



# CORPORATE GOVERNANCE REPORT

**1. Corporate Governance**

DXB Entertainments PJSC (the Company) recognises that sound corporate governance is fundamental to the success of its business and for delivering long-term benefits to the Company's stakeholders. The Company complies with and strives to exceed the corporate governance and regulatory requirements applicable to public joint stock companies listed on the Dubai Financial Market (DFM), and adopts the highest standards of international corporate governance best practice.

The Company's Board of Directors (the Board) is responsible for ensuring that the Company complies with its legal and regulatory obligations, enhancing the value of shareholders' equity, achieving the Company's corporate objectives, providing

oversight of the integrity of the Company's accounting and financial reporting systems, and ensuring an appropriate system of internal control. The Board acts in accordance with its fiduciary duty to the Company, ensuring responsibility and accountability.

The Company strives to maintain transparent communication with its stakeholders to ensure that they are kept up-to-date in a timely manner, including disclosures to shareholders, the regulator, the market, and other stakeholders.

**Corporate Governance Framework**

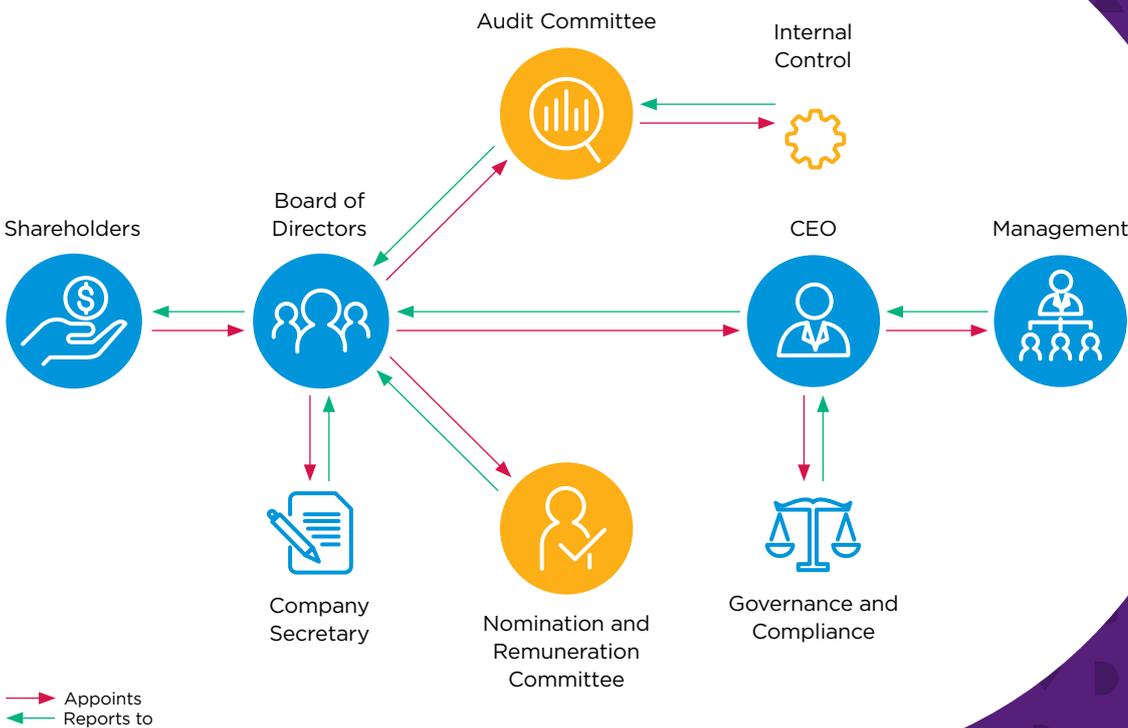
In support of its commitment to the highest standards of corporate governance, corporate responsibility, and risk management, the Board has established a robust corporate governance framework.

The corporate governance framework provides the structure that enables the Company to deliver on its values and principles.

The corporate governance framework is implemented by the Company's management team, and is independently monitored for effectiveness by the Board and its committees, including the Audit Committee and the Nomination and Remuneration Committee, and assisted by external and internal auditors and Company officers and employees, including the Chief Executive Officer, Chief Financial Officer, Director of Internal Control, Compliance Officer, and Director of Governance & Compliance.

**Regulatory Bodies**

Securities and Commodities Authority, Dubai Financial Market



The Company's independent Internal Control Department reports to and is overseen by the Audit Committee. The Compliance Officer is responsible for verifying compliance by the Company and its employees with applicable laws, regulations, resolutions, and by-laws.

The Company's Governance & Compliance Department is headed by the Director of Governance & Compliance, who reports to the CEO. The Governance & Compliance Department is responsible for the internal corporate governance framework, including delegations of authority, policies and procedures, and oversight of management committees.

The Company has a comprehensive risk management framework, which consists of the Risk Management Charter, Enterprise Risk Management Policy, Risk Appetite Statement, and Risk Tolerance Limits. Operational risk registers have been developed for each of the functions across the Company, with consolidated risks being formally reported to the Audit Committee.

The Company places significant emphasis on Health, Safety and Environment (HSE) in all aspects of its operations and has defined HSE policies and processes.

The Company's Corporate Governance Manual forms an essential part of the corporate governance framework, and covers the following matters:

- Board structure and the role of Company officers and directors;
- Board matters including director independence, liability remuneration, conflicts of interest, confidentiality, and evaluation;
- Board and management committees;
- Stakeholder rights;
- Investor relations;
- Corporate social responsibility;
- Conduct and ethics;
- Whistleblower protection;
- Share dealing;
- Related party transactions;
- Market disclosures;

- Internal control and internal audit;
- External audit; and
- Governance, risk, and compliance.

In accordance with its obligations, the Board ensures that appropriate disclosures are made of all material developments, and the Company maintains active shareholder communication. The Board has established the Company's Internal Control system, and the active monitoring of and reporting on the resourcing, testing, and effectiveness of the internal control system has been delegated to the Audit Committee.

The Company continuously reviews and improves its corporate governance framework and practices to ensure compliance with changes in the regulatory landscape, as well as international best practice.

The Company won the 2017 World Finance Corporate Governance Awards for excellence in corporate governance for companies that have made their boards more diverse and dynamic, that are transparent and best positioned to handle risk, and that are drivers of excellence in environmental, social, and governance policies.

### Corporate Governance Practice

Below are highlights of the Company's significant corporate governance developments and activities in 2017:

- The Board of Directors met 10 times in 2017;
- The number of directors on the Board was reduced from 9 to 7, following shareholder approval at the General Assembly on 28 November 2017;
- A new Board was elected upon the expiry of the term of the previous Board, including the election of the Company's first female Board member;
- The Audit Committee and Nomination and Remuneration Committee were reconstituted following the election of the new Board;

- The Board Charter and Board Committee Charters were reviewed and updated, ensuring that they remain consistent with the Board's and Committees' objectives and responsibilities, regulatory requirements and best practices;
- The Board approved and issued a Board of Directors Delegation of Authority, detailing its reserved powers and those delegated to the Company's senior management;
- The Board approved the appointment of a new Chief Executive Officer and a revised management structure for the Company;
- The Board approved an updated Company strategy, reflecting the Company's restructuring, its ongoing commitment to its objectives, and expanding its business verticals;
- A new Company Secretary and a new Compliance Officer were appointed;
- The membership of the Insider and Disclosure Committee was reconstituted, and its charter was updated to provide for greater committee effectiveness;
- The Nomination and Remuneration Committee reviewed and confirmed that the Directors have complied with independence requirements;
- The Company management committees continued to oversee key aspects of the Company's operations and material risks;
- The Board and the Audit Committee continued to review and oversee the integrity of the Company's financial statements, significant financial reports to regulators, and any other formal announcements relating to the Company's financial performance;
- The Board reviewed the Company's performance in light of the approved strategy and budget;
- The Board and Board Committee Self-Assessment Guidelines were updated to provide more detailed criteria for self-assessment;
- The Board and Board Committees' Self-Assessment Evaluations were carried out to ensure the ongoing effectiveness of the Board in the governance of the Company;

- The Audit Committee recommended the continued appointment of external auditors to the Company's shareholders, as well as undertaking an annual assessment of the external auditor's performance;
- The Directors' Business Travel and Business Expense Policy and Process was updated to provide streamlined decision-making and consistency, and to reduce the costs to the Company;
- The bank mandates of the Company and its subsidiaries were revised to ensure ongoing operational efficiency;
- The Company's internal delegations of authority were reviewed and updated to ensure operational efficiency; and
- The Company issued an updated HSE Policy Statement to continually improve the quality of the Company's services and products while protecting people and the environment.

