

CORPORATE GOVERNANCE REPORT 2022 OF DUBAI FINANCIAL MARKET (PJSC)



2022

CORPORATE GOVERNANCE



CORPORATE GOVERNANCE REPORT

The instructions and regulations issued by the UAE’s Securities and Commodities Authority (SCA) in accordance with the international standards outline the importance of adopting Corporate Governance principles and emphasize transparency and accountability.

The Dubai Financial Market’s (DFM) Board of Directors (the “Board”) performs all of its duties effectively to achieve the interests of investors as well as all stakeholders. The core responsibilities of the Board are improvement of both operational performance and profitability levels, the institutionalization of sustainable development, the implementation of good governance principles, and providing strategic direction for the organization. Moreover, the Board is responsible for monitoring as well as identifying and managing risks, in order to achieve the desired objectives.

In the following paragraphs, we review the Board’s most important governance practices at DFM, in line with the requirements of Federal Decree No. 26 of 2020 and SCA Board of Directors’ Decision No. (3 /R.M) of 2020 concerning Approval of Joint Stock Companies Governance Guide and its subsequent amendments:

1. Procedures implemented to improve Corporate Governance during 2022

In line with the responsibility of the Board towards DFM shareholders, and its duty to protect and promote the value of shareholders’ equity, the management of DFM continues to apply the rules and principles of governance effectively and transparently. The DFM has achieved this objective via:

- The Board’s commitment to hold four meetings during 2022.
- The Board’s commitment to the annual disclosure of their independence during 2022, as well as the disclosure of any change that affects their independence, including their membership of other boards. Board Members signed an undertaking of all positions held by them at the end of 2022.
- The Audit Committee held six meetings and the Nomination and Remuneration Committee held three meetings. Each committee performed their duties and submitted their written reports regarding the results, recommendations, and follow-ups on the implementation thereof, to the Board.
- DFM Management’s commitment to the disclosure of quarterly and annual financial statements, within the permitted legal timeline.
- Approval of the policies, which are related to the Board and its committees, and ensure the proper implementation.
- Board of Directors to sign off the conflict-of-interest declaration for each Board meeting.
- Monitoring implementation of the conflict of interest and related party transactions policy.
- Approval of the updated insider trading policy, incident escalation policy, and transparency policy market rulebook, and others.

2. DFM PJSC share ownership and trading transactions of the Board, their spouses, and children during 2022

Name	Position/ Kinship	Owned shares as of 31st December 2022	Total sale transactions	Total purchase transactions
H.E. Helal Saeed Al Marri	Chairman	15,000	-	-
H.E. Wesam Al Abbas Lootah	Vice Chairman	-	-	-
Mr. Abdulqader Obaid Ali	Member Spouse	15,000 2,262	-	-
Mr. Abdulwahid Abdulrahim Alulama	Member	-	-	-
Mr. Yuvraj Narayan	Member	-	-	-
Mr. Mohammed Humaid Al Marri	Member	-	-	-
Mrs. Moaza Saeed Al Marri	Member	-	-	-
Mr. Saeed Rashid Al Yateem	Member	-	-	-
Mrs. Huda Sabil Mohamed	Member	-	-	-

3. Composition of the Board of Directors

A. The Board constitutes of the following Members:



**H.E. Helal Saeed
Al Marri**
Chairman
Independent Non-Executive

Experience and qualifications	<ul style="list-style-type: none">• MBA - The London Business School• Chartered Accountant - Institute of Chartered Accountants in England and Wales• Previous work includes roles at consulting firms McKinsey and KPMG
Length of tenure as a Board Member	<ul style="list-style-type: none">• 1 year, 2 months
Membership and positions at any other joint- stock companies	<ul style="list-style-type: none">• Board Member - Emaar Properties PJSC• Board Member - Taaleem PJSC
Positions in any other important regulatory, government or commercial entity	<ul style="list-style-type: none">• Director General - Dubai Department of Economy and Tourism (DET)• Member of the Executive Council of Dubai• Board Member - The Investment Corporation of Dubai• Director General - Dubai World Trade Centre Authority (DWTCA)• Member - Supreme Committee of the Expo 2020• Board Member - Dubai Chamber of Commerce and Industry



**H.E. Wesam Al
Abbas Lootah**
Vice Chairman
Independent Non-Executive

Experience and qualifications	<ul style="list-style-type: none">• Master's degree, Computer Science and Engineering - Pennsylvania State University• Bachelor's degree - Ohio State University• Author of published research in the field of Computer Security• A renowned speaker on smart cities and digital transformation with over 20 years of strategic leadership experience
Length of tenure as a Board Member	<ul style="list-style-type: none">• 1 year, 2 months
Membership and positions at any other joint- stock companies	<ul style="list-style-type: none">• Board Member - Du (Emirates Integrated Telecommunications Company PJSC)
Positions in any other important regulatory, government or commercial entity	<ul style="list-style-type: none">• CEO - Corporate Services at Dubai Municipality



Mr. Abdulqader Obaid Ali

Board Member
Independent Non-Executive

Experience and qualifications	<ul style="list-style-type: none">M.S., Technology Management – Stirling UniversityB.S., Electronic Engineering Technology - Arizona State UniversityCertified Fraud Examiner - Association of Certified Fraud Examiners in the USACertification in Risk Management Assurance (CRMA) - Institute of Internal AuditorsCompleted “The International General Management Program for Executive Development” conducted by International Institute of Management Development (IMD), Switzerland
Length of tenure as a Board Member	<ul style="list-style-type: none">1 year, 2 months
Positions in any other important regulatory, government or commercial entity	<ul style="list-style-type: none">Advisor– e& Enterprise AI and IOTChairman of the Board – UAE Internal Audit AssociationBoard Member, Chair of the Audit Committee- Dubai Financial MarketIndependent Vice Chairman of the Audit Committee – Federal Tax AuthorityIndependent Board Member of the Audit Committee- Al Masraf BankVice Chairman – Al Noor Training Center for Persons with DisabilitiesAdvisory Board Member, Career Advisory- Ajman UniversityAdvisory Board Member, Dubai Business School- University of DubaiAdvisory Board Member, Accounting Program- Higher College of Technology
Awards & Recognition	<ul style="list-style-type: none">First UAE National recipient of the Wilfred Thesiger AwardWinner of the prestigious Kano Medal Excellence Catalyst for the year 2011Ideas UK Fellowship Award 2012Founder of Ideas Arabia and assessor for Ideas America



Mr. Abdulwahid Abdulrahim Alulama

Board Member
Independent Non-Executive

Experience and qualifications	<ul style="list-style-type: none">L.L.M., Maritime Law and International Trade – University College London (University of London)L.L.B. – UAE University (with distinction)Partner at White & Case LLP and Owner of Al Manara Real Estate Registration Trustee LLC
Length of tenure as a Board Member	<ul style="list-style-type: none">1 year, 2 months
Positions in any other important regulatory, government or commercial entity	<ul style="list-style-type: none">Vice Chairman – Emirates Post GroupVice Chairman – Dubai Multi Commodities Center (DMCC)Chairman – Remco



