

Board of Directors

2021 Report

Respected Shareholders of Emaar The Economic City – may the peace and blessing of Allah be upon you.

The Board of Directors of Emaar The Economic City is pleased to present the Board's annual report for the financial year ending December 31, 2021. This report reviews the performance of the Company during the past year, in addition to the financial statements and auditor's report for the period. The report also contains of the Company's governance mechanisms and disclosures related to the Board of Directors, its committees, senior executives, contracts and transactions with related parties.

Overview of Emaar and its Activities:

Emaar The Economic City is a Saudi public Joint Stock Company, established by Ministerial Decision No 2533 issued on September 26, 2006 and listed on the Saudi Stock Exchange on October 7, 2006. The Company's registered capital is SR 11,333,333,340, distributed over 1,333,333,334 shares, each with a nominal value of SR10. The Company offered 30% of its total shares for public subscription and registered a record number of subscribers, exceeding 10 million. The Company is active in the development of land and property in specialized economic zones or other areas, including the development of infrastructure; promoting, marketing and selling of land for development by other parties; renting and development of buildings and housing units; construction of property on lands for others and the development of economic zones, maritime ports, and any other activities necessary to achieve its objectives.

The Company is involved in the development of King Abdullah Economic City (KAEC), one of the world's largest private sector economic projects located 90km north of Jeddah on the Red Sea coast. KAEC development is under the regulation and supervision of the Economic Cities and Special Zones Authority" (ECZA).

The most important achievements during the year 2021:

In the first years of its establishment, the company was able to lay solid economic foundations represented in the infrastructure, King Abdullah Port (KAP) and the Industrial Valley, attract companies and residents and provide them with appropriate services and amenities. In the early years, the company was also able to develop a business and financial model for the development of the economic city, strengthening the company's resource base and developing sources of income. In recent years, the company has also been able to prove its role as one of the projects contributing to the economic and societal goals of Vision 2030, offering a modern lifestyle and a home for industrial projects supporting economic development and diversification. Located at KAEC, King Abdullah Port also continued to strengthen its reputation as a leading provider of comprehensive logistics solutions and a reliable partner of the Kingdom's private and public sectors along the Red Sea Coast.

Emaar The Economic City continues to move forward with the development of King Abdullah Economic City according to a strategic plan based on the following key drivers and catalysts:

1. Continuing the construction and development of KAP and the Industrial Valley, as they are key attractors of industrial investment in the economic city and the main catalysts of population growth in the city;
2. Continuing to work to attract companies, factories and commercial establishments to the city, which in turn leads to create new jobs, a growing population and stimulating the demand for real estate products and services;
3. Providing a variety of residential products suitable for various segments of society and different income groups - including those with medium and limited incomes - through direct development by the company, 3rd party developers or other real estate investors;

4. Developing leisure and tourism in the economic city in line with the needs of different groups in the Kingdom, with the aim of increasing revenues and operating profits, and increasing the number of visitors to KAEC, which could contribute to rising demand for various residential products including second homes for affluent Saudis;
5. Incubating and organizing international and local events, including government cultural, educational and entertainment events and private sector forums, which enrich the cultural and societal fabric of the city and increase the volume of demand for its various offerings, products and services, including hospitality. Leisure and tourism offerings are largely concentrated in the Bay La Sun district of the city, although certain assets and events were organized in other parts of the city;
6. Attracting entrepreneurs and SMEs, and supporting them to grow, which would stimulate economic growth in the city and increase the number of residents and visitors as well as support the ecosystem of city services and amenities;
7. Developing various plans and strategies for expansion of social infrastructure such as education and health, and attract specialized investors to develop these sectors;
8. Maximizing the benefits of the city's geographical location between Makkah Al-Mukarramah and Al-Madinah Al-Munawwarah, which are all linked by the Haramain Train, as well as the significant catchment area of cities and towns including Jeddah;
9. Diversifying the real estate products offered by the company through land and built up property sales and leases, with the aim of accelerating economic growth and development in the city and providing a sustainable source of income needed for the ongoing development of the city and its infrastructure;
10. Partnering with private and public sector entities for large scale projects that can transform and accelerate the construction and development of the Economic City;
11. Considering the best ways to manage and operate the Economic City and provide quality services to developers, investors, residents and visitors at competitive prices.