**2. Share Dealing**

The Company has adopted a share-dealing policy that applies to all Board members and employees of the Company, as well as to vendors who have a contractual relationship with the Company. The policy includes guidance and policies on the share-dealing framework, unpublished price-sensitive information, restrictions, closed periods, share-dealing notification, clearance, exemptions, dealing with breach of policy, and implementation. Any Board member or employee wishing to trade must notify the Company Secretary about his or her intention and obtain approvals prior to dealing in the Company's securities.

The Directors holding shares in the Company are as follows:

Name	Position/Relative	Shares owned as at 31 Dec 2017	Total shares sold during 2017	Total shares purchased during 2017
Mukesh Sodani	Director appointed on 28 November 2017	6,500	Nil	Nil

**3. Board of Directors**

**A. Composition**

S/N	Name	Category (executive, non-executive or independent)	Experience & qualifications	Time served as a member of the Board of Directors from date of first election	Membership & position in other PJSCs	Positions in regulatory bodies, or other significant government or business entities
1	H.E. Abdulla Al Habbai	Chairman, Non-Executive Director	Refer note below	9 December 2014 to 31 December 2017	Not applicable	<ul style="list-style-type: none"> <li>• CEO of Engineering Office – The Private Office of H.H. Sheikh Mohammed bin Rashid Al Maktoum, UAE Vice President, Prime Minister and Ruler of Dubai</li> <li>• Group Chairman of Meraas Holding LLC</li> <li>• Chairman of Dubai Holding LLC</li> <li>• Board Member of Dubai Real Estate Corporation</li> <li>• Director General of Dubai Creative Clusters Authority</li> <li>• Chairman of Marsa Al Seef LLC</li> <li>• Chief Executive Officer of Shamal Holding LLC</li> </ul>

S/N	Name	Category (executive, non-executive or independent)	Experience & qualifications	Time served as a member of the Board of Directors from date of first election	Membership & position in other PJSCs	Positions in regulatory bodies, or other significant government or business entities
2	Abdul Wahab Al-Halabi	Vice Chairman, Independent Director	Refer note below	9 December 2014 to 31 December 2017	Not applicable	<ul style="list-style-type: none"> <li>Group Chief Investment Officer of Equitativa Group</li> <li>Chief Executive Officer and Board member of Global Investment House PJSC, a Kuwait-based and regulated financial services company</li> <li>Board Member of La Tresorerie Limited, a DIFC licensed and regulated financial services company</li> <li>Board Member of AA Infra (Middle East) Ltd</li> <li>Board Member of AA Infra Properties Ltd</li> <li>Vice Chairman of Planet Pharmacies LLC</li> </ul>
3	Amina Taher	Independent Director	Refer note below	28 November 2017 to 31 December 2017	Not applicable	<ul style="list-style-type: none"> <li>Vice President Corporate Affairs of Etihad Aviation Group</li> <li>Board Member of UAE Tennis Federation</li> <li>Board Member of The Middle East Public Relations Association</li> </ul>
4	Edris Al Rafi	Non-Executive Director	Refer note below	18 April 2017 to 31 December 2017	Vice Chairman of Noor Bank PJSC	<ul style="list-style-type: none"> <li>Vice Chairman of Noor Investment Group LLC</li> <li>Board Member of Marsa Al Seef LLC</li> </ul>
5	Mohamed Almulla	Managing Director	Refer note below	28 November 2017 to 31 December 2017	Board member of Noor Bank PJSC	<ul style="list-style-type: none"> <li>CEO and Managing Director of DXB Entertainments PJSC</li> <li>Board member of Noor Bank PJSC</li> </ul>
6	Mukesh Sodani	Non-Executive Director	Refer note below	28 November 2017 to 31 December 2017	Not applicable	<ul style="list-style-type: none"> <li>Chief Financial and Investment Officer of Meraas Holding LLC</li> <li>Board Member of Dubai Hills Estate LLC</li> <li>Board Member of Yvolv LLC</li> <li>Board Member of Marsa Al Seef LLC</li> <li>General Manager of Meraas Healthcare LLC</li> </ul>
7	Shravan Shroff	Independent Director	Refer note below	23 June 2016 to 26 March 2017 28 November 2017 to 31 December 2017	Not Applicable	<ul style="list-style-type: none"> <li>Director, Shringar Film Pvt Ltd</li> <li>Partner and General Manager of RoseWood Portal Company LLC</li> <li>Board Member of Rapid Ventures Limited (ADGM FZE)</li> </ul>

### Experience and Qualifications of the Board Members

#### H.E. Abdulla Al Habbai

H.E. Abdulla Al Habbai is the Group Chairman of Meraas Holding and Chairman of Dubai Holding. Mr Al Habbai is also the Chief Executive Officer of the Engineering Office of H.H. Sheikh Mohammed bin Rashid Al Maktoum, Prime Minister and Ruler of Dubai, a post he has held since 2005.

Mr Al Habbai is the Director General of Dubai Creative Clusters Authority and also serves on the Boards of Dubai Real Estate Corporation and Museum of the Future, amongst others, and is the Chief Executive Officer of Shamal. Mr Al Habbai has more than 25 years' experience in the property and real estate sector, including a 16-year term with Dubai Municipality, where he was responsible for overseeing and translating the Emirate's vision for urban planning. Mr Al Habbai holds a Master's degree in Cadastral and Land Information Management from the University of East London, United Kingdom.

#### Abdul Wahab Al-Halabi

Abdul Wahab Al-Halabi is the Group Chief Investment Officer of Equitativa Group, a diversified financial services group that is involved in asset management, wealth management, and private equity. He is also Chief Executive Officer and Board Member of Global Investment House, a Kuwait-based investment group. He has more than 20 years' experience in the real estate sector, with expertise in financial restructuring, crisis and debt management, credit enhancements, and joint ventures.

Previously he was the Group Chief Investment Officer of Meraas Holding, a partner at KPMG, and has acted as Chief Executive Officer of Dubai Properties, a member of Dubai Holding. He holds a BSc Economics from London School of Economics and an Executive MBA from Ecole Nationale des Ponts et Chaussées. He is a Fellow of the Institute of Chartered Accountants in England and Wales and is a member of the UK-based Securities Institute.

**Amina Taher**

Amina Taher has more than 14 years' experience in the field of marketing and communications. She is Vice President Corporate Affairs at Etihad Aviation Group, where she is responsible for leading the global corporate communications strategy. She joined Etihad Airways as Head of Media Relations in 2014 and was previously Head of Social Development and Sponsorship in the Group Communications Unit at Mubadala Investment Company. Prior to Mubadala, Amina was Executive Director of Corporate Communications at Zabeel Investments. Her career highlights also include mentoring Emirati entrepreneurs, starting an organic food company, speaking at leadership conferences, and championing the advancement of Emirati women in society and business. Amina holds a Master of Public Administration (MPA) degree from Harvard University and an MBA from the London Business School. She has a BS degree in Applied Media Studies from the Higher Colleges of Technology, Dubai.

**Edris Al Rafi**

Edris Alrafi is the former Chief Executive Officer of Dubai Holding, where he was responsible for developing and implementing the commercial and financial strategy for the overall Group. He was also Chief Commercial Officer at Meraas Holding. Edris brings more than 13 years of experience in investment banking and private equity.

Prior to Meraas, Edris served as Head of UAE coverage at Goldman Sachs. He joined Goldman Sachs in 2008 to manage Sovereign Wealth Funds, UAE Commercial Banks, and large UAE corporate clients including GREs for Investment Banking and Securities businesses. Prior to Goldman Sachs, he served as General Manager at First Gulf Bank. He is also presently serving on the Board of Noor Bank PJSC. Edris holds a degree in finance from Higher College of Technology in the UAE.