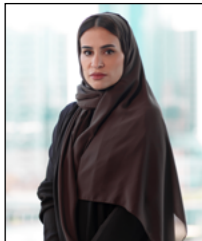
Mr. Yuvraj Narayan
Board Member
Independent Non-Executive

Experience and qualifications	<ul style="list-style-type: none">Chartered Accountant - Institute of Chartered Accountants in England and Wales
Length of tenure as a Board Member	<ul style="list-style-type: none">1 year, 2 months
Awards & Recognition	<ul style="list-style-type: none">Named MENA CFO of the Year on four occasions in 2008, 2015, 2016 and 2018
Positions in any other important regulatory, government or commercial entity	<ul style="list-style-type: none">Group Deputy CEO and CFO – DP WorldAudit Committee Chairman – International Cricket CouncilBoard Member – HDFC International Life and Re CompanyBoard Member – Virgin Hyperloop OneBoard Member – Through Transport Mutual Insurance Association Ltd.



Mr. Mohammed Humaid Al Marri
Board Member
Independent Non-Executive

Experience and qualifications	<ul style="list-style-type: none">MBA – American University in DubaiBachelor’s, Accounting – Emirates University in Al AinCertified Public AccountantGraduate: Mohammed bin Rashid Program for Leadership Development, Government Leaders CategoryInstitutional Leadership Certificate – Leadership and Learning Center, Florida, USAA Founding Partner of Faris & Co. Public Accountants with over 20 years of administrative and financial experience
Length of tenure as a Board Member	<ul style="list-style-type: none">12 years, 8 months
Positions in any other important regulatory, government or commercial entity	<ul style="list-style-type: none">CFO – Mohammed bin Rashid Housing EstablishmentCFO – Roads & Transport Authority (2006 – 2009)Member of the UAE Accountants and Auditors AssociationMember of the Culture and Science Symposium in DubaiFormer Board Member – Dubai Development Board (Dec 2005 – April 2008)CFO and CAO – Land Department (Dubai) (2000 – 2005)



Mrs. Moaza Saeed Al Marri

Board Member
Independent Non-Executive

- Experience and qualifications
- Length of tenure as a Board Member
- Awards & Recognition:
- Positions in any other important regulatory, government or commercial entity
- MBA, General Business – American University in Dubai
 - 20 years of experience in private, semi-governmental and government sectors
 - 5 years, 9 months
 - The Middle East Women leaders Excellence Award (2015) for Communications & Media Excellence
 - Bronze Award – Dubai Lynx
 - Board Member – Dubai Sports Council
 - Executive Director – Office of the Director General – Roads & Transport Authority



Mr. Saeed Rashid Al Yateem

Board Member
Independent Non-Executive

- Experience and qualifications
- Length of tenure as a Board Member
- Positions in any other important regulatory, government or commercial entity
- Bachelor’s, Political Science - Faculty of Economic and Administrative Sciences, United Arab Emirates University
 - Over 25 years’ experience in financial and administrative management in governmental roles.
 - 1 year, 11 days
 - Assistant Undersecretary for Resources & Budget - UAE Ministry of Finance
 - Board member - Etihad Rail
 - Board member – UAE University
 - Board member - Federal Tax Authority
 - Board member - Gulf Investment Corporation
 - Board Member - General Pension and Social Security Authority



Mrs. Huda Sabil Mohamed

Board Member
Independent Non-Executive

Experience and qualifications

- BBA - Ajman University of Science and Technology
- Certified Islamic Professional Accountant (CIPA) - Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI)
- Certificate in Management (CIM) - University of Wollongong Dubai
- Certified Management Accountant (CMA) - Institute of Management Accountants
- Essential Leadership Program - London Business School

Length of tenure as a Board Member

- 1 year 11 days

Awards & Recognition:

- 17th Middle East Future Excellence Award for Leadership (Banking sector category)
- Distinguished Woman Award (Banking and Finance sector) - Emirates Institute for Banking and Financial Studies

Membership and positions at any other joint- stock companies

- CFO - Emirates Islamic, subsidiary of Emirates NBD Group

B. Women representation in the Board of Directors during 2022

The current DFM’s Board of Directors includes two women among its nine members, reflecting the Board’s keenness to appoint distinguished women cadres as a means of empowering women and in line with UAE’s vision in this respect.

C. Board Members’ Remuneration and allowances

1. Total Remuneration of Board Members paid during 2022

The remuneration of the Board has been disbursed for 2022 in the amount for each member as follows, which was approved in the Annual General Assembly Meeting held on 22nd March 2022.

2. Board Members’ remuneration proposed for 2022

The proposal to disburse AED 300,000 to each Board Member for 2022 will be presented at the Annual General Assembly Meeting for approval.

Board Members	2021 Remunerations in AED
H.E. Helal Saeed Al Marri	48,493
H.E. Wesam Al Abbas Lootah	48,493
Mr. Abdulqader Obaid Ali	48,493
Mr. Abdulwahid Abdulrahim Alulama	48,493
Mr. Yuvraj Narayan	48,493
Mr. Mohammed Humaid Al Marri	300,000
Mrs. Moaza Saeed Al Marri	300,000
Mr. Saeed Rashid Al Yateem	9,041
Mrs. Huda Sabil Mohamed	9,041
H.E. Essa Abdulfattah Kazim*	251,507
Mr. Rashid Hamad Al Shamsi*	251,507
Mr. Ali Rashid Al Mazroei*	251,507
Mr. Adil Abdulla Al Fahim*	251,507
Mr. Mussabeh Mohammed Al Qaizi*	251,507

* Board Membership ended on November 3rd 2021.

3. Board Committees allowances during 2022

	Allowances for attending meetings of the Board Committees		
	Committee	Allowance Value	Number of Meetings
H.E. Wesam Al Abbas Lootah	NRC	45,000	3
Mr. Abdulwahid Abdulrahim Alulama	NRC	30,000	2
Mrs. Moaza Saeed Al Marri	NRC	45,000	3
Mr. Abdelqader Obaid Ali	Audit Committee & Dubai Clear Risk Committee	110,000	6 Audit committee + 4 Dubai Clear Risk
Mr. Mohammed Humaid Al Marri	Audit Committee & Dubai Clear Risk Committee	110,000	6 Audit committee + 4 Dubai Clear Risk
Mr. Saeed Rashid Al Yateem	Audit Committee & Dubai Clear Risk Committee	110,000	6 Audit committee + 4 Dubai Clear Risk
H.E. Wesam Al Abbas Lootah	Investment Committee	45,000	3
Mr. Yuvraj Narayan	Investment Committee	30,000	2
Mrs. Huda Sabil Mohamed	Investment Committee	45,000	3
Mr. Abdelwahid Abdulrahim Alulama	Compliance Committee	15,000	1
Mr. Abdulqader Obaid Ali	Compliance Committee	15,000	1
Mr. Saeed Rashid Al Yateem	Compliance Committee	15,000	1