Other decisions and developments:

In 2021, the company restructured its executive team as it established the new direction as a "vision-ready platform" ready to host projects, events, and initiatives that contribute to the goals and implementation of Vision 2030. The company is keen to attract third party developers and investors to accelerate city development with suitable, market-driven projects in addition to commercializing and managing its own projects and operating assets (such as hotels and leisure assets).

The year 2021 witnessed several important developments in the company's evolution:

- A. Several announcements and changes by Emaar's Board of Directors that include new assignments and resignations as following:
 - Appointment of Mr. Ahmed Yousef Boshnak assigned as Managing Director of the company effective 12 January 2021 for a period of 6 months, extendable for a similar period;
 - Resignation of the Chief Executive Officer Mr. Ahmed Linjawi;
 - Resignation of the two members of the Audit Committee, Mr. Alaa Shakib AlJabri (External) and Mr. Abdullah Ibrahim Al-Howaish (a non-executive board member)
 - Appointment of Mr. Mazen Nasser Al-Sharfan (External) and Mr. Abdul Majeed Suliman Al-Dakheel (External) as new members of the Audit Committee until the end of the current term of the Committee on 04/23/2023
 - Resignation of Ahmed Thani Al Matrooshi, board member (Non-Executive)
 - Appointment of Hani Othman Baothman, as board member (Non-Executive)

- Appointment of a new Chief Executive Officer, Mr. Cyril Piaia on 05/07/2021
- Resignation of three members of the Board of Directors Mr. Falih Motasim Hajaj, Mr. Bader Hisham Ali Riza, and the Managing Director Mr. Ahmed Yousef Boshnak.
- Appointment of three members of the Board of Directors Mr. Assim Mohammed Alsuhaibani, Mr. Majed Mohammed Alsorour, Mr. Qusai Abdullah Al Fakhri.
- Appointments of Mr. Assim Alsuhaibani as the new Chairman of the Board and Mr. Jamal Bin Thaniah as the new Vice-Chairman of the Board; effective October 25, 2021 until the end of the current term of the Board on September 25, 2023.

- B. Emaar Economic City signed a framework cooperation agreement with the Tourism Development Fund, "FTG Development Company," Albilad Investment Company and "Ekofine Holding BV" to start the process for establishing a SAR1.8 billion private investment fund in accordance with the requirements of the Capital Market Authority.

The fund will be responsible to develop and operate a five-star comprehensive resort and hotel with a water park and luxury overwater villas under the brand of Rixos, one of the trademarks owned by Accor International.

The Rixos Emerald Shore project is largest tourist resort planned to be established in King Abdullah Economic City and is unique in the Kingdom of Saudi Arabia based on its size (total area of 275 thousand square meters and a direct 600 meters beachfront on the Red Sea) and close to the award-winning Royal Greens golf course located in King Abdullah Economic City.

The resort is expected to be one of the largest leisure tourism destinations in the Kingdom, as it is characterized by a variety of facilities and hotel units, including more than 500 rooms and 35 luxury hotel villas with direct views of the Red Sea with a distinctive and modern style. The project has various options for accommodation facilities, which creates an exceptional environment for tourism, entertainment, leisure and recreation. The resort also provides an integrated and world-class water park (the first of its kind in the Kingdom), beaches, clubs for children and gyms, in addition to more than 10 international restaurants and cafes, which in turn will provide a unique experience for its visitors.

The financial impact of the project is expected to be recognized after the establishment of the Fund and the signature of the relevant agreements.

- C. Emaar The Economic City (EEC) announced on 1 September 2020 that it had entered into a subscription agreement with the Public Investment Fund ("PIF"), the completion of which was subject to a number of conditions, including the novation of part of the Ministry of Finance ("MoF") loan to EEC, pursuant to the loan agreement entered into between the Company and MoF dated 23 May 2011, amended pursuant to the addendum agreement signed by the two parties on 4 June 2015, amounting to two billion eight hundred thirty-three million three hundred thirty-three thousand three hundred forty Saudi Riyals (SAR 2,833,333,340). This amount (the "Novation Amount") was agreed to be novated to PIF.

In reference to the transaction, the Company announced a novation agreement was executed on 20 March 2021 between PIF and MoF, and the Company's board of directors approved the novation agreement on 30 March 2021 in relation to the Novation from MoF to PIF.

