	Since 12/07/2019	Nil	Nil	He has replaced Dr. Saleh Malaieka since 23/06/2019
7	<b>Sheikh Khalifa Khaid Bin Zayed</b>	Non-Executive Dependent	Director of Bin Zayed Energy Company, previously worked in risk management at Emirates Aluminum Company.	Bachelor degree in Business Administration.	Since 12/07/2019	Nil	Nil	
8	<b>Sheikh Mohammed Bin Saqr Bin Khaled Bin Hameed Al Qassimi</b>	Non-Executive Dependent	Manages and chairs several companies	Bachelor of Commerce and E-Marketing, American University in Sharjah.	Since 30/05/2006	Nil	Nil	He has resigned since 20/04/2020



**B- Statement of the female representation percentage in the Board of Directors for the year 2019/2020:**

Following the resignation of Mrs. Lubna Qasim from the membership of the Board during 2019, there is no longer any percentage of representation for the females in the Board of Directors, but the Board will discuss the entry of one female as an alternative as soon as possible.

**C- Statement of the reasons for non-nomination of any female for the membership of the Board of Directors: No female applied.**

**D- Statement of the total remunerations paid to the members of the Board of Directors during 2019/2020:**

1- There are no remunerations for the members of the Board of Directors for the financial year ended on 31/03/2020, and no remunerations were released for the past year ended on 31/03/2019, and the Board of Directors did not provide any proposal in this regard to the General Assembly according to the applicable regulations and laws.

2- The total remunerations of the members of the Board of Directors proposed for the year 2019/2020:

- The Board of Directors will not provide any proposal to the General Assembly regarding the release of remunerations for the members of the Board of Directors.

- The Board of Directors decided on 23/06/2020 having discussed the recommendation of the Nominations & Remunerations Committee not to release any attendance allowances related to the meetings of the Board or the Committees emanated from the Board, as these Committees convene their meetings before the time of the Board of Directors' meetings on the same days.

3- Statement of the details of the attendance allowances of the sessions of the Committees emanated from the Board, which the members of the Board of Directors received for the financial year 2019/2020:

No attendance allowances were released for the meetings of the Committees emanated from the Board as these Committees hold their meetings before the time of the Board of Directors' meetings on the same days.

4- Details of the additional allowances, salaries or fees received by a member of the Board of Directors other than the attendance allowances of the Committees and their reasons: no additional allowances, salaries or fees were released to the members of the Board.

**E- Number of the Board of Directors' meetings held during the financial year 2019/2020 and their dates, number of the personal attendance of all members and the members attended through a proxy:**

The Board of Directors convened (5) five meetings during the financial year ended on March 31, 2020 as follows:

- 1) On 23/06/2019.
- 2) On 08/08/2019.
- 3) On 05/11/2019 – An internal meeting not disclosed.
- 4) On 12/11/2019.
- 5) On 12/02/2020.

Number of the in person attendance of all members was as follows:

Ser.	Name of the Member & Position	Number of the Meetings attended
1	Sheikh/ Khalid Bin Zayed Bin Saqr Al Nahyan – Chairman of the Board of Directors	5
2	Dr. Saleh Malaieika	He did not attend any meeting because he resigned on 23/06/2019 and was replaced by Mr. Sheikh Midhat Kidawi
2	Mr/ Saed Khalifa Al Rumaithi	5
3	Sheikh/ Mohammed Bin Saqr Bin Khaled Al Qassimi	4 and then he resigned on 20/04/2020
4	Sheikh/ Zeyab Sultan Al Nahyan	5
5	Mr/ Adel Ahmed Khalifa Mohammed Al Falasi	5
6	Sheikh/ Khalifa Khalid Bin Zayed	5
7	Mr. Sheikh Midhat Kidawi	5

F- Number of the by-passing Board of Directors' Resolutions during the financial year of 2019 and their dates:

There were no by-passing resolutions during the meetings.