4. Allowances, salaries, or additional fees paid to the Board Members other than the Board Committees allowances

N/A

D. Attendance at Board meetings for the year 2022

Date of meeting		Attendees	Attendees by proxy	Absent members
1	31st January 2022	9	-	-
2	28th April 2022	9	-	-
3	28th July 2022	8	-	Mr. Abdulwahid Abdulrahim Alulama
4	27th October 2022	9	-	-

E. Board resolutions passed by circulation

DFM's Board rarely makes resolutions by circulation according to the Company's Articles of Association unless it is a business requirement. In such cases, all documents related to the resolution and recommendations of the internal committees are shared with the Board accordingly, hence Board Members can review to make an informed resolution. The Board passed 4 resolutions by circulation during 2022 with the following dates:

- 2nd March – 6th March 2022
- 30th March – 4th April 2022
- 16th September – 20th September 2022
- 16th December – 20th December 2022

F. Duties and functions exercised by the Board or assigned to the Executive Management during 2022

The Executive Management is empowered to perform specific tasks according to the list of authorization approved by the Board. Since this delegation is related to the capacity rather than the individuals occupying that capacity, the period of delegation remains in effect until a resolution to cancel or amend the authority is passed by the Board. The following is a list of the tasks and authorities delegated to the Executive Management:

Power	Power Limits	Administrative Level Authorized	Notes
Organizational Processes			
Approval and amendment of authority matrix	-	Board of Directors	-
Approval of all policies, procedures, and related systems	-	Board of Directors	According to the mandate of the committees emanating from the Board of Directors
Approval of the organizational structure and amendments thereof	-	Board of Directors	-
Filing, reconciliation or concede lawsuits and arbitration for and on behalf of the Company	-	Chairman of the Board	According to the review and recommendation from the Audit Committee
Representing the company before the courts arbitration and other similar forums	-	Chairman of the Board	According to article 27 from articles of association & 155 from companies' law
Right to sign on behalf of the company individually	-	The Chairman of the Board or any other member delegat-ed by the Board of Directors within the approved limits	-
Approval of procedures manuals, decisions and administrative circulars regulating work activities	-	CEO	-
Approval of administrative circulars and internal instructions at Division level	-	The Division Head or his deputy in his absence	-
Approval of the general strategic plan and company's objectives	-	Board of Directors	-
Determining the dividend payout ratio to shareholders	-	Recommendation from the Board of Directors and ap-proved in the General Assembly	-
Formation, change and dissolution of executive committees	-	CEO	-

Authorization	Power Limits	Administrative Level Authorized	Notes
Procurement and Contracts			
Approval of direct purchase	Up to AED 50,000	Head of Procurement and Contracts	One quotation
	Up to AED 250,000	CFO & Head of Strategy	-
	Up to AED 500,000	CEO	-
	Above AED 500,000	Board of Directors	-
Contracting in practice	Up to AED 1,000,000	CEO	3 quotations to be obtained and recommendation shall be made by the Procurement, Tenders and Auctions Committee
	Above AED 1,000,000	Presented to the Board of Directors	
Approval of contracting by limited or general tender	Up to AED 5,000,000	CEO	-
	Above AED 5,000,000	Board of Directors	-
Deciding on bids	-	Procurement, Tenders and Auctions Committee	-
Signing approved contracts (including arbitration agreements and agreements including an arbitration clause)	Up to AED 5,000,000	CFO & Head of Strategy	Subject to the approval powers
	Up to AED 50,000,000	CEO	
	Above AED 50,000,000	Presented to the Board of the Directors	
Signing a memorandum of understanding/ limited representation agreement/sub-depositary/confidential information (including that included the arbitration clause)	-	CEO	-
Approval, modification, and assessment of the suppliers' list	-	Procurement, Tenders and Auctions Committee	-
Inspection and receipt of purchases	Up to AED 50,000	Administration Officer	In addition to a representative from the requestor department if needed
	Above AED 50,000	A temporary Committee shall be constituted for reception	The committee shall consist of representatives from requestor department, concerned parties, and admin team
Initial and final delivery of works and services	-	Form a technical Committee with expertise and competence	Assistance of expertise from outside the organization can be sought
Stationery Disbursement	-	Executive - Administrative Services	-
Approval of the disbursement of fixed assets and equipment from the store	-	Head of the Procurement and Contracts Department	-
Approval of the transfer assets outside the DFM building for business purposes	-	CFO & Head of Strategy	-
Approval of the annual assets count results	-	CEO	Upon recommendations of the annual assets count committee
Decision to dispose of depreciated assets	-	CEO	Net book value of the asset should not exceed AED 20,000

Power	Power Limits	Administrative Level Authorized	Notes
Fees			
Leasing DFM offices and determining the lease value	-	CEO	According to the recommendations of the Procurement Tenders and Auctions Committee
Defining & updating the service fees and penalties list according to the business requirements	-	CEO	Inform the Board of Directors of any change in the fees schedule
Credit Policy	Extension for more than 30 days up to 60 days	CFO & Head of Strategy	-
	Extension for more than 60 days up to 90 days	CEO	-
Discount/ Exemption from fees	As per the transaction fee, per transaction ✔ Up to AED 500,000 → 10% discount ✔ Above AED 500,000 up to AED 1,000,000 → 20% discount ✔ Above AED 1,000,000 → 30% discount	CEO	Applies to all fees applicable to Dubai Financial Market
	Full exemption of transfer fees from a governmental entity to another account, as per a supreme order from the ruler	CEO	-
	Full exemption of nominal fees for the application submitted by the higher and official authorities	Chief Operating Officer	-
	Full exemption of fees	CEO, shall not exceed AED 20,000	-
	Waiver/full refund of market maker fees (all securities)	CEO	According to the approved program by the Board of Directors
			The exemption/refund fees and the performance report of the market maker should be presented to the Board of Directors on a quarterly basis or at the first meeting of the Board
Application of fines/penalties	-	The concerned Division Head or his representative in his absence	Within the limits of market regulations and policies
Lifting the violation penalty	For the first violation	CFO & Head of Strategy along with the concerned Division Head	In a single fiscal year
	For the following violation	CEO	In a single fiscal year
Write-off of receivables/assets	Up to AED 20,000	CFO & Head of Strategy	In a single fiscal year
	Above AED 20,000	Board of Directors	As per the recommendations of the Audit Committee
Investment			
Contributions to corporate capital, acquisitions, and purchases of shares	Unlimited amounts	Board of Directors	As per the recommendations of the Investment Committee
Subscription in funds and investment portfolios, Islamic sukuk and investment in the Islamic derivatives	Unlimited amounts	Board of Directors	As per the recommendations of the Investment Committee
Short Term Investment Deposit	Unlimited amounts	CEO	The authority includes liquidation of deposit before the maturity date while adhering to the investment policy
Long Term Investment Deposit	Up to AED 50,000,000	CEO	The authority includes liquidation of deposit before the maturity date while adhering to the investment policy
Monetization of Investments	-	Board of Directors	As per the recommendations of the Investment Committee