On 27th, September 2021, both Emaar The Economic City and the Public Investment Fund announced the completion of the transaction, by which PIF became an anchor shareholder in EEC acquiring a 25% stake, following the issuing of new shares in debt conversion.

PIF's strategic investment in EEC will further leverage synergies between EEC and PIF which strengthens KAEC's position and role as an integrated platform and leading destination for tourism & entertainment, social & cultural events, housing, and investment. As well as an important enabler of socio-economic development in Saudi Arabia.

Future Expectations:

With a new CEO, restructured management team, and the Board of Directors in place, in 2021 the company began to pursue and implement a number of measures and strategies expected to accelerate a turnaround in its business performance and improve its long-term strategic positioning and future prospects.

In particular, the company intends to focus its efforts on a few key strategic themes to improve its performance and ensure the long-term growth, development and sustainability of the economic city. These key strategic themes include, among others:

- Strengthening the city's positioning as a destination for industrial, leisure and tourism projects, capitalizing on the city's strategic location, quality infrastructure and pristine coastline as well as strong foundations in these sectors established since 2005;
- From a spatial perspective, focusing on the Industrial Valley and Bay La Sun districts for construction and development in the coming years;
- Improving performance based on growing sales of land, leases, built up residential properties and investment projects;
- Improving performance of 20+ company-operated assets, including hospitality, leisure, retail, and education assets as well as completion and activation of partially completed projects due to improving economic fundamentals expected in the post-COVID environment;
- Improving the satisfaction of residents, investors and visitors to KAEC by continuously improving service quality and meeting market requirements and expectations;
- Hosting cultural and sporting events to grow visitor traffic in the post-pandemic period;
- Developing partnerships with public and private entities committed to achieving Vision 2030 objectives and executing projects, and becoming an integral contributor to the Vision 2030 ecosystem as a "vision-ready platform" that has built infrastructure and active development on the ground, and is thus ready to host more projects and initiatives in the city, including industrial, commercial, real estate and tourism projects;
- Strengthening the city's physical and economic integration with major feeder markets and catchment areas in the Western Region, along the Madinah-Jeddah-Makkah corridor;
- Welcoming and/or partnering with a growing number of third-party investors and real estate developers to conceptualize and execute projects in the city that fit the city's vision, strategy and market opportunities
- Strengthening the company's capabilities by continuously attracting and developing professional talent
- Strengthening the company's resource base based on improving commercial performance and enhancing profitability.

Given the dynamic environment of the Kingdom and its vibrant economy, the company is addressing a number of attractive opportunities and catalysts in 2022 and beyond. These opportunities, pursued by the company and its strategic partners, are expected to improve the company's economic prospects and business performance in the future.

A summary in a form of table or graph showing the company's assets, liabilities and results of the last five fiscal year or since the incorporation date, whichever is shorter

A. Summary of the company's results for the years 2017 to 2021:

Description	2017 Thousand SR	2018 Thousand SR	2019 Thousand SR (Restated)	2020 Thousand SR	2021 Thousand SR
Revenues	1,437,976	1,008,234	946,807	547,287	372,079
Revenue cost	(621,933)	(669,827)	(644,819)	(866,316)	(482,347)
Gross profit	816,043	338,407	301,988	(319,029)	(110,268)
Marketing, general and Administrative expenses	(522,565)	(594,118)	(640,024)	(724,610)	(580,105)
Commission realized from bank deposits and Murabaha based deposits	15,953	7,737	791	2536	558
Financial charges, net	(54,889)	(59,653)	(268,736)	(315,568)	(243,163)
Share of results of equity accounted investee	31,462	26,130	7,983	48,065	45,839
Other income	102,858	209,909	109,607	115,242	90,701
Zakat	(138,038)	(66,000)	(45,000)	(55,000)	(31,000)
Net (profit/loss) prior to non- controlling equity	250,824	(137,588)	(533,391)	(1,248,364)	(827,438)
Other Comprehensive income / (loss)	(28,103)	7,927	(13,811)	(10,618)	48,881
Total Comprehensive income / (loss) for the year	222,721	(129,661)	(547,202)	(1,258,982)	(778,557)
non-controlling increase share	(9,799)	(2,503)	0	0	0
Net income due to equity holders of the parent company	212,922	(127,158)	(547,202)	(1,258,982)	(778,557)
Earnings/(loss) per share (SAR)	0.28	(0.16)	(0.63)	(1.47)	(0.73)