G- Statement of the tasks and competences of the Board of Directors executed by the Executive Department based on an authorization from the Board to the Administration:

- 1- The Board of Directors, through the Resolutions taken in its meetings during the financial year ended on March 31, 2020, exercises all tasks and competences on behalf of the Company as to implementation of the Company's strategies, works of the Company's senior management, representation of the Company in signing documents and contracts with the Ministry of Labor, Department of Naturalization and Residence, Department of Economic Development, Chamber of Commerce & Industry in Dubai, Ministry of Economy and Securities and Commodities Authority and signing lease contracts and renewing them along with all relevant documents.
- 2- The Board issued the authorization as per the following schedule:

Ser.	Name of the Authorized Person	Authorization Authority	Period of Authorization
1	Authorizing Sheikh/ Khalid Bin Zayed Bin Saqr Al Nahyan – Chairman of the Board of Directors	Signing on behalf of the Company on the quarterly and annual financial statements of the Company for the financial year ended on March 31, 2020 and disclosing them as duly applicable and calling for the General Assembly.	The validity of such authorization extends until the end of the financial year as of march 31, 2020



**H- Details of the transactions made with the related parties (stakeholders):**

The related parties represent some of the major shareholders, some of the members of the Board of Directors and the facilities under control or common control or the fundamental impact of these parties (see the clarifications of the financial statements report for the year ended on March 31, 2020), and the details of these transactions are as follows:

**1- Dues and advance payments:**

Description	March 31, 2020	March 31, 2019
Dues from Bin Zayed Group	289,939,984	289,939,984
Advance payment to purchase properties	5,782,160	5,782,160
Others	-	157,364
<b>Total/ AED</b>	<b>295,722,144</b>	<b>295,879,508</b>

*The advance payment against the purchase of properties represents the payments paid by Bin Zayed Group to purchase a plot in Dubai.*

**2- A Guarantee for the debt amount from the sale of the investment portfolio:**

Bin Zayed Group guaranteed the debt amount from the sale of the investment portfolio of a plot in Dubai, United Arab Emirates, and it has been valued by an independent real estate advisor against an amount of AED 640,000,000 as of October 31, 2008. Bin Zayed Group also committed to guarantee the above-mentioned amount of AED 295,722,144 by allocating real estate for the Group at a fair value not less than the above-mentioned amount.

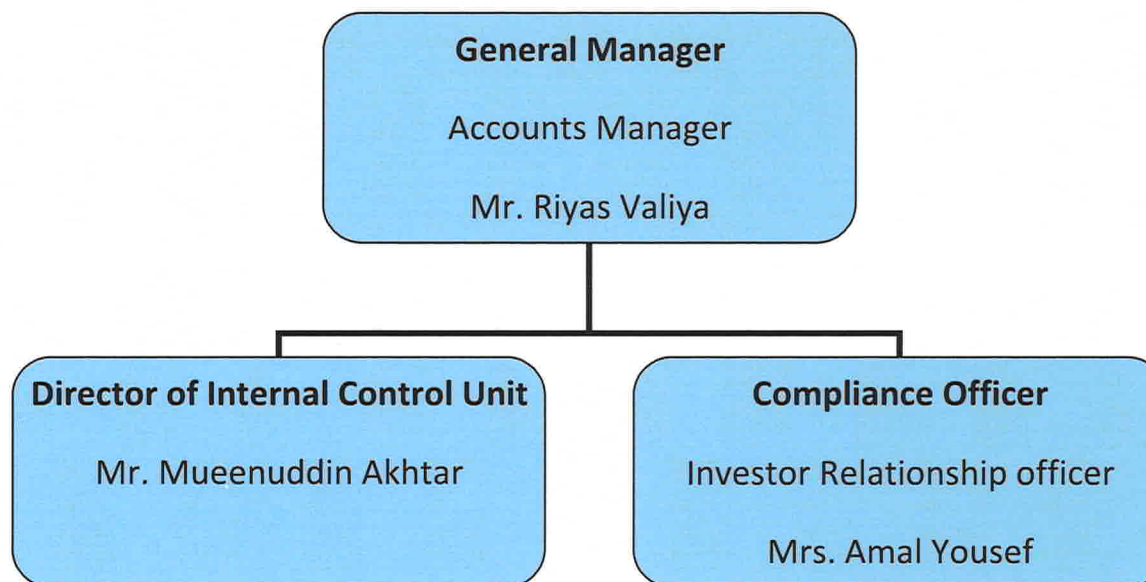
**3- The Creditors and the Payable Amounts:**

Description	March 31, 2020	March 31, 2019
Other related parties of a common interest	45,516,523	43,616,976

Note: The Company did not conclude any new transactions during 2019/2020, which equal 5% or more of the Company's capital regardless of whether these transactions have been made with related parties or not.