Signing cheques and bank transfers				
Limits	First Signature (Group A)	Second Signature (Group B)	Notes	
Up to AED 500,000	<ul style="list-style-type: none">- Chairman- CEO- CFO & Head of Strategy- Head of Finance Department	<ul style="list-style-type: none">- Chief Operating Officer- Head of People and Talent Management Division	Required two signatures (one of A + one of B)	
Up to AED 50,000,000	<ul style="list-style-type: none">- Chairman- CEO- CFO & Head of Strategy	<ul style="list-style-type: none">- Chief Operating Officer- Head of People and Talent Management Division	Required two signatures (one of A + one of B) or (one of A + one of A)	
Above AED 50,000,000	<ul style="list-style-type: none">- Chairman- Vice Chairman	<ul style="list-style-type: none">- CEO- CFO & Head of Strategy	Any two signatures (one of A + one of B) or (one of A + one of A) or (one of B + one of B)	

Financial settlement accounts	First Signature (Group A)	Second Signature (Group B)	Third Signature (Group C)	Notes
Unlimited amounts	<ul style="list-style-type: none">- Chairman- CEO- CFO & Head of Strategy- Head of People and Talent Management Division- Chief Operating Officer	<ul style="list-style-type: none">- General Manager of Dubai Clear Company- Deputy General Manager of Dubai Clear Company	<ul style="list-style-type: none">- Head of Settlement Affairs Department, Dubai Clear Company- Head of the Clearing Affairs Department, Dubai Clearing Company	Required two signatures (one of A + one of B) or Three signatures (2 of A + one of C)

Dividend distributions for Listed Companies	First Signature (Group A)	Second Signature (Group B)	Notes	
Up to AED 50,000,000	<ul style="list-style-type: none">- General Manager of the Dubai Central Securities Depository Company- Deputy General Manager of the Dubai Central Securities Depository Company- Senior Vice President of Dubai Central Clearing and Depository Holding Company	<ul style="list-style-type: none">- Head of Finance Department	Required 3 signatures (2 of A+ one of B)	
Above AED50,000,000	<ul style="list-style-type: none">- Chairman- Vice Chairman- CEO- CFO & Head of Strategy- Head of People and Talent Management Division	<ul style="list-style-type: none">- General Manager of the Dubai Central Securities Depository Company- Deputy General Manager of the Dubai Central Securities Depository Company- Senior Vice President of Dubai Central Clearing and Depository Holding Company	Required two signatures (One of A + one of B)	
Open/close all bank accounts with local or foreign banks	<ul style="list-style-type: none">- Chairman and Vice Chairman of the Board of Directors		Required two signatures	
Open/close accounts with brokers	<ul style="list-style-type: none">- CEO and CFO & Head of Strategy		Required two signatures (considering the investment or sale under clauses 34 and 37)	

I. Executive Management’s salaries and remuneration details

The DFM Executive Management consists of some employees. The following table lists their titles, appointment dates and the total amounts they received as salaries and bonuses:

Name	Designation	Date of Appointment	Total Salaries and Allowances for 2022 (AED)	Total Paid Bonuses for 2022 (AED)	Total of other Cash/non-Cash Benefits for 2022 (AED)
Mr. Hamed Ali	Chief Executive Officer (CEO)	27th July 2020	1,939,536	-	-
Mr. Khalifa Rabba	Chief Operating Officer (COO), Head of Operations Division	3rd August 2002	846,425	-	-
Mr. Jamal AlKhadhar	Executive Vice President – People & Talent Management Division	1st June 1999	1,504,939	-	-
Mr. Ali Al Hashimi	Chief Financial Officer (CFO) and Head of Strategy	2nd August 2009	1,244,438	-	-
Mrs. Fatma Al Hammadi	Chief Marketing Officer (CMO)	17th June 2006	623,447	-	-
Mr. Muhammad Galsulkar	Chief Technology Officer (CTO)	4th April 2022	734,982	-	-
Mr. Eric Salomons	Executive Vice President – Head of Product Development	20th June 2022	732,167	-	-
Mr. Tahir Mahmood	Senior Vice President – Head of Business Development	9th July 2013	1,110,278	-	-
Mrs. Maryam Fikri*	CEO of DCCD, CEO of Dubai CSD, Principal Advisor of Dubai Clear	1st June 1999	905,251	-	1,705,775
Mr. Khaled Hawas**	Senior Vice President - Head of Technology Dept.	25th July 2010	455,856	-	718,575

* Mrs. Maryam Fikri resigned effective 30th June 2022.

** Mr. Khaled Hawas resigned effective 26th July 2022.

4. The External Auditor

A. Brief of the external auditor for Shareholders:

Pricewaterhouse Coopers (PwC) has operated in the Middle East region for more than 40 years. Collectively, PwC Middle East network employs more than 7,000 people in the region including over 300 partners working from 23 offices (in 22 locations) across 12 countries: Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Oman, the Palestinian territories, Qatar, Saudi Arabia and the United Arab Emirates.

PwC has experience in industries including aviation, government, energy and utilities, financial services and banking, retail, construction and engineering, manufacturing, entertainment, and telecoms.

B. Fees and costs of auditing or other services provided by the external auditor

Name of the external audit office	PwC
Name of the partner auditor	Mr. Jigesh Shah
Number of years it served as the company external auditor	3 years
Number of years the partner has spent auditing the company	Mr. Jigesh Shah appointed in October 2022
Total audit fees for 2022	AED 360,000 (DFM & the 100% owned subsidiaries)
Fees and costs of other private services other than auditing the financial statements for 2022	- Valuation study in the value of USD 55,000 - Tax services in the value of GBP 25,000
Details and nature of the other services	-
Statement of other services that another external auditor other than the Company's auditor provided during 2022	Services offered by the auditing firm Deloitte: - Fair valuation of acquisition study in the value of USD 53,000 - Assessment of the current Anti Money Laundering framework and internal control in the value of USD 60,000 Services offered by the auditing firm Ernst & Young: - Evaluation of tax compliance procedures with the Foreign Account Tax Compliance Act (FATCA) for Dubai Clear in the value of USD 4,000 - Evaluation of tax compliance procedures with the Foreign Account Tax Compliance Act (FATCA) for Dubai Clear in the value of USD 17,500

C. Auditor’s qualified opinions included in the interim and annual financial statements for 2022

There are no qualifications that the auditor included in the financial statements for the year 2022.