B. Summary of the company's assets and liabilities for the years 2017 to 2021:

Description	2017 Thousand SR	2018 Thousand SR (Restated)	2019 Thousand SR (Restated)	2020 Thousand SR	2021 Thousand SR
Current assets	3,183,752	2,275,922	2,202,256	1,528,586	1,366,520
Non-Current Assets	14,185,925	14,837,802	15,131,702	14,788,076	14,204,854
Total assets	17,369,677	17,113,724	17,333,958	16,316,662	15,571,374
Current liabilities	1,871,088	2,252,406	3,383,835	4,759,089	5,148,047
Non-Current Liabilities	7,491,469	7,211,252	6,847,868	5,714,300	2,544,056
shareholders' equity	8,007,120	7,650,066	7,102,255	5,843,273	7,879,271
Total liabilities and shareholders' equity	17,369,677	17,113,724	17,333,958	16,316,662	15,571,374

Geographical analysis of the company's and its affiliates' revenues

Geographical Location	Revenue (in thousands)
King Abdulla Economic City	372,079
Total Revenue	372,079

Any material differences in the operational results compared to the preceding year's results, along with any expectations announced by the company

Description	2020 Thousand SR	2021 Thousand SR	Changes Thousand SR	% of change
Revenue	547,287	372,079	-175,208	-32%
Revenue cost	(866,316)	(482,347)	383,969	44%
Total operating	(319,029)	(110,268)	208,761	65%
profit	(724,610)	(580,105)	144,505	20%
Marketing general and Administrative	(1,043,639)	(690,373)	353,266	34%

Information on any loans (payable upon request or not), a statement of the total indebtedness of the company and its affiliates, any amounts paid by the company in repayments of loans during the year, the amount of the principal debts, the creditor name, the loan term and remaining amount. In case there is no debts, a declaration thereof shall be presented

During 2019, the Company has availed SR 150 million from an existing short-term facility of SR 300 million to finance the working capital requirements. The subject loan facility carries commission at prevailing commercial rates and is secured by the order note of SR 1,642.5 million. The outstanding balance of the working capital and DC facility, as at 31 December 2021, amounted to SR 150 million (31 December 2020: SR 150 million) and SR 48.7 million (31 December 2020: SR 66 million), respectively.

During 2015, the Company signed an Islamic facility agreement with a commercial bank for SR 1,000 million that carries commission at commercial rates. The outstanding balance of the long-term loan, as at 31 December 2021, amounted to SR 528.7 million (31 December 2020: SR 437.5 million). As per the initial terms of the agreement, the loan was repayable in eight bi-annual instalments from 20 October 2019 to 20 April 2023. However, on 29 June, 2021, the Company has signed a revised facility agreement wherein the bank has restructured the existing facilities which consist of long-term and short-term loan, amounting to SAR 437.5 million and SAR 100 million respectively into a long-term loan, amounting to SAR 537.5 million. The outstanding loan balance will be repayable in fourteen bi-annual instalments from 30 April 2023 to 30 April 2029. As per the terms of revised agreement, the Company had classified its outstanding short-term loans amounting to SR 91 million to long-term loans. The loan is secured against part of KAEC's greenfield land, held by the Company, for 150%. The subject loan is further secured by an order note of SR 587.5 million.

During 2014 and 2015, the Company signed two facility agreements with a commercial bank for SR 1,000 million each, carrying commission at prevailing commercial rates. The outstanding balance of the subject loan facilities, as at 31 December 2021, amounted to SR 1,700 million (31 December 2020: SR 1,700 million). As per the terms of the agreements, the loan terms are door to door eight years with three years grace period starting from respective dates of the agreements. In order to comply with the Sharia principles, an additional facility of SR 250 million has been arranged by the bank linked to each of the facility, to permit the rollover (repayment and drawdown) so that the principal amount is available to the Company for the first three years of the loan. During the period ended 31 December 2020, the Company has signed

revised facility agreement with the commercial bank for the outstanding facility amounting to SR 1,700 million. Hence, the principal amount is now repayable after a grace period of 3 years from 2020 to 2022, in multiple unequal semi-annual instalments from 2023 to 2030. The loan facilities are secured against part of KAEC's greenfield land for a total required value of 150% of the outstanding loan. Moreover, the subject loan facilities are further secured by order note of SR 1,700 million.