**I- The Organizational Structure of the Company:**



**J- Senior Executive Employees in the Company, their jobs, dates of appointment and total salaries and remunerations paid to them:**

Ser.	Name	Job	Date of Appointment	Salaries and housing value for one year/ AED	Total remunerations paid for the year of 2016 (Bonuses)	Any other cash/ in-kind remunerations of 2016 or will fall due in the future
1	Mr. Riyas Valiya	General Director/ Accounts Manager	26/09/2016	84,000	-	-
2	Mrs. Amal Yousef	Compliance Officer/ Shareholder Relations Officer	13/08/2016	100,000	-	-
3	Mr. Mueenuddin Akhtar	Audit & Accounts Manager	22/11/2015	156,000	-	-

#### 4- The External Auditor:

A. A brief of the Company's Auditor for the Shareholders:

Rödl Middle East is a subsidiary of Rödl and Partner International Company founded in 1977, and provides global services in: auditing, tax services, transactions and consulting of all kinds. It has opened its offices in the United Arab Emirates in 2004, and significantly strengthened its position through its specialized employees with high experience and qualifications.

B. Fees of the External Auditor:

<b>Name of the Audit Office – Name of Partner Auditor</b>	M/S Rödl Middle East – Partner Auditor Mr. Hekmat Ahmed Mekhemar
<b>Nos. of years spent as an external auditor of the Company</b>	He completed 3 years by the end of the current financial year, and then his contract will not be renewed after the General Assembly's meeting this year and a new auditor will be appointed in the Company
<b>Total audit fees for the financial year ended on March 31, 2020 (AED)</b>	60,000
<b>Fees and costs of the other special services other than auditing the financial statements for the financial year ended on March 31, 2020 (AED)</b>	Nil
<b>Details and nature of the other services provided</b>	Not contracted with for any other services
<b>A statement of the other services performed by <u>another external auditor</u> other than the Company's auditor during 2019/2020</b>	No agreement was made with any other external auditor other than the Company's auditor

C) The Notes included by the Company's Auditors in the progressive and annual financial statements for the year of 2019/2020:

We did not express our opinion about the financial statements as follows:

We have been appointed to audit the consolidated financial statements of Al Firdous Company (PJSC) and its affiliate (the "Group"), which include the consolidated statement of financial position as in March 31, 2020, statement of profit and loss, consolidated statement of other comprehensive revenue, consolidated statement of changes in the equities and consolidated statement of cash flows for the year ended on the same date, as well as the notes including a summary of the critical accounting policies.

Due to the importance of the matters provided for in the paragraphs pertaining to the non-expression of the opinion below, we could not obtain adequate and sufficient audit evidences to serve as a basis of our opinion concerning the audit of the consolidated financial statements. Accordingly, we do not express our opinion concerning the consolidated financial statements of the Group.

Basis of non-expression of the opinion:



**A) Receivables from the sale of the investment portfolio**

As disclosed in the note No. 5 to these consolidated financial statements, there is an amount of AED 326,789,701 (2019 – AED 326,789,701) due from the Arab Islamic Insurance Company, Labuan, Malaysia, as a result of the sale of the company affiliated to the Group; Al Firdous Hotels Group Limited and its Islamic investment and financing assets, collectively referred to as the “Investment Portfolio”. Such amount was due on March 31, 2011; however, it is still pending as of the date of these consolidated financial statements. The Board of Directors deems that such amount will be collected in full if the assets are sold by Arab Islamic Insurance Company, Labuan. However, we have not been provided with an adequate and proper evidence to support the conclusion of the management. Accordingly, we could not determine whether there is any provision required against the debt amount. The report on the consolidated financial statements for the year ended on March 31, 2019 did not provide an opinion in this regard.

**B) Advance payments against purchase of a property**

As disclosed in the note No. 6 to these consolidated financial statements, an amount of AED 289,939,984 (March 31, 2019 – AED 289,939,984) was paid by a related party to purchase a plot in Dubai. The related party pledged to secure an amount of AED 289,939,984 (March 31, 2019 – AED 289,939,984) by allocating properties in favor of the Group at a fair value not less than the same amount. However, no properties have been allocated to date and we have not been provided with an adequate and proper evidence to support the possibility of recovering that amount. Accordingly, we could not determine whether there is any provision required against the advance payments made to purchase a property. The report on the consolidated financial statements for the year ended on March 31, 2019 did not provide an opinion in this regard.

**C) Emphasis on important things**

We would like to draw the attention to the point (C) of the consolidated financial statements. The Group incurred losses of AED 7,658,749 for the year ended on March 31, 2020 (March 31, 2019 – AED 6,935,315) and its accumulative losses reached AED 36,112,814 as of March 31, 2020 (March 31, 2019 – AED 28,454,065).