5. The Audit Committee

A. Mr. Abdulqader Obaid Ali, Chairman of the Audit Committee, acknowledges his responsibility for the committee’s framework in the Company and for his review of its work mechanism and ensuring its effectiveness.

B. Members of the Audit Committee and tasks

All members of the Audit Committee are Non-Executive and Independent and are accounting and financial experts.

Name	Membership
Mr. Abdulqader Obaid Ali	Chairman
Mr. Saeed Rashid Al Yateem	Member
Mr. Mohammed Humaid Al Marri	Member

The responsibilities and duties of the Audit Committee are as follows:

- Implementing the policy related to contracting an external auditor; monitoring their independence, discussing the nature and scope of auditing, reviewing the statements of the external auditor, and ensuring timely response from the finance department and other executive departments to all inquiries and requirements presented by the external auditor.
- Monitoring the integrity and soundness of the DFM’s financial statements and reports (annual, semi-annual, and quarterly), and reviewing them as part of the committee’s regular duties. The committee focused on the following aspects:
 - Highlighting issues subject to the Board’s assessment.
 - Key amendments resulting from the audit process.
 - Assessing the going-concern assumption.
 - Complying with accounting standards as decided by the SCA.
 - Complying with the rules of listing and disclosure, as well as other legal requirements related to the preparation of financial reports.
- Holding quarterly meetings with the external auditor to discuss quarterly and annual financial statements together with the external auditor report, prior to submission to the Senior Management.

- Reviewing the DFM’s financial control and internal control and risk management systems and assessing the effectiveness of the Internal Control Department.; assigning required resources and approval of the amended internal audit plan, based on the risk approach related to each division/department of both DFM and Nasdaq Dubai, and following up with the implementation of the plan on a quarterly basis.
- Reviewing and enhancing financial and accounting policies and procedures, as well as operational risk policy and procedures.
- Coordinating with the Board and the Executive Management, discussing the Internal Control Department’s reports and the external reports such as Dubai Financial Audit Authority (FAA), and SCA, etc., and following up on all corrective actions on a quarterly basis.
- Monitoring the tools and guidelines enabling the DFM’s employees to report, with confidentiality, any potential violations in financial reports, internal control or otherwise, in addition to reviewing the steps which will allow independent and fair investigation of such violations. The designated staff for such purposes can be reached by email (transparency@dfm.ae) and telephone (+971-4-305-5665); in addition to designating employees to confidential reports in addition to the employees’ portal on the DFM’s internal network.
- Monitoring the DFM’s compliance with the Code of Professional Conduct.
- Monitoring the compliance of the insiders or temporary insiders with the insider trading policy.
- Approving the proposed polices of DFM insider trading, transparency policy, and escalation policy.

C. The Audit Committee meetings held in 2022

Meeting date	Attendees	Absent Members
26th January 2022	3	-
25th April 2022	3	-
7th June 2022	3	-
27th July 2022	3	-
24th October 2022	3	-
8th December 2022	3	-

6. The Nomination and Remuneration Committee

A. H.E. Wesam Al Abbas Lootah, Chairman of the Nomination and Remuneration Committee, acknowledges his responsibility for the Committee’s framework in the Company and for his review of its work mechanism and ensuring its effectiveness.

B. Members of the Nomination and Remuneration Committee, their competencies and duties

The Nomination and Remuneration Committee includes Non-Executive and Independent members as follows:

Name	Membership
H.E. Wesam Al Abbas Lootah	Chairman
Mr. Abdulwahid Abdulrahim Alulama	Member
Mrs. Moaza Saeed Al Marri	Member

The Committee performed its assigned duties and responsibilities as follows:

- Verified the independence of DFM’s Board Members continuously, in accordance with applied laws and regulations.
- Submitted proposals concerning certain amendments on human resources’ policies.

C. Meetings held by the Nomination and Remuneration Committee during 2022

Meeting date	Attendees	Absent Members
27th January 2022	3	-
27th April 2022	3	-
18th – 20th October 2022	3	By circular
15th December 2022	3	-

7. Insider Trading Supervision and Follow-up Committee

A. Asma Lootah - Chairman of the Insider Trading Committee acknowledges her responsibility for the framework for monitoring and supervising the transactions of insider trading at the DFM and for reviewing its cycle, mechanism and ensuring its effectiveness.

B. The Insider Trading Committee, chaired by Asma Lootah, Head of Internal Control Department, includes the following members:

- Hanan Al Habashi, Market Operation Department
- Haitham El Gebali, Legal Office
- Sumayya Husain Al Blooshi, Dubai CSD
- Fatma Bin Qidad, Dubai Clear
- Maryam Ali Murad, People & Talent Management Department
- Reda Farouk Shehata, Department of Internal Control - Rapporteur of the Committee

The following are the duties of the Insider Trading Committee:

1. Approve received applications from individuals in compliance with the policy. The approval decision is taken by the majority of votes and is communicated through suitable means.
2. Set rules to regulate employees trading in securities issued by the DFM, parent company, affiliates, and sister companies.
3. Monitor, follow up and supervise insider trading, keep records of insiders and their ownerships, and issue regular reports to the Management Committee and Audit Committee.
4. Review and investigate breaches (if any) and submit a report with the decisions and penalties to the human resources for execution.
5. Notify SCA with an updated insiders’ list at the beginning of every fiscal year and any amendments thereon during the year.
6. Submit a copy of insiders’ list to SCA upon request.
7. Disclose the insiders’ list and temporary insiders to SCA on a quarterly basis along with the quarterly financial statements. The disclosure will be in accordance with the template received from SCA in June 2019.
8. Comply with any other requirements as stated by SCA from time to time.

C. During 2022, the Insider Trading Committee held 4 meetings and discussed all transactions related to insider trading, proposed amendments to the insider trading policy, and possible ways to automate insider trading procedures and supervision. The Committee has submitted quarterly reports to SCA and Dubai Financial Market with the list of insiders/temporary insiders of DFM.

8. Other Committees approved by the Board

A. Investment Committee

Mr. Yuvraj Narayan, Chairman of the Investment Committee, acknowledges his responsibility for the Committee’s framework in the Company and for his review of its work mechanism and ensuring its effectiveness.

Members of the Investment Committee, and duties

The Investment Committee includes Non-Executive and Independent members as follows:

Name	Membership
Mr. Yuvraj Narayan	Chairman
H.E. Wesam Al Abbas Lootah	Member
Mrs. Huda Sabil Mohamed	Member

The following are the duties of the Investment Committee:

1. Report to the Board and communicate any issues that may arise with respect to DFM’s investments.
2. Recommend to the Board of Directors that it deems appropriate and necessary, on any area within its functions where action or improvement is needed.
3. Serve as subject matter experts with regard to investments and provide their expertise as necessary
4. Annually report to the Board summarising its activities, conclusions and recommendations during the previous year and such other matters as considered appropriate.
5. Annually review and self-evaluate the performance of the Committee.