**Mohamed Almulla<sup>1</sup>**

Mohamed Almulla was appointed Chief Executive Officer of DXB Entertainments in June 2017. Mohamed brings extensive experience from a wide range of media and entertainment business segments, including radio & TV broadcasting, printing & publishing, digital media, out of home advertising, event management, parks & attractions. He was previously Chief Executive Officer at the Arab Media Group where he oversaw all operational aspects of the group's three major business units: Arabian Radio Network, Done Events and Global Village. Since his appointment in 2008, Mohamed steered the group towards market growth through innovation in the entertainment sector and new customer-centric strategies. Prior to joining the Arab Media Group, Mohamed held several leadership positions within the TECOM Group, including Executive Director of Dubai Media City, where he led the consolidation of the business hub's international status whilst playing a key role in attracting leading global media brands to the region. Mohamed holds a Bachelor of Science from the University of Toledo, Ohio, USA.

**Mukesh Sodani**

Mukesh Sodani has over 3 decades of experience in finance and investments across various industries. In 2017, Mukesh joined Meraas as Chief Financial & Investment Officer, and is currently the deputy CEO.

Previously he was Chief Financial Officer of Flydubai, where he was an integral part of the airline's growth strategy. Before joining Flydubai in 2011, Mukesh was Group Chief Financial Officer of a real estate conglomerate in Dubai. He has also held senior management positions with Noor Bank, Emirates Airline Group, and dnata. He started his career in finance with one of the Big Four audit firms in Kuwait and Dubai. Mukesh qualified as a member of the Institute of Chartered Accountants, India, in 1987 before gaining Certified Public Accountant (CPA) and Certified Internal Auditor (CIA) qualifications in the US. He also has a diploma in Business Finance from the Institute of Chartered Financial Analysts of India.

**Shravan Shroff**

Shravan Shroff is currently Partner at Rosewood Portal Company LLC, a Dubai-based company engaged in online aggregation of tourist villas and other online solutions. He began his career in 1997 with Shringar Films, the family-run film distribution business, where he pioneered the concept of outsourced screen programming and multiplexing. Under his leadership the group rolled out a chain of 25 multiplexes with 100+ screens in India under the brand name FAME, which he sold to Inox Leisure Ltd in 2011. In 2013, Shravan co-founded VentureNursery, India's first angel-based accelerator, which incubates and starts up companies in various domains. He is a graduate from Mumbai University and holds a Master's in Business Administration from the Melbourne Business School. Shravan is also an active member of the Mumbai chapter of the Young Presidents Organization (YPO), a US-based non-profit organisation, and is the current Membership Chair of the Mumbai Chapter. He served on the Censor Board of India from 2008 to 2012.

<sup>1</sup>Mr Almulla has been appointed as a member of the Board of Directors of Noor Bank PJSC in 2018.

## B. Female Representation

At 31 December 2017, the Board included one female director, who was appointed on 28 November 2017.

## C. Board Remuneration for 2017

The members of the Board were not paid any remuneration for 2016. No proposal for payment of remuneration is being presented at the General Assembly for the members of the Board for the period 1 January 2017 to 31 December 2017.

### Compensation

The Board of Directors were paid the following fees for carrying out additional work in relation to their directors' duties for the period 1 January 2017 until the end of the Board's term on 28 November 2017, as indicated below:

Name	Board position	Committee position	Fees (AED)	Number of meetings attended
H.E. Abdulla Al Habbai	Chairman	-	-	-
Abdul Wahab Al-Halabi	Vice Chairman	NRC member	376,262	Board - 9; NRC - 3
Raed Kajoor Al Nuaimi	Board Member	-	130,835	Board - 4 as Executive and 3 as Non-Executive
Fahad Kazim	Board Member	AC member	387,543	Board - 8; AC - 5
Dennis C. Gilbert	Board Member	NRC Chairman, AC Member	436,981	Board - 9; AC - 5; NRC - 4
Steven D. Shaiken	Board Member	AC Chairman, NRC Member	436,981	Board - 9; AC - 5; NRC - 4
Cristian Viorel Gheorghe	Board Member	-	192,231	Board - 6
Fayez Al-Boainin	Board Member	-	74,477	Board - 1
Barton John Ireland	Board Member	-	-	Board - 3
Shravan Shroff	Board Member	AC Member	98,298	Board - 2; AC - 2
Edris Alrafi	Board Member	-	-	Board - 2

Fees to Directors are paid in US dollars. The conversion rate used for reporting is: 1 USD = 3.6735 AED.

Fees were not paid to three members of the Board (H.E. Abdulla Al Habbai, Edris Alrafi, and Barton John Ireland).

Fees for Raed Kajoor Al Nuaimi were pro-rated for the period 1 August 2017 (following his resignation from the position of CEO), to 8 December 2017.

Fees for Shravan Shroff were pro-rated for the period 1 January 2017 until his resignation from the Board on 26 March 2017.

Fees for Cristian Viorel Gheorghe were pro-rated for the period 1 June 2017 to 8 December 2017.

Fees for Fayez Al-Boainin were pro-rated for the period 18 April 2017 to 30 June 2017.

Expenses incurred by five Board Members (Dennis Gilbert, Steven Shaiken, Shravan Shroff, Fayez Al-Boainin, and Cristian Viorel Gheorghe) have been reimbursed by the Company.

The total value of these expenses is AED 1,142,455 for the period 1 January 2017 to 31 December 2017.

All retiring Directors in receipt of fees at the reconstitution of the Board were paid up to and including 8 December 2017 in accordance with their original engagement agreements.

The new Board of Directors was appointed at the General Assembly held on 28 November 2017. The first payment of fees to the new Board of Directors will be made in June 2018.

The Board has adopted new criteria for Director fees and has resolved that, under those criteria, four members of the Board (H.E. Abdulla Al Habbai, Mohamed Almulla, Edris Alrafi, and Mukesh Sodani) are currently ineligible to receive fees. Fees for the remaining four members (Abdul Wahab Al-Halabi, Amina Taher, and Shravan Shroff) will be calculated in accordance with the criteria approved by the Board:

Committee Membership Annual Fees	AED 55,103
Committee Chairman Annual Fee	AED 91,838
Additional bonuses for 'additional services in excess of his/her regular duties as a director'	Determined on a case-by case basis and in any event no more than AED 128,573 per annum

**D. Meetings and Attendance**

The table below indicates the Board of Directors meetings that were conducted during the period 1 January 2017 to 31 December 2017 including attendance:

Board Member	Dates of Meeting in 2017									
	13 Feb	26 Mar	13 Apr	9 May	8 Aug	19 Sep	25 Oct	11 Nov	22 Nov	13 Dec
H.E. Abdulla Al Habbai	○	○	○	○	○	○	○	○	○	○
Abdul Wahab Al-Halabi	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙
Raed Kajoor Al Nuaimi	⊙	⊙	⊙	⊙	⊙	⊙	○	⊙	○	N/A
Fahad Kazim	⊙	⊙	⊙	⊙	⊙	⊙	○	⊙	⊙	N/A
Dennis C. Gilbert	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	N/A
Steven D. Shaiken	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	N/A
Cristian Viorel Gheorghe	N/A	N/A	N/A	⊙	⊙	⊙	⊙	⊙	⊙	N/A
Fayez Al-Boainin	N/A	N/A	N/A	⊙	N/A	N/A	N/A	N/A	N/A	N/A
John Ireland	N/A	N/A	N/A	N/A	N/A	N/A	⊙	⊙	⊙	N/A
Shravan Shroff	⊙	⊙	N/A	N/A	N/A	N/A	N/A	N/A	N/A	⊙
Edris Al Rafi	N/A	N/A	N/A	⊙	By proxy	○	○	○	○	○
Mukesh Sodani	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	⊙
Amina Taher	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	⊙
Mohamed Almulla	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	⊙

⊙ Attended ○ Absent  
 N/A indicates the board member was not a member of the Board of Directors at the time of the meeting.  
 All absences were for reasons acceptable to the Board.