Despite of this fact, the consolidated financial statements of the Group have been prepared on the ongoing basis as the management deems that the future operations of the Group will be able to support its business and fulfill its obligations when they fall due. In addition, the main shareholders continued his financial support during the year ended on March 31, 2020 and committed to continue with such support in the near future.

## 5- The Audit Committee:

A) Mr. Adel Ahmed Khalifa Al Falasi, Head of the Audit Committee, acknowledges his responsibility for the Committee’s system in the Company and for reviewing its mechanism of work and ensuring its effectiveness.

B) Names of the members of the Audit Committee, its terms of reference and the tasks assigned thereto:

The Audit Committee consists of three non-executive and independent members of the Board of Directors only, most of them are independent members, i.e.:

1- Mr. Adel Ahmed Khalifa Al Falasi	Non-Executive/ Independent	Chairman
2- Mr. Sheikh Midhat Kidawi	Non-Executive/ Independent	Member
3- Sheikh/ Khalifa Bin Zayed	Non-Executive/ Independent	Member



## C) Meetings of the Audit Committee:

1- According to the Resolution of the Chairman of the Board of Directors of the Securities and Commodities Authority No. (7/R.M) of 2016 concerning the institutional discipline standards and corporate governance of the public joint stock companies, the Audit Committee convened 4 meetings during the financial year ended on March 31, 2020 as follows:

23/06/20, 08/08/2019, 12/11/2019, 12/02/2020.

2- The number of personal attendance times of all members was as follows:

Ser.	Member Name	Position in the Committee	Meeting attendance times
1-	Adel Ahmed Khalifa Al Falasi	Chairman	4 times on 23.6.2019 - 08.08.2019 - on 12.11.2019 - on 12.02.2020 - on
2-	Mr. Sheikh Midhat Kidawi	Member	4 times on 23.6.2019 - 08.08.2019 - on 12.11.2019 - on 12.02.2020 - on
3-	Sheikh/ Khalifa Khalid Ben Zayed	Member	4 times on 23.6.2019 - 08.08.2019 - on 12.11.2019 - on 12.02.2020 - on

## 6- The Committee of Nominations & Remunerations:

A) Mr. Saeed Khalifa Al Rumaithi, Head of the Nominations & Remunerations Committee, acknowledges his responsibility for the Committee's system in the Company and for reviewing its mechanism of work and ensuring its effectiveness.

B) Names of the members of the Nominations & Remunerations Committee, its terms of reference and the tasks assigned thereto:

1. Mr. Saeed Khalifa Al Rumaithi	Non-Executive/ Independent	Chairman
2. Mr. Sheikh Midhat Kidawi	Attended on a temporarily basis on behalf of Sheikh Mohammed Al Qasbi, Non-Executive/ Independent	Member
3. Adel Ahmed Khalifa Al Falasi	Non-Executive/ Independent	Member

## C) Meetings of the Nominations &amp; Remunerations Committee:

1- According to the Resolution of the Chairman of the Board of Directors of the Securities and Commodities Authority No. (7/R.M) of 2016 concerning the institutional discipline standards and corporate governance of the public joint stock companies, Nominations & Remunerations Committee held a single meeting during the financial year ended on March 31, 2020 on 23/06/2019.

2- The personal attendance of all members was as follows:

Ser.	Member's Name	Position	Nos. of the meetings attended	Remarks
1	Mr. Saeed Khalifa Al Rumaithi	Chairman	One time on 23/06/2019	
2	Mr. Sheikh Midhat Kidawi	Member	One time on 23/06/2019	Attended on a temporarily basis on behalf of Sheikh Mohammed Al Qassimi
3	Adel Ahmed Khalifa Al Falasi	Member	One time on 23/06/2019	

### **7- Follow Up and Supervision Committee of the Persons' Transactions:**

The Board of Directors did not make a decision as to the formation of this Committee, as there the Company's shares are not traded according to the Resolution of the Securities and Commodities Authority dated 13/06/2011 as to suspension of the introduction of Al Firdous Company's shares to Dubai Financial Market – The Board of Directors will consider its formation during the forthcoming financial year.

### **8- Any other committee or committees approved by the Board of Directors:**

The Board did not approve the formation of any other committees.