Meetings held by the Investment Committee during 2022

Meeting date	Attendees	Absent Members
27th January 2022	2	Mr. Yuvraj Narayan
18th April 2022	3	-
17th June 2022	3	-

B. Compliance Committee

Mr. Abdulwahid Abdulrahim Alulama, Chairman of the Compliance Committee, acknowledges his responsibility for the Committee’s framework in the Company and for his review of its work mechanism and ensuring its effectiveness.

Members of the Compliance Committee, and duties

The Compliance Committee includes Non-Executive and Independent members as follows:

Name	Membership
Mr. Abdulwahid Abdulrahim Alulama	Chairman
Mr. Abdulqader Obaid Ali	Member
Mr. Saeed Rashed Al Yateem	Member

The Following are the duties of Compliance Committee:

1. Review and reassess the adequacy of the Market Supervision framework applied by the Market with respect to its self-regulatory responsibilities to ensure alignment with applicable laws and regulations and recommend to the Board any changes deemed appropriate.
2. The Committee shall review and monitor the supervision framework of the Market to promote a transparent, efficient, and orderly operation of the Market, and to support the enforcement of applicable rules and regulations in collaboration with relevant authorities

3. Assess the Market’s supervision performance, and assist the Board and the Board’s other committees in reviewing the Market’s supervision plan and overall effectiveness of the Market’s supervision functions.
4. To monitor emerging corporate governance trends and oversee and evaluate the Market’s supervision policies and programs and recommend to the Board of Directors such changes the Committee believes necessary or desirable.
5. Review significant regulatory changes made by the Authority that may impact the Market.
6. Meet with the Head of Market Supervision of the Company to discuss the performance of the Market’s supervision and self-regulatory functions, whether conducted internally or outsourced, including, among others, market surveillance, market disclosure, member examinations and enforcement.
7. Assess and confer with management with respect to staffing and other resources for the Market’s supervision functions.
8. Report and provide recommendations to the Board at each regular meeting of the Board.
9. Annually review and self-evaluate the performance of the Committee.

Meetings held by the Investment Committee during 2022

Meeting date	Attendees	Absent Members
26th January 2022	3	-

9.Internal Control Framework:

A. The Board of Directors acknowledges their responsibility for the DFM’s Internal Control Framework, including reviewing and ensuring its effectiveness through the Audit Committee (a Board Committee) that oversees the Internal Control Department performance. The Internal Control Department acts in compliance with the International Standards for the Professional Practice of Internal Auditing, issued by the US-based Institute of Internal Auditors (IIA). The Internal Control Department submits regular reports to the Board of Directors and the Executive Management, pertaining to its activities and accomplishments. The reports also include assessment of the effectiveness and efficiency of internal control environment and frameworks adopted in different departments.

The Internal Control Department (ICD) reports administratively to the Senior Management, and functionally to the Board of Directors through the Audit Committee, in such a manner that ensures its independence. In order to fulfill its duties, the ICD applies the latest international standards issued by the IIA as well as international best practices, in the following aspects:

- Developing an audit plan based on an objective assessment of risks related to each auditable area in order to prioritize implementation of the plan in higher risk departments. This plan is discussed and reviewed with the CEO and approved by the Audit Committee and the Board of Directors.

• Preparing an audit report that is discussed with the Audit Client, and presented to the CEO and the Audit Committee. The audit report includes:

- Audit objectives.

- Audit scope.

- Audit methodology.

- Audit results.

- Evaluating observations in terms of risk levels.

- A comprehensive assessment of the control environment of audit client according to the assessment matrix.

• Submitting all audit reports to the Audit Committee and Board of Directors, which were either prepared internally by Internal Control Department or by other auditors (e.g. Financial Audit Authority) together with the corrective actions taken by audit clients to enhance internal control measures. These reports enable the Audit Committee and the Board to assess internal controls and make the necessary recommendations and decisions.

• Coordinating with the external auditor, the Financial Audit Authority – Government of Dubai, Dubai Electronic Security Centre (DESC) and SCA inspectors.

• Offering advisory and insight services with the aim of enhancing and developing work procedures without compromising the independence of auditors, and in accordance with the work charter of the ICD.

• Updating the internal auditing charter as per the latest revision of IIA standards and approve it from audit committee.
- CORPORATE GOVERNANCE

27
- B. Head of Department, qualifications and date of appointment
- Asma Lootah: Head of the Internal Control Department
- Qualifications:
- Master’s degree in Finance from E.Philip Saunder College of Business, Rochester Institute of Technology – May 2011.

• Certified Management Accountant (CMA) –2008.

• Certified Quality Auditor in ISO 9001:2000 from IRCA –2004.

• Bachelor’s degree in Business Administration from the Higher Colleges of Technology – Dubai Women’s College – 2001.

• Higher Diploma in Accounting from the Higher Colleges of Technology – Dubai Women’s College 2000.

• President of the RIT Dubai Alumni since 2014.

• Member of the Advisory Board of the Business Administration College at Rochester Institute of Technology Dubai.
- Date of appointment: Head of the Internal Control Department has been appointed in 2010.
- The Internal Control Department comprises qualified employees, as follows:
- Reda Farouk Shehata: Senior Manager – Internal Control Department
- Qualifications:
- Certified Islamic Banker (CIB) - 2013

• Certified Financial Consultant (CFC) – 2013

• Certification in Risk Management Assurance (CRMA) - 2012

• High studies in Financial Accounting from Ain Shams University - 2003

• Bachelor’s degree in Accounting from Ain Shams University - 1998
- Jacob Sebastian: Manager – Internal Control Department
- Qualifications:
- Cobit 5.0 Certified Assessors - 2014

• MA in Finance from Bharathidasan University - 2014

• Certified Information Systems Auditor (CISA) – 2012

• ISO 27001 Certified Lead Auditor – 2011

• Certified Information Systems Security Professional (CISSP) - 2011

• Certified Information Security Manager (CISM) - 2010

• BS in Computer Engineering from Cochin University - 2001
- Mohammad Ahmed El Assaleh: Senior Manager – Internal Control Department
- Qualifications:
- Certified Internal Auditor (CIA) – 2020

• Certification in Risk Management Assurance (CRMA) – 2012

• Association of Chartered Certified Accountants (ACCA) - 2009

• Bachelor’s degree in Accounting from Yarmuk University - 2003
- C. Compliance officer, qualifications and date of appointment
- Fatma Lootah: Group Head of Compliance
- Qualifications:
- Master’s in Law (LLM) from University of Pantheon– Assas Paris II – 2021

• Bachelors of Sciences (B.S) in Accounting – 2018

• Certificate in Compliance from the International Compliance Association in association with The University of Manchester Alliance Manchester Business School – 2023
- Date of appointment: 31 January 2023
- D. The Internal Control Department Measures taken about any significant risks at the DFM or those that were disclosed in the annual reports and financial statements
- The DFM was not subject to any significant risks in 2022. However, and in accordance with the Internal Control Department guidelines, the department handles any significant issues that may arise through the following process:
- Identifies and classifies the nature of the problem in terms of the risk level, through determining the scale of the problem and the extent of its negative impact on the DFM.