**E. Tasks and functions delegated by the Board to Executive Management**

The authorities reserved to and exercised by the Board comply with the provisions of the Chairman of Authority’s Board of Directors’ Resolution No. (7 R.M) of 2016 ‘Concerning the Standards of Institutional Discipline and Governance of Public Shareholding Companies’. The Board is responsible for exercising these authorities and carrying out these functions, but may delegate these in writing to a Board Committee or to Executive Management, provided that these delegations are set out in writing.

The powers reserved to the Board are set out in the Board of Directors Charter. During 2017, the Board did not delegate any of these reserved duties or functions to the Executive Management of the Company.

Key authorities other than those reserved to the Board have been delegated by the Board to the Chief Executive Office of the Company, as set out in the Board of Directors Delegation of Authority.

The Chief Executive Officer thereafter has the power to sub-delegate such authorities in accordance with Company policies and procedures. Approval responsibilities have primarily been sub-delegated to senior management, being Chief Officers, General Managers, and Vice Presidents, as well as Heads and Directors.

**F. Related Parties Transactions**

The Company enters into transactions with companies and entities that fall within the definition of Related Parties as defined in the Governance Rules and as contained in International Accounting Standard 24 ‘Related Party Disclosures’. The transactions involving the Related Parties are governed by the Company’s corporate governance manual. The manual specifies the disclosures required by the Board of Directors, the Executive Management, and the relevant approvals required prior to entering into a Related Party transaction.

The Related Party transactions provisions of the Company’s corporate governance manual apply to all Directors, executive management, and significant shareholders, and any persons or entities related to them. Transactions with Related Parties are based on terms and conditions approved by the Company’s Board of Directors. At the beginning of each fiscal year, members of the Board disclose their position in other companies. The Board is required to review and approve all Related Party transactions. Additionally, the Board and General Assembly must both approve any Related Party transactions which exceed 5 percent of the Company’s issued share capital.

The Company has entered into a number of Related Party transactions in the period 1 January 2017 to 31 December 2017. No other Related Party transactions have been made by the Company except those mentioned in this report and in the Annual Financial Statements for FY2017.

## Transactions with related parties

Related Party	Relationship	Nature of Transaction	Amount (AED)
Meraas Leisure & Entertainment LLC	Parent	Project management services	20,833,772
		Operational management services	5,000,000
		Other services	(165,924)
		Payment to contractors	(10,413,484)
Meraas Development LLC	Parent's Affiliate	Other consultancy services	740,000
LEGOLAND® Hotel LLC	Joint Venture	Project Management Services	5,114,134
Yvolv LLC	Parent's Affiliate	Website development services	(2,648,561)
North 25 Project Management LLC	Parent's Affiliate	Transfer of employee-related balances	(1,179,531)

Note: +ve number represents receivables and (-ve) number represent payables

## Loans from Related Parties

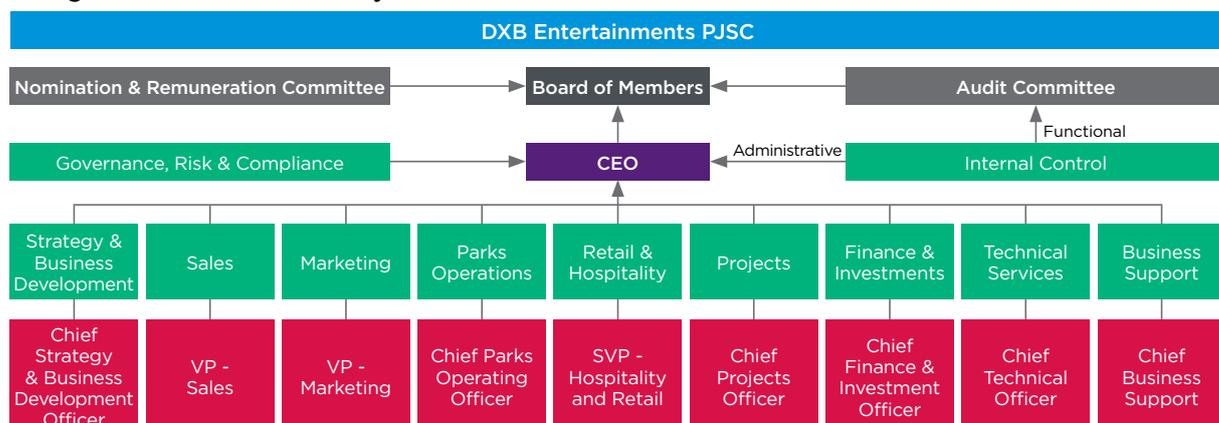
Related Party	Relationship	Nature of Transaction	Amount (AED)
Meraas Holding LLC	Ultimate Parent	Subordinated Shareholder Loan	2,452,000
Meraas Leisure & Entertainment LLC	Parent	Subordinated Shareholder Loan	242,748,000

## G. Company's Organisation Structure

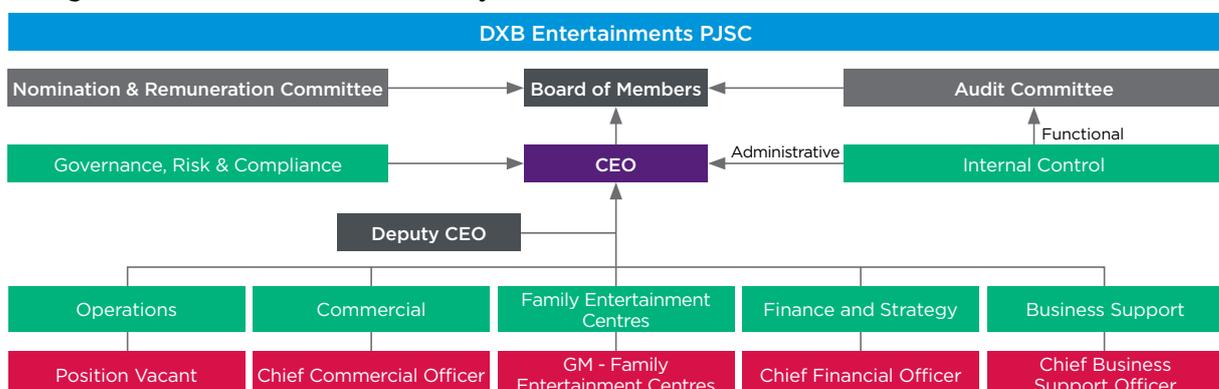
As the Company moved from project delivery to operations, the management structure changed with the appointment of a new CEO in June 2017. Subsequently, the organisational structure was changed during the last 7 months of 2017, and finalised in early 2018.

For ease of reference, both the previous management structure and the new one are included below.

### Management structure until 1 July 2017



### Management structure effective 31 January 2018



## H. Executive Management Compensation

A. The following table shows the details related to previous senior executive management compensation for FY2017, as outlined in section G. The date of the last working day has been included for consistency:

No.	Position	Date of appointment	Date of separation	Total salaries and allowances paid in 2017 (AED)	Total bonuses paid for 2017	Any other bonuses cash/in kind for 2017 or payable in the future
1	Chief Executive Officer	9-Dec-14*	31-July-17	1,714,625.00	-	-
2	Chief Financial & Investment Officer	9-Dec-14*	14-Jun-17	897,957.00	-	-
3	Chief Business Support Officer	11-Jan-15	13-Jun-17	801,709.00	-	-
4	Chief Parks Operating Officer	9-Dec-14*	8-Aug-17	1,087,129.00	-	-
5	Chief Projects Officer	9 Dec 14*	8-Aug-17	994,612.00	-	-
6	Chief Strategy & Business Development Officer	9-Dec-14*	8-Aug-17	1,202,200.00	-	-
7	Chief Technical Officer	16-Nov-14	8-Aug-17	1,229,012.00	-	-
8	Senior Vice President - Retail & Hospitality**	18-Jan-15	30-Aug-17	1,027,241.00	-	-
9	Vice President Sales**	12-Jan-16	22-Jun-17	699,546.00	-	-
10	Vice President*** - Marketing**	12-Oct-16	9-Feb-17	106,662.00	-	-
11	Vice President*** - Marketing**	13-Aug-17	12-Oct-17	221,167.00	-	-

\* These employees joined prior to the establishment of the Company. Hence the date of appointment is the same as the date of establishment of the Company.