### **9- Internal Control System:**

- 1- According to the Resolution of the Chairman of the Board of Directors of the Securities and Commodities Authority No. (7/R.M) of 2016 concerning the institutional discipline standards and corporate governance of the public joint stock companies, the Board established the Internal Control Department with the aim of providing the substantive and reliable independent advice and ensuring the preparation and management of an internal control environment to assist the Board of Directors and the Audit Committee in performing their tasks and duties.
- 2- The Board of Directors acknowledges its responsibility for the work of the Internal Control Department and implementation of the internal control system, and for the periodic review and extent of its effectiveness to eliminate the risks and protect the shareholders' rights.

#### **A) Name of the Head of Department and his/her qualifications:**

This Department is headed by Mr. Mueenuddin Akhtar who has been appointed in such office on 22/11/2015, and he has the following qualifications:

- 1- An internal auditor since 2012 and he has been approved as a chartered accountant in 2012.
- 2- Holds an accreditation in the Islamic banking.
- 3- Attended several training programs in auditing, risk management, financial management and many others.
- 4- Holds a Bachelor's degree in Commerce from Meerut University - India in 1987.

#### **B) Name of the Compliance Officer and his/her qualifications:**



Mrs. Amal Yousef holds the position of compliance officer, and she has been appointed in such office on 13/08/2016 and she holds the following qualifications:

- 1- Responsible for the implementation of governance in the company since 2016.
  - 2- Prepares governance reports for the company.
  - 3- Attended all training programs related to corporate governance held by the Securities and Commodities Authority or the Dubai Financial Market.
  - 4- She successfully passed the "Secretary of the Board of Directors" test having attended the course held by Hawkamah Institute on January 2-3, 2018 and obtained a certificate of the Secretary of the Board of Directors approved by the institute affiliated to the Dubai Financial Market Management.
  - 5- She holds a Bachelor's degree in Media - Egypt and studies the Master's degree in Business Administration.
  - 6- They are the same data and qualifications of the rapporteur of the Board of Directors' meetings and the Communication Officer concerned with the investor relationships.
- C) How the Internal Control Department handle any big problems facing the Company or those disclosed in the annual reports and accounts:  
The Internal Control Department carries out its work according to the Resolution of the Chairman of the Board of Directors of the Securities and Commodities Authority No. (7/R.M) of 2016 concerning the institutional discipline standards and corporate governance of the public joint stock companies and in case there are any big problems facing the Company, it raises its report to the Audit Committee and the Board of Directors along with the necessary recommendations to solve these problems.
- D) Number of the reports issued by the Internal Control Department to the Company's Board of Directors.

#### **10- Details of the violations committed during the financial year and their reasons and how to handle them and avoid their reoccurrence in the future:**

No violations were recorded as to the Company's performance during the past year ended on 31/03/2020.

#### **11- Statement of the cash and in-kind contributions made by the Company during the year 2019/2020 in developing the local community and maintaining the environment:**

- A- The company sets special policies and procedures to contribute to the development of the local community and the preservation of the environment.
- B- The company adheres to all regulations and rules related to preservation of the environment and avoidance of the pollution sources in any way by encouraging the employees to make the optimal use of the devices, tools and papers to reduce the phenomenon of waste and eliminate it, as well as encouraging the employees to use the modern methods of storing information.



- C- The company also adheres to the implementation of all precautionary measures, including social distancing, spreading various sterilization methods and allowing the employees to work from home during the period of total shutdown of the companies within the framework of the national sterilization program, and in accordance with the instructions issued by the Country regarding the procedures followed to combat and reduce the spread of the Corona virus "COVID 19".

## 12- General Information:

- A- Statement of the Company's share price in the market (high and low price) at the end of each month during this financial year.
- B- This statement is not available because the inclusion of Al Firdous Company's shares in Dubai Financial Market is still suspended in accordance with the Resolution of the Authority's Board of Directors No. (25) of 2011 before the trading session held on June 14, 2011 till now.
- C- Statement of the performance of the Company's shares compared to the general market index and index of the Sector to which the Company belongs: This statement is also unavailable because the inclusion of Al Firdous Company's shares in Dubai Financial Market is still suspended in implementation of the Resolution of the Authority's Board of Directors No. (25) of 2011 before the trading session held on Tuesday corresponding to June 14, 2011 till now.
- D- Statement of distribution of the shareholders' equity as in 31/03/2020 (individuals, companies and governments):