• Communicates with the concerned departments through the division heads and the CEO to discuss actions to contain and resolve the problem, followed by the necessary recommendations.

• Reports the problem and the proposed relevant recommendations to the Audit Committee, which in turn, after discussion and evaluation, submits it to the Board of Directors.

• Follows-up on the implementation of its recommendation by ensuring that the Board of Directors resolutions in this regard are implemented.

• Communicates with the external auditor, if necessary.

• Updates the risk register and related controls and disclose the same in annual reports.

E. Reports issued by the Internal Control Department to the DFM’s Board of Directors.

The Internal Control Department completed 33-audit engagements and issued the following reports during 2022:

- 12 reports for compliance with rules, regulations, policies, procedures;
- 10 reports for information security, and information technology;
- 1 Shari’a audit report.

10. Violations committed in 2022, their causes, treatment, and avoidance of recurrence

The DFM didn’t commit any violations during 2022 or during the previous years.

11. DFM’s contributions to the development of local communities and to environmental protection during 2022

DFM made several contributions in terms of developing the local communities that included asset donations to charity associations, applying digital non-printing environment policies, engaging with “Bee’ah” recycling initiative; a renowned environmental protection company. Further details are available in the ESG section of this report.

12. General information

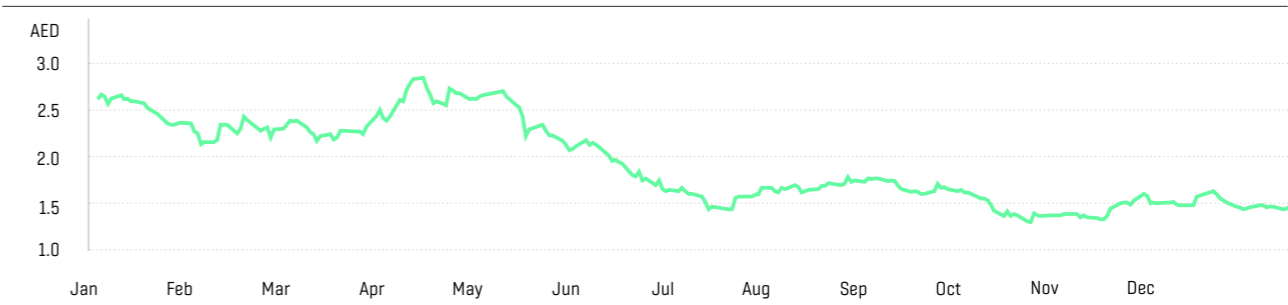
The following is an overview of the DFM’s most significant share trading information:

A. DFM PJSC share price (closing price, highest and lowest price) at the end of each month of fiscal year 2022

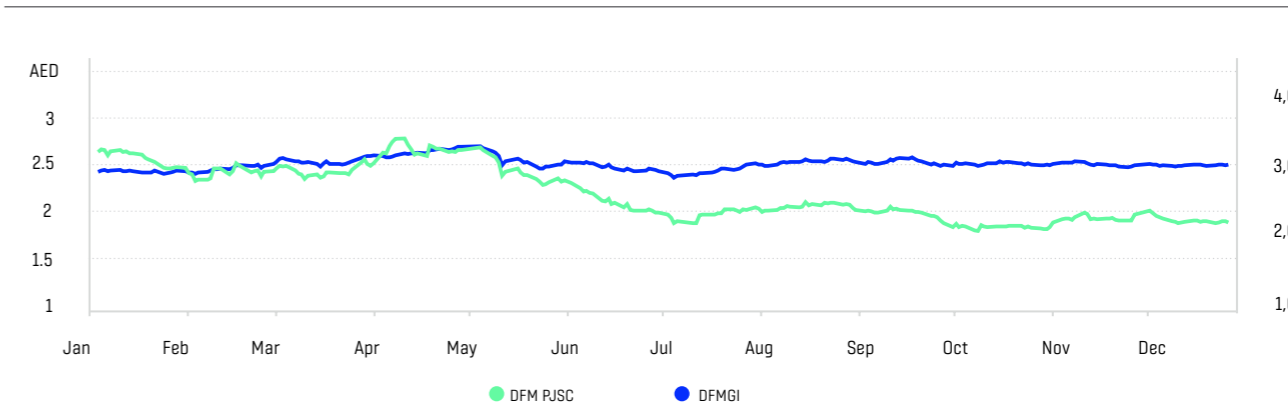
Month	Highest price during the month (AED)	Lowest price during the month (AED)	Closing price at the end of the month (AED)	DFM General Index (Index figure)	Financials Index (Index figure)
January	2.74	2.29	2.38	3,203.08	2,416.75
February	2.46	2.15	2.33	3,354.64	2,549.3
March	2.56	2.19	2.41	3,526.6	2,587.59
April	2.95	2.40	2.67	3,719.63	2,659.38
May	2.73	2.04	1.16	3,347.24	2,399.45
June	2.21	1.66	1.66	3,223.29	2,312.8
July	1.75	1.46	1.71	3,337.96	2,368.1
August	1.86	1.67	1.79	3,443.11	2,359.33
September	1.80	1.48	1.49	3,339.15	2,381.43
October	1.51	1.36	1.41	3,331.76	2,351.51
November	1.70	1.36	1.63	3,323.96	2,348.51
December	1.75	1.47	1.51	3,336.07	2,354.84

B. DFM PJSC share performance compared to DFM General Index and Sector Index during 2022

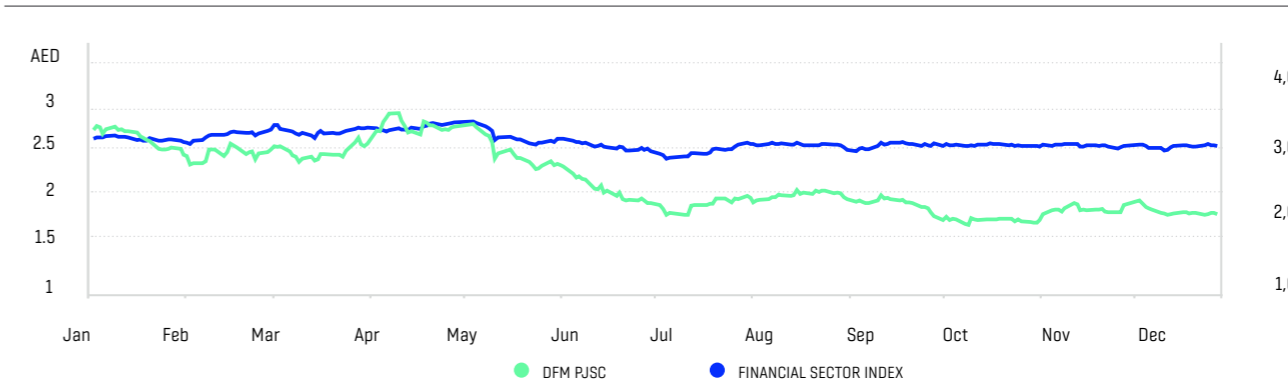
DFM PJSC Share Price Movement 2022



DFM PJSC Share Price Performance Compared to DFM General Index (DFMGI) during 2022