\*\* These positions reported directly to the CEO in the absence of a Chief for these divisions.

\*\*\* Due to the departure of the previous VP of Marketing, during 2017 this position was filled by 2 separate individuals as indicated by the start and end date of their employment.

B. The following table shows the details related to the current senior executive management compensation for FY2017 and relates to the existing organisational structure chart provided in section H.

No.	Position	Date of appointment	Total salaries and allowances paid in 2017	Total bonuses paid for 2017	Any other bonuses cash/in kind for 2017 or payable in the future
1	Chief Executive Officer	31-May-17	1,505,597	-	-
2	Deputy CEO <sup>2</sup>	14-Aug-17	685,438	-	-
3	Chief Commercial Officer <sup>3</sup>	14-Jun-17	659,185	-	-
4	Chief Financial Officer	14-Jun-17	672,800	-	-
5	Chief Business Support Officer <sup>4</sup>	9 Dec-14*	1,162,452	-	-
6	General Manager - Family Entertainment Centres	1-Oct-17	309,000	-	-

\* These employees joined prior to the establishment of the Company. Hence the date of appointment is the same as the date of establishment of the Company.

<sup>2</sup> Previous title held was GM of Theme Parks <sup>3</sup> Previous title held was GM of Retail & Hospitality <sup>4</sup> Previous title held was VP of HR, Admin, and IT

## 4. External Auditor

### A. Overview

Deloitte and Touche Middle East (hereafter referred to as Deloitte or the External Auditor) is the largest and longest-established public accounting firm in the Middle East and comprises 120 partners, directors, and principals in 26 offices, which includes a presence in all the GCC member states.

## B. Fees and Expenses

Name of the audit firm	Deloitte and Touche Middle East
Years served as an external auditor of the company	9 December 2014 – 31 December 2017
Total fees for auditing 2017 financial statements (AED)	DXB Entertainments PJSC (DXBE) Consolidated Financial Statements: AED 120,000 plus out-of-pocket expenses capped at AED 10,000
Special service fees and expenses, other than auditing the 2017 financial statements (AED), if any; if not, it shall be clearly stated	<ul style="list-style-type: none"> <li>• Year End Audit of Subsidiaries of the Company: AED 545,000 plus out-of-pocket expenses capped at AED 10,000</li> <li>• DXBE interim review: AED 165,000 plus out-of-pocket expenses capped at AED 5,000</li> <li>• DFM XBRL Reporting: AED 20,000 plus out-of-pocket expenses capped at AED 5,000</li> <li>• Excise Goods Stock Count: AED 40,000</li> <li>• Additional scope for year-end audit: AED 110,100</li> </ul>
Details of other services provided (if any); if not, it shall be clearly stated	<ul style="list-style-type: none"> <li>• Audit of financial statements for subsidiaries of DXBE</li> <li>• Interim review of financial statements of DXBE</li> <li>• Agreed upon procedures for submission of financial information to SCA using XBRL</li> <li>• Agreed upon procedures for Excise goods stock count</li> </ul>
Statement of other services provided by an external auditor, other than the company's external auditor in 2017, if any; if not, it shall be clearly stated	<p>DXBE also engaged PwC and KPMG to provide advisory services during 2017 for the following:</p> <ul style="list-style-type: none"> <li>• Preparing feasibility studies and financial models</li> <li>• Internal audit services</li> <li>• Other advisory services</li> </ul>

## 5. Audit Committee

### A. Members and Responsibilities

In accordance with the requirements of the Chairman of Authority's Board of Directors' Resolution No. (7 R.M) of 2016 'Concerning the Standards of Institutional Discipline and Governance of Public Shareholding Companies' (Governance Rules), the Board has established an Audit Committee (AC). Prior to the reconstitution of the Board on 28 November 2017, the AC consisted of Steven D. Shaiken (Chairman of the AC), Fahad Kazim, and Dennis C. Gilbert (Previous AC). The AC was reconstituted with the appointment of Abdul Wahab Al-Halabi, Mukesh Sodani, and Shravan Shroff (New AC) at the meeting of the Board on 13 December 2017. The New AC consists of 2 Independent Non-Executive Directors, and Abdul Wahab Al-Halabi was appointed as Chairperson at the New AC's first meeting held on 13 December 2017.

The composition of the Previous AC changed during the year. Steven D. Shaiken, Dennis C. Gilbert, and Shravan Shroff were classed as Independent. However, Shravan resigned from the Board on 26 March 2017, whilst Fahad Kazim was not classed as Independent until April 2017.

The Charter governing the AC has been approved by the Board. Key responsibilities of the AC are outlined below:

- Make recommendations to the Board to be put to the shareholders with respect to the appointment of an external auditor;
- Review the remuneration and terms of engagement of the external auditor, and report to the Board with recommendations regarding the re-appointment or removal of the external auditor;
- Review the independence and objectivity of the external auditor on an annual basis;
- Review the nature, scope, efficiency, and adherence to approved audit standards of the Company's audit plan and system of internal accounting controls with the external auditors;
- Review the findings of the audit with the external auditor, including, but not limited to, the effectiveness of the audit, errors identified during the audit, accounting and audit judgments, and identification of significant issues arising during the audit;
- Review and oversee the integrity of the Company's financial statements, including the annual, semi-annual, and quarterly reports, interim management statements, significant financial reports to regulators, and any other formal announcements relating to its financial performance before their submission to the Board;
- Review the sufficiency and effectiveness of the Company's internal financial control, internal control, and risk management systems, and ensure the adequacy of these systems through independent review of operational processes;
- Review and approve the internal audit plan on an annual basis as well as the risk assessment assumptions forming the basis of the audit plan;
- Review all audit reports submitted to the Committee and monitor management's responsiveness to the findings and recommendations;
- Review and approve the organisational structure and budget of the internal control function;
- Ensure the internal control function has adequate standing and is free from management or other restrictions;
- Ensure coordination between the external auditor and internal control;

- Review on an annual basis the adequacy of the Company's internal whistleblowing policies and procedures to ensure that these arrangements allow proportionate and independent investigation and appropriate follow-up action;
- Make investigations and consider the findings of investigations into internal control issues assigned to it by the Board, or at the independent initiative of the Committee upon the approval of the Board;
- Oversee compliance with the Directors' Code of Conduct; and
- Approve the appointment, dismissal, and oversight of the functional head of Internal Control and compliance officer as delegated by the Board.

**B. Meetings and Attendance**

The tables below indicate the AC meetings that were conducted in FY2017 including attendance:

**Previous AC**

AC Member	Dates of Meeting in 2017				
	13 Feb	26 Mar	9 May	8 Aug	11 Nov
Steven D. Shaiken	⊙	⊙	⊙	⊙	⊙
Fahad Kazim	⊙	⊙	⊙	⊙	⊙
Dennis C. Gilbert	⊙	⊙	⊙	⊙	⊙

⊙ Attended

**New AC**

AC Member	Dates of Meeting in 2017					
	13 Feb	26 Mar	9 May	8 Aug	11 Nov	13 Dec
Shravan Shroff	⊙	⊙	N/A	N/A	N/A	⊙
Abdul Wahab Al-Halabi	N/A	N/A	N/A	N/A	N/A	⊙
Mukesh Sodani	N/A	N/A	N/A	N/A	N/A	⊙

Shravan Shroff resigned from his seat on the Board and therefore also his seat on the Audit Committee on 26 March 2017. However, he was re-appointed to the Board at the General Assembly on 28 November 2017 and to the Audit Committee on 13 December 2017 (along with Abdul Wahab Al-Halabi and Mukesh Sodani).

**6. Nomination and Remuneration Committee**

**A. Members and Responsibilities**

In accordance with the requirements of the Governance Rules, the Board has established a Nomination and Remuneration Committee (NR). Prior to the reconstitution of the Board on 28 November 2017, the NRC consisted of Dennis C. Gilbert (Chairman of the NRC), Abdul Wahab Al-Halabi, and Steven D. Shaiken. The Previous NRC was reconstituted with the appointment of Amina Taher, Abdul Wahab Al-Halabi, and Shravan Shroff (New NRC) at the meeting of the Board on 13 December 2017.