Description	Individuals			Companies			government	Total		
	Shareholder	Share	%	Shareholder	share	%		Shareholder	Share	%
Local	65,757	57,082,325	9.51%	22	475,582,691	79.26%	-	65,779	532,665,016	88.78%
Gulf	18	44,226,998	7.37%	4	31,500	0.01%	-	22	44,258,498	7.38%
Arab	33	22,735,502	3.79%	-	-	0.00%	-	33	22,735,502	3.79%
Foreign	23	305,984	0.05%	1	35,000	0.01%	-	24	340,984	0.06%
Total	65,831	124,350,809	20.73%	27	475,649,191	79.27%	-	65,858	600,000,000	100.00%

**E- Statement of the shareholders holding 5% or more of the Company's capital as in 31/03/2020 as per the following schedule:**

Ser.	Shareholder	Percentage
1	Al Heer Oasis General Trading LLC	30.61%
2	Ain Holding LLC	14.32%
3	Diba Holding Company	8.46%
4	Al Wajna Holding Company	8.46%
5	Al Firdous Facility Management Services LLC	5.78%
6	Ajyad Facility Management Services LLC	5.70%
7	Jabal Al Qalaa Facility Management Services LLC	5.70%
8	Sheikh Khaled Bin Zayed Bin Saqr Al Nahyan	5.59%

**F- Statement of the method of distribution of the shareholders according to the volume of title as in 31/03/2020 as per the following schedule:**

Ser.	Ownership of the shares (share)	Nos. of the shareholders	Nos. of the shares owned	Percentage of the shares owned to the capital
1	Less than 50,000	65,788	11,530,764	1.92%
2	From 50,000 to less than 500,000	57	8,088,471	1.35%
3	From 500,000 to less than 5,000,000	1	820,665	0.14%
4	More than 5,000,000	12	579,560,100	96.59%

**G- Statement of the procedures that have been taken as to the regulations of the investor relationships:**

A special page for investor relations has been created on its website to be constantly updated and maintained in line with the international standards to include:

Data and means of communication with the Investor Relations Department such as a dedicated phone number and email, providing all reports related to financial results, whether recorded in the archive or published and data of the financial year, provided that they shall include dates of publication of the financial results data and minutes of the General Assembly's meetings and any other important events.

Data of the Investor Relations Officer are as follows: Amal Youssef - Email: [amal@binzayed.ae](mailto:amal@binzayed.ae) – Phone: 043739800 or 900, which are the same data and qualifications of the rapporteur of the Board of Directors' meetings. Below is the link of the Investor Relations page on the Company's website: <http://www.alfirdouspjsc.com/Investor.html>.

**H- Statement of the special Resolutions that have been presented during the General Assembly held and the procedures taken in this regard:**

No special resolutions issued during the General Assembly.

**I- Rapporteur of the Board of Directors' meetings:**

Name of the Rapporteur of the Board of Directors' meetings: Amal Youssef.

Date of appointment: 13/08/2016.

Qualifications and experiences: Kindly, refer to the details under item No. 9, sub-clause No. C.

**J- Statement of the fundamental events the Company witnessed during the year 2019/ 2020:**

The Resolution of the Securities and Commodities Authority dated 13/06/2011 is still in force as to suspension of the inclusion of Al Firdous Company's shares in Dubai Financial Market, in accordance with the Resolution of the Authority's Board of Directors No. (25) of 2011 and according to the provision of Article (20/2/Z) of the law of including of the securities and commodities and Article (14/6) of the law concerning disclosure and transparency, as the Company sold the major part of its assets before the deliberation session held on June 14, 2011 until further notice.


The Board of Directors has decided in its meeting held on 05/11/2019 to close the Company's related restaurants to mitigate the accumulative losses resulting from the operation during the previous period.


Having discussed the matter and the current situation in the market, the Board has decided to suspend the work in the aforementioned restaurants and to close them temporarily, as well as demobilizing the staff to mitigate the accumulated obligations.


Having considered the future of the investment of these restaurants and making the proper decision in this regard: The Board of Directors has decided to continue the work of these restaurants by leasing them to investors.




There is no localization percentage, but the Company is working on attracting citizens in certain jobs.  
K- Statement of the projects and innovative initiatives made by the Company or being performed during the year 2019/2020:  
Currently, there are no initiatives, but the Company is working on following up the requirements.

  
Signature of the Chairman of the Board of Directors  
//Duly Signed//  
Date: 23/06/2020

  
Signature of the Head of the Audit Committee  
//Duly Signed//  
Date: 23/06/2020

  
Signature of the Head of the Nominations & Remunerations Committee  
//Duly Signed//  
Date: 23/06/2020

  
Signature of the Director of the Internal Control Department  
//Duly Signed//  
Date: 23/06/2020