DFM PJSC Share Price Performance Compared to Financial Sector Index during 2022



C. Distribution of shareholder equity according to percentage of ownership on 31st December 2022 (individuals, companies, governments) classified as follows: Local, Arab, and Foreign

Shareholder classification	Percentage of Ownership*			
	Individuals	Companies	Government	Total
Local	9.730%	84.114%	0.004%	93.848%
Arab**	2.344%	0.314%	-	2.658%
Foreign	1.178%	2.316%	-	3.494%
Total	13.252%	86.744%	0.004%	100.00%

* Sum of percentages might not add up due to rounding.
** The shareholders’ classification in the Arab category combines shareholders’ nationalities of both the GCC and the Arabs.

D. Shareholders who hold 5% or more of DFM’s capital as on 31st December 2022 are as follows:

Name	No. of Owned Shares	Percentage of Owned Shares of DFM Capital
Borse Dubai	6,453,000,000	80.6625%

E. Distribution of shareholder’s equity according to share ownership size as on 31st December 2022 is as follows:

Share Ownership	No. of Shareholders	No. of Owned Shares	Ownership Percentage of Capital*
Less than 50,000	24,369	135,397,614	1.69%
50,000 to less than 500,000	2,133	314,137,243	3.93%
500,000 to less than 5,000,000	394	523,401,343	6.54%
More than 5,000,000	41	7,027,063,800	87.84%
Total	26,937	8,000,000,000	100.00%

*Sum of percentages might not add up due to rounding.

F. Investor Relations Controls

DFM is committed to delivering exceptional investor communications by adhering to global best practices in Investor Relations. A dedicated team serves the investor community by ensuring continuous engagement through various channels, including our investor relations website and periodic publications. We are committed to providing transparent and accurate information to our investors in a timely manner, while also implementing robust controls to mitigate potential risks.

For further information, please contact Investor Relations Manager:

Ms. Moza Alshafar
Tel.: +971 4 305 5447
E-mail: IR@dfm.ae
Or visit DFM Website at
<https://www.dfm.ae/en/discover-dfm/investor-relations>

G. Significant special resolutions presented in the Annual General Assembly Meeting held during 2022 and implemented procedures.

The General Assembly for the year 2021 held on 22nd March 2022 approved the special resolution of entering into transactions with related parties (companies subject to ownership or government participation) provided that such deals do not exceed 30% of the DFM’s capital and that these transactions are presented to the General Assembly in the future for approval.

H. Board Secretary

Mr. Haitham El Gebali

Appointment Date:
Appointed as a Board Secretary 15th December 2019.

- Qualifications and experience:**
- He holds a BA in public law and a Master’s degree in Private Law, in addition to high diploma in Economics and Public Finance from Egypt universities, licensed as Compliance Manager from the Securities and Commodities Authority, and a member of the Chartered Institution for Securities and Investment, UK, London.
 - Mr. Haitham is a lawyer and legal consultant with more than 20 years’ experience in the field of law and legal advice. Prior to joining the Dubai Financial Market, Mr. Haitham served as Group General Counsel of Tilal

Investment Group, and from 2010 to 2018 Legal and Compliance Counsel to SHUAA Capital (PJSC), and from 2006 to 2010 General Counsel for Al-Ramz Corporation PJSC (formally Al Ramz Securities).

- Mr. Gebali, has extensive legal experience in the capital markets, as well as his experience in the field of arbitration and litigation in the United Arab Emirates and the Gulf region.

I. The DFM did not face any event that could be described as material/significant during 2022.

J. Emiratization percentage in DFM is as follows:

Year	Emiratization (%)
2020	57%
2021	59%
2022	54%

K. Innovative projects and initiatives during 2022

DFM carried out several innovative projects and initiatives during 2022, mostly focusing on adding a bundle of new services, enhancing market accessibility, and improving business infrastructure. On the other hand, the market has worked diligently to develop its technological infrastructure and further enhanced digital onboarding of investors platform as well as applying governance best practices.

Signature of the Board Chairman	Signature of Audit Committee Chairman	Signature of the Nomination and Remuneration Committee Chairman	Signature of the Head of Internal Control Department
			
Date: 20/02/2023	Date: 20/02/2023	Date: 20/02/2023	Date: 20/02/2023
Signature of the Investment Committee Chairman	Signature of the Compliance Committee Chairman		
			
Date: 20/02/2023	Date: 20/02/2023		

FATWA AND SHARI’A SUPERVISORY BOARD REPORT

Accomplishments of Fatwa and Shari’a Supervisory Board during 2022

Market products

The Fatwa and Shari’a Supervisory Board reviewed the mechanism of the products that were presented during the year 2022 and clarified the Shari’a opinion regarding the same, as well as provided relevant Shari’a advice and consultations so that the products are compliant with the relevant Shari’a standards.

Shari’a Audit

The Fatwa and Shari’a Supervisory Board reviewed the reports prepared by the Shari’a Audit Section. The Board also gave its recommendations on these reports before their approval, as well as reviewed the Shari’a section on the DFM website.

Fatwas

The Fatwa and Shari’a Supervisory Board responded to all Shari’a-related inquiries that were raised during 2022, whether by DFM management or from external parties.

Classification of Listed Companies

The Fatwa and Shari’a Supervisory Board reviewed and adopted the classifications of companies listed on both the Dubai Financial Market and Nasdaq Dubai, according to their Shari’a compliance. The classification is prepared by the Shari’a Audit Section in accordance with DFM Standard on Issuing, Acquiring and Trading Shares.

Calculation of non-Shari’a-compliant income for 2021

The Fatwa and Shari’a Supervisory Board reviewed and approved the total amount of non-Shari’a-compliant income for 2021 and the proportion related to each share.

Review of 2021 Zakat Calculation

The Fatwa and Shari’a Supervisory Board has reviewed and approved the calculation of Zakat for DFM PJSC, payable for 2021, which was prepared by the Shari’a Audit Section, in light of DFM Zakat workout sheet. Subsequently, the Board has invited DFM shareholders to pay the Zakat during the Annual General Assembly Meeting held in 2022.

Revision of DFM Shari’a Standards

The Fatwa and Shari’a Supervisory Board initiated the review of the DFM Standard on Issuing, Acquiring and Trading Shares, and proposed some amendments considering the updates in other Shari’a standards.

Moosa Tariq Khoory

Chairman of Fatwa and Shari’a Supervisory Board
Dubai Financial Market



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