The composition of the Previous NRC and the New NRC both included 3 Independent Non-Executive Directors. The Chairperson of the New NRC will be appointed at its first meeting in 2018. The Charter governing the NRC has been approved by the Board. Key responsibilities of the NRC are outlined below:

- Providing advice in relation to the remuneration packages of the senior executive management of the Company, non-executive directors and executive directors, and other employee benefit programmes;
- Reviewing the Company's nomination, retention, and termination policies;
- Reviewing succession plans of the executive management of the Company and its executive directors;
- Recommending individuals for nomination as members of the Board and its committees, and encouraging female nominees;
- Ensuring that the performance of the executive management of the Company and members of the Board are reviewed at least once annually; and
- Any other matters as requested by the Board.

## B. Meetings and Attendance

The table below indicates the NRC meetings that were conducted in FY2017 including the attendance of its members:

AC Member	Dates of Meeting in 2017			
	13 Feb	13 Apr	9 May	25 Oct
Dennis C. Gilbert	⊙	⊙	⊙	⊙
Abdul Wahab Al-Halabi	⊙	⊙	⊙	○
Steven D. Shaiken	⊙	⊙	⊙	⊙

⊙ Attended ○ Absent

There were no meetings of the New NRC in FY2017.

## 7. Insider and Disclosure Committee

### A. Members and Responsibilities

- The Board has constituted the Insider and Disclosure Committee (the IDC) in compliance with the requirements of the Governance Rules. The IDC consists of the following members (as resolved by the Board in October 2017):  
Chairperson – Tessa Lee, Company Secretary;
- Member – Waseem Hassan, Vice President, Human Resources & Administration;<sup>5</sup>
- Member – Jean Fitzgerald, Director, Governance & Compliance;
- Member – Marwa Gouda, Head, Investor Relations;
- Member – Hend Alshaibani, Compliance Officer.

The key responsibilities of the IDC are:

- To review and make recommendations to the Board with respect to approval and implementation of Company policies and procedures with respect to the trading of Board members and employees in the securities issued by the Company or its parent company, subsidiaries, or its sister companies, including but not limited to insider and share-dealing policies and procedures;
- To prepare and maintain a comprehensive register of all insiders;
- To determine and implement the processes for acknowledgments and disclosures by employees and external parties who may be insiders;
- To manage and supervise insiders' trading and holdings, including review and determination of share-dealing requests and disclosures;

- To recommend disciplinary action against employees to HR, due to non-compliance with the Share-Dealing Policy;
- To ensure that the Company is compliant with all rules for disclosure and transparency; and
- To report annually to the Audit Committee and the Board on compliance with the policy and regulatory requirements.

### B. Work performed in FY2017

Below is a summary of the business of the IDC during 2017:

- The IDC Charter was approved and implemented;
- The Committee developed and adopted a model and criteria for identifying employee insiders and external/third-party insiders;
- The Committee developed a process/procedure for creating insider lists;
- The Committee identified the employee declaration, notices, and acknowledgment forms that need to be updated to include revised reporting requirements;
- The Committee identified employee disclosure obligations and the need to amend the Share-Dealing Policy to reflect these obligations;
- The Committee determined what information can be considered as unpublished price-sensitive information;
- The Committee identified requirements for training for employees regarding shares they may hold; and
- The Committee determined the need to review and update the Compliance Manual to reflect employee obligations.

During 2017, employee requests for share dealing continued to be referred to the Company Secretary for review and determination.

## 8. Internal Control System

### A. Responsibility and Framework

The Board acknowledges that it is ultimately responsible for establishing the Company's internal control and for application and review of the functioning and effectiveness of the Company's internal control system. The internal control system framework of the Company consists of the following:

- The Board has constituted the AC to assist in monitoring the internal control system and updating the Board on the effectiveness of internal control in the Company. The AC also has oversight of the Company's internal control department functionally, and ensures that the resources provided to the Company's internal control department are adequate;
- An Internal Control department has been established and reports to the Board and the Audit Committee on the design and operating effectiveness of the internal control system. The department achieves this objective through a system of internal audits and compliance reviews. The results of the work performed are reported to the AC on a quarterly basis. The department adheres to the relevant professional standards, including those of the Institute of Internal Auditors (IIA). The Department is headed by the Director – Internal Control. The Internal Control Department also contains the risk function, which established a formal risk management process to ensure that the Company's assets and activities are appropriately insured;

<sup>5</sup> This title has been revised to Chief Business Support Officer with management changes in 2018.

- The role of Compliance Officer has been established to ensure compliance with the regulations per the Governance Rules. The Compliance Officer verifies compliance by the Company and its employees with the applicable laws, regulations, resolutions, and bylaws;
- The Governance and Compliance (G&C) department is a management function responsible for developing the corporate governance structures, policies, and monitoring compliance with laws and regulations. G&C Department reports to the CEO;
- Executive Management has constituted various Management Committees to ensure that appropriate review has been made by all the relevant stakeholders prior to key decisions being approved. In this aspect, the Board of Directors has approved a Delegation of Authority (DoA) to the Executive Management;
- The Company has additionally formalised policies relating to corporate governance, share-dealing and whistleblowing; and
- Executive Management of the Company acknowledges its roles and responsibilities with respect to the internal control systems of the Company, and has appropriately established internal controls for operations of the Company and specifically over financial reporting.

The Board has conducted a review of the internal control system of the Company and its subsidiaries, its efficiency, the reporting by the Board Committees to the Board, and the risk management procedures as a part of its meetings during the period 1 January 2017 to 31 December 2017.

#### B. Director – Internal Control

Krishna Prasanna Muralidharan was appointed as the Director – Internal Control on 19 April 2015. He holds a Bachelor’s degree in Engineering, a post-graduate diploma in Management, and was a member of the IIA. Krishna continued in office until his resignation on 22 June 2017.

The Internal Control Department reported to Muhammad Shoalb Suleman, Vice President – Internal Audit & Risk, who is a qualified Chartered Accountant, from 28 May 2017 until his resignation on 1 December 2017.

The Board of Directors approved the appointment of Hend Alshaibani, Associate Director – Internal Audit, as the acting Director – Internal Control on 1 December 2017 until a permanent appointment can be made. Hend holds a Bachelor’s degree in Financial Services and a Higher Diploma in Accounting from Dubai Women’s College.

#### C. Compliance Officer

On 9 May 2017, the Board of Directors approved the appointment of Hend Alshaibani, Associate Director – Internal Audit, as the Company Compliance Officer.

#### D. Dealing with problems or those problems that are disclosed in the annual reports and accounts

As a part of its mandate, the Internal Control department reviews the design and operating effectiveness of the internal controls, and provides independent assurance through a system of internal audits and compliance reviews. Any weaknesses identified during the audits and reviews are reported to the AC on a quarterly basis, together with the appropriate resolution mechanisms as agreed with the executive management.

In the case of any specific problem being identified or being reported in the annual reports and accounts, the Internal Control department notifies the Audit Committee. Depending on the nature of the problem, the Internal Control department liaises with the relevant stakeholders through various mechanisms, as defined in the corporate governance manual and mandates of the various management committees. The results of the review performed and the recommendations are submitted to the Audit Committee and notified to the executive management and/or other stakeholders, as appropriate. The Audit Committee notifies the problems and/or the resolution to the Board, as determined on a case-by-case basis.

In the period 1 January 2017 to 31 December 2017 no significant design deficiencies or operating ineffectiveness, with a material impact on the annual financial statements, were reported to the Audit Committee and the Board, based on the internal control reviews completed.

#### 9. Violations

The Board of Directors confirms that there have been no material regulatory violations committed during the period 1 January 2017 to 31 December 2017, to the best of its knowledge.

#### 10. Contributions for Local Community Development and Environmental Protection

The Company confirms that no cash contributions were made during FY2017. The Company is committed to Corporate Social Responsibility (CSR) and to sustainability initiatives, thereby contributing to UAE’s development. In FY2017, the Company has undertaken the following initiatives:

### A. Support for 'Year of Giving'

In line with its commitment to support the Year of Giving initiative, the Company has sought to spread happiness to those less fortunate and is pleased to have partnered with societies such as the Emirates Thalassemia Society and Friends of Cancer Patients to provide their members with dedicated days at the Dubai Parks and Resorts theme parks through complimentary tickets.

The Company also participated in the Dubai Fitness Challenge launched by His Highness Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum, Crown Prince of Dubai, by hosting a 10km marathon titled the 'DPR Fun Run' on 11 November 2017 for employees and the general public. The winners of this fun run were provided with free Annual Passes to the theme parks and a stay at Lapita™ Hotel.

### B. Employee Welfare programmes

The Company believes in creating an inclusive environment for its employees and promoting a positive work culture. The flagship 'GEMBA' programme held various events held throughout the year to connect with the employees on a regular basis.

The cornerstone of the GEMBA programme aims to educate the over 80 nationalities employed about UAE culture and tradition, as well as improving their general well-being. During the year the Company observed and educated its employees on numerous events such as the UAE Flag Day, National Day, and Martyrs' Day, as well as spreading awareness and understanding about the holy month of Ramadan.

To further foster enhanced communication across the organisation, the Company has also hosted breakfast and coffee sessions with the CEO aimed at increasing transparency and providing a forum for employees to interact with senior management. Similarly, during the GEMBA Action Day the senior management team experienced theme park operations through training on key operational functions and completing a full day as a theme park employee.

Finally, to spread employee well-being, the Company encourages its employees to live active lives and participate in the Dubai Fitness Challenge.

### C. Health, Safety, and the Environment

The Company is committed to protecting the environment, and the health and safety of colleagues, visitors, and vendors. People and Safety are two of the corporate values that form the basis of the Company's Health Safety and Environment (HSE) management system, and its HSE Culture. The Company is committed to providing a safe and healthy workplace for colleagues, and to protect the environment by preventing pollution and minimising the environmental impact of operations.

The Company seeks to manage and operate its facilities to maximise safety, promote energy efficiency, and to protect the environment by meeting or exceeding all applicable environmental, health, and safety requirements as stated by the law. During the year ended 31 December 2017, we are happy to report that no major safety incidents took place in the operations of the Dubai Parks and Resorts destination.

The Company is also committed to protecting the natural environment in which it operates. To achieve this aim, an environmental management system has been developed to ensure that any activities which have an effect on the environment are controlled and aligned to local and federal legislation. To monitor our environmental performance, three key goals have been established:

- Reduce waste to landfill;
- Reduce electricity consumption; and
- Reduce water use.

Each of these environmental goals has supporting programmes which are tracked on a regular basis, and include activities such as a recycling scheme in all offices, a water use minimisation programme, etc. An extensive environmental programme has been rolled out to protect the surrounding environment,

including recycling to divert waste from landfills, efficient water management, and actively working to reduce office energy and water consumption.

There is also an onsite Treated Sewage Effluent (TSE) recycling plant at the destination that will provide the resort with about 30 percent of its TSE requirements. The Company will continue to set challenging targets and measure progress to ensure continuous improvement in our HSE performance. It will also continue to train and instruct employees to ensure they are aware of their responsibilities and have the knowledge and experience to carry them out. Key recycling statistics are highlighted below:

- Carton: 4,818kg;
- Paper: 26,490kg;
- Plastic: 797kg;
- Cans: 93kg.

## 11. General Information

### A. Emiratisation

As at 31 December 2017, DXBE employed 2,244 employees, of whom 159 are UAE nationals, comprising 7 percent of DXBE's staff. Close to 60 percent of the senior executive management team is composed of UAE nationals, including the CEO and deputy CEO.

UAE National Entity Wise	Total
DXBE Corporate	42
DXBE Retail and Hospitality	9
DXBE Theme Park	108
Total UAE Nationals	159
UAE National Percentage	7%

### B. Innovative projects and initiatives during 2017

The Company did not launch any innovation initiatives during 2017, however it remains committed to providing innovative smart park service to its guests, through an integrated mobile application. The Company has also subsequently launched an employee engagement programme targeting innovation across the Company, under the title Fikra.

C. Company's Share Price

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Closing Price	1.20	1.08	1.02	0.96	0.77	0.76	0.77	0.79	0.76	0.74	0.66	0.64
Highest Price	1.37	1.21	1.09	1.06	1.01	0.81	0.78	0.87	0.84	0.80	0.75	0.68
Lowest Price	1.12	1.05	0.98	0.93	0.73	0.74	0.73	0.76	0.75	0.73	0.61	0.62

D. Comparative Performance Statement

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
DXBE	1.20	1.08	1.02	0.96	0.77	0.76	0.77	0.79	0.76	0.74	0.66	0.64
% change	-4%	-10%	-6%	-6%	-20%	-1%	2%	2%	-3%	-3%	-11%	-4%
DFM	3,642.85	3,630.34	3,480.43	3,414.93	3,339.37	3,392.00	3,633.18	3,637.55	3,563.99	3,635.87	3,420.17	3,370.07
% change	-5%	0%	-4%	-2%	-2%	2%	7%	0%	-2%	2%	-6%	-1%
CSD	721.660	651.900	611.580	586.260	446.360	440.090	448.880	452.750	440.540	429.630	384.220	366.850
% change	-3%	-10%	-6%	-4%	-24%	-1%	2%	1%	-3%	-2%	-11%	-5%



E. Distribution of Shareholders' equity as at 31 December 2017

Shareholder classification	Number of shares owned			Total
	Individuals	Companies	Government	
Local	720,682,620	4,643,131,537	7,403,978	5,371,218,135
GCC	55,207,634	1,445,004,375	0	1,500,212,009
Foreign	368,048,111	729,283,744	28,950,671	1,126,282,526
Total	1,143,938,365	6,819,619,656	36,354,649	7,999,912,670

F. Shareholders owning 5% or more of the Company capital as at 31 December 2017

S/N	Name	Number of shares held	% of shares owned in the Company's capital
1	Meraas Leisure and Entertainment LLC and associated group	4,183,399,030	52.29%
2	Qatar Holding	878,314,541	10.98%
3	Kuwait Investment Authority	405,943,887	5.07%

## G. Shareholder distribution based on size of ownership as at 31 December 2017

S/N	Share ownership (shares)	Number of shareholders	Number of shares owned	% of shares owned in the capital
1	Less than 50,000	1,962	29,298,755	0.36%
2	From 50,000 to less than 500,000	1,488	255,266,284	3.19%
3	From 500,000 to less than 5,000,000	503	721,732,289	9.03%
4	More than 5,000,000	106	6,993,615,342	87.42%

## H. Investor Relations

The Company is committed to a transparent and timely communication policy with its shareholders and wider investment community, and has a dedicated Investor Relations department that reports to the Chief Financial Officer.

The Investor Relations department is responsible for handling all shareholder communication, ensuring timely disclosure of financial updates and material developments to the regulator, the market, and its shareholders. The department is also responsible for handling shareholder queries in a timely manner, and maintains the Investor Relations section of the Company website to ensure it is regularly updated to deliver timely and accurate disclosures.

During 2017, the Investor Relations department attended numerous regional and international investor conferences as well as hosting regular shareholder and analyst calls.

Investor Relations Officer details are as below:

Name: Marwa Gouda  
Position: Head of Investor Relations  
Email: IR@dxbentertainments.com  
Phone: +971 4 820 0820

Website: [www.dxbentertainments.com/investor-relations](http://www.dxbentertainments.com/investor-relations)

## I. Special Resolutions

The Company held 2 General Assemblies during the financial year 2017. Below is a record of the special resolutions passed at each General Assembly and the measures taken to implement them.

### General Assembly – 18 April 2017

*1. A) Approved the launch of an Employee Share-Based Incentive Plan (ESOP) for employees through the issuance of new shares of the Company in accordance with the provisions of Article 226 of Federal Law No (2) of 2015 regarding Commercial Companies, and in accordance with the following basic terms and conditions:*

1. The maximum number of shares that can be issued for the purposes of implementing the programme: 155 million shares to be issued on specific allocation dates and after the approval of the Securities and Commodities Authority.
2. Total period of the programme: Two years (i.e. 1 May 2017 to 30 April 2019).
3. The value of shares issued to eligible employees: at par.
4. Functional grades eligible: Grades U-6.

*B) Authorised the Board of Directors to take all executive measures and adopt the necessary conditions for the implementation of the programme in light of the rules issued by the Securities and Commodities Authority, to regulate the terms and conditions of Employee Share Option Plans in public shareholding companies.*

The Company sought approval to implement an Employee Share-Based Incentive Plan for its employees, and received shareholder approval to do so under the condition that it would be implemented under the newly issued Securities and Commodities Authority rules regulating ESOP programmes. After careful consideration, the Board of Directors of the Company decided that an

ESOP programme could not be implemented as intended in the current financial year and instead recommended that it should be proposed to the shareholders to cancel the programme at the coming General Assembly.

*2. Approved to amend Article 18 of the Articles of Association of the Company, to increase the number of Board members to 9.*

Following the approval to increase the Board members from 7 to 9 members, the General Assembly elected for the remaining term of the board: Mr Christian Georghe as a Non-Executive member and Mr Fayez Al Boainin as a Non-Executive member of the Board of Directors for the additional seats created, in accordance with the amended Articles of Association stipulating that the Board of Directors shall consist of 9 members.

### General Assembly – 28 November 2017

*1. Approved to cancel the Employee Share-Based Incentive Plan (ESOP) as approved by the General Assembly on 18 April 2017.*

Following the recommendation of the Board of Directors to cancel the Employee Share-Based Incentive Plan, which was approved at the General Assembly held on 18 April 2017, the shareholders approved its cancellation. The Company does not have an ESOP in place and will continue to assess future ESOP plans as appropriate.

*2. Approved to amend the Company's Articles of Association as per the following:*

- a. According to the suggested amendments published on the Dubai Financial Market and Company's website;
- b. Reduce the number of board members from (9) to (7) members.

The Company's Articles of Association have been amended as per the approval received at the General Assembly, and the updated Articles of Association have been published in the Official Gazette on 31 January 2018. Furthermore, at the General Assembly held on 28 November 2017, the Company's Board of Directors was reconstituted for a new 3-year term and is composed of 7 members as approved by the shareholders.

#### J. Material Events

Following the Grand Opening of Dubai Parks and Resorts celebrated on 18 December 2016, during the financial year 2017 DXB Entertainments focused on restructuring the organisation from a project delivery focus to an operational and consumer focus. During the year the last remaining rides and attractions were delivered to the public in a staggered manner, leading to a fully operational destination in the fourth quarter of 2017, when The Hunger Games attractions within the Lionsgate zone at MOTIONGATE™ Dubai were officially unveiled to the public, on 20 October 2017.

#### January

*Opening of LEGOLAND® Water Park and the Lapita™ Hotel*

The LEGOLAND® Water Park and the Lapita™ Hotel officially opened to the public on 2 January 2017, completing the staggered opening of the Dubai Parks and Resorts destination, which started on 31 October 2016 with the opening of the LEGOLAND® Dubai theme park.

#### February

*Announced the addition of a LEGOLAND® Hotel*

DXB Entertainments announced that it had reached an agreement with the Merlin Entertainments Group to open a 250-room LEGOLAND® Hotel adjacent to the LEGOLAND® Dubai theme park. The agreement is a 60:40 joint venture with Merlin Entertainments and will be built on a 300,000 sq ft area of land that has been earmarked for LEGOLAND® expansion. The construction is expected to take approximately 2 years, and the funding has been provided in part from additional capital raised during the Rights Issue in 2016.

#### April

*All rides and attractions within the DreamWorks zone at MOTIONGATE™ Dubai are delivered*

With the 'How to Train Your Dragon' land opening in the DreamWorks zone at MOTIONGATE™ Dubai, all rides and attractions in the fully air-conditioned zone are now open to the public.

*Shareholders approve increasing the Board of Directors from 7 to 9 members*

Mr Christian Georghe and Mr Fayez Al Boainin were elected as Non-Executive members of the Board of Directors for the additional seats created.

#### May

*The appointment of Mr Mohamed Almulla as the new CEO*

The Company announced on 31 May that, following the resignation of Mr Raed Kajoor Al Nuaimi as the Chief Executive Officer, the Chairman of DXB Entertainments, His Excellency Abdulla Al Habbai, had appointed Mr Mohamed Almulla as the new Chief Executive Officer, effective immediately. Mr Raed Kajoor Al Nuaimi remained as a non-executive member of the Board of Directors.

#### June

*DXB Entertainments announces a new management structure and appointments*

On 14 June 2017, the Company announced the appointment of Mr John Ireland as the new Chief Financial Officer and Mr Ahmed AlRayyes as the Chief Corporate Support Officer.

#### July

*Resignation of a member of the Board of Directors*

On 26 July 2017, the Company announced that Mr Fayez Al-Boainin had resigned from the Board of Directors.

#### August

*DXB Entertainments to manage select Meraas Leisure and Entertainment assets such as Hub Zero, Mattel Play Town, and Roxy Cinemas*

The Company announced that it had entered into a management agreement with its majority shareholder, Meraas, to manage a select portfolio of leisure and entertainment assets owned by Meraas. This portfolio includes Hub Zero, Mattel Play Town, Green Planet, The Splash Pad, and Roxy Cinemas.

*Restructuring of business functions and appointment of new management team*

In August, the Company announced a new organisational structure consisting of three new divisions that were created to enhance the management of DXB Entertainments' assets. The new divisions consist of Theme Parks, Family Entertainment Centres, and Retail & Hospitality. Mr Ahmad Hussain was appointed General Manager of Theme Parks, and Ahmed AlRayyes General Manager of Retail & Hospitality.

*Launch of new Annual Pass price*

As part of its new pricing strategy, Dubai Parks and Resorts announced a new Annual Pass price structure starting at AED 275 per person per park for a one-year membership, and AED 525 per person for all parks.

## September

### *DXB Entertainments agrees Subordinated Shareholder Loan with Meraas*

DXB Entertainments announced that it had reached an agreement with its majority shareholder, Meraas, for a subordinated loan. The AED 245 million loan will take the form of an interest-bearing unsecured subordinated shareholder loan with no fixed maturity. The loan will be used to fund operational expenses and debt repayments, and will be drawn down immediately.

## October

### *Dubai Parks and Resorts becomes fully operational*

With the official unveiling of The Hunger Games attractions in the Lionsgate zone at MOTIONGATE™ Dubai on 20 October, Dubai Parks and Resorts became fully operational with all of its over 100 rides and attractions delivered to the public.

### *Paul Parker appointed as General Manager, Family Entertainment Centres*

DXBE concluded its organisational restructuring, and hired Paul Parker as General Manager of the newly created Family Entertainment Centres division.

### *LEGOLAND® Water Park and Lapita™ Hotel win industry awards*

Dubai Parks and Resorts received industry awards at the Time Out Dubai Kids Awards 2017: LEGOLAND® Water Park won the award for Best Water Park, and Lapita™ Hotel won the award for the Best Family Hotel.

### *New winter season and GCC resident rate announced for Dubai Parks and Resorts*

Dubai Parks and Resorts announced a GCC resident rate and a revised international visitor rate as part of its new pricing strategy. The GCC resident rate for a one-day ticket is AED 165 for MOTIONGATE™ Dubai, LEGOLAND® Water Park, and LEGOLAND® Dubai; and AED 95 for Bollywood Parks™ Dubai. The international visitor rate is AED 235 for each park except Bollywood Parks™ Dubai, which is priced at AED 175.

## November

### *Shareholders approve an AED 700 million subordinated shareholder loan*

At the General Assembly held on 28 November 2017, the shareholders approved entering into a related party transaction with the Company's majority shareholder Meraas, to draw down AED 455 million under its existing subordinated loan facility from Meraas, taking total funding approved to AED 700 million.

## December

### *Receives support on its obligations towards financial testing*

The Company was granted a waiver in relation to financial testing on its AED 4.2 billion Phase 1 debt facility, which was due at the end of 2017.



### **H.E. Abdulla Al Habbai**

Chairman of the Board of Directors,

DXB Entertainments PJSC  
Date: 25 March 2018