During 2018, the Company has availed a short-term facility from a commercial bank, amounting to SR 250 million, carrying commission at prevailing commercial rates, to finance the working capital requirements. During the year ended 31 December 2020, the Group has signed a revised facility letter agreement for working capital facility amounting to SR 170 million and a Documentary Credit ("DC") facility of SR 20 million. As per the facility letter agreement the working capital facility has been restructured to a medium-term loan, and after payment of SR 21.25 million in February 2021, the remaining outstanding of SR 148.75 million is to be repaid in 8 equal semi-annual instalments over 4 years starting from 26 August 2021. The outstanding balance, as at 31 December 2021, amounted to SR 131.4 million (31 December 2020: SR 170 million short-term loans). The loan facilities are secured against part of KAEC's greenfield land. Moreover, the subject loan facilities are further secured by order note of SR 209 million.

Description of any transaction between the company and any Related Party

Related party	Nature of transactions	Amounts of Transactions		Balance as at	
		2021 SR' 000	2020 SR' 000	31 December 2021 SR' 000	31 December 2020 SR' 000
Amounts due from related parties					
Other related parties	Lease rentals, utilities, service charges and other	172	2,354	206	721
	Sale of properties	-	14,181	-	3,089
Joint Venture	Lease rentals and utilities charges	-	10,850	3,269	11,653
Key management personnel	Sale of properties, utilities and service charges	204	-	88	261
	Lease rentals	-	414	-	344
Board of directors	Lease rentals	-	316	-	-
Total				3,563	16,068
Amounts due to related parties					
Other related parties	Services provided to the Group	3,449	3,145	(3,031)	(3)
Other related parties with significant influence	Expenses incurred on behalf of the Group	-	11	-	(455)
Key management personnel	Remuneration	18,995	9,973	(12)	-
Board of directors	Remuneration and meeting fees	5,000	4,100	(5,000)	(4,100)
	Remuneration	2,798	-	-	-
Total				(8,043)	(4,558)

Statement of the value of any paid and outstanding statutory payment on account of any zakat, taxes, fees or any other charges that have not been paid until the end of the annual financial period with a brief description and the reasons therefor

Description	2021	
	Paid	Due
Zakat	78,770,931	-
Tax	15,639,682	460,102
GOSI	14,878,506	-
Government charges (visas, exits and re-entry, work permits)	1,418,273	1,150

Details of the activities of the Company and its subsidiaries and their contribution to the results of Emaar the Economic City

• Segments related Revenue and Profitability

	<i>Residential business SR'000</i>	<i>Industrial development SR'000</i>	<i>Hospitality and leisure SR'000</i>	<i>Others SR'000</i>	<i>Adjustments and eliminations SR'000</i>	<i>Total SR'000</i>
<i>For the year ended:</i>						
31 December 2021						
Revenue	84,121	93,056	120,172	74,730	-	372,079
External customers						
Inter-segment	26,251	1,632	35,904	61,198	(124,985)	-
	110,372	94,688	156,076	135,928	(124,985)	372,079
Results						
Cost of inventories and services recognised as an expense	(143,452)	(31,641)	(42,902)	(142,752)	74,995	(285,752)
Impairment loss	(26,523)	(12,802)	(1,140)	(21,494)	-	(61,959)
Financial charges	(199)	-	(4,216)	(238,748)	-	(243,163)
Murabaha deposit income	-	-	-	558	-	558
Depreciation	(43,495)	(23,486)	(76,916)	(158,471)	-	(302,368)
Amortisation	(571)	-	(21)	(7,431)	-	(8,023)
Share of results of equity accounted investee	-	-	-	45,839	-	45,839
Other income / (expenses)	(66,991)	(18,725)	(54,963)	(203,970)	-	(344,649)
Loss before Zakat						(827,438)

Name of each affiliate company, its capital, the company's ownership percentage, the main scope of business, country of operation and country of incorporation.

Company	Capital	The company's ownership percentage	Main scope of business	Country of operation and country of incorporation
Economic City Real Estate Operation and Management Co. Ltd.	SAR 500,000	EEC 2%	Hotels, Hotel Apartments, Tourism, Accommodation Facilities Management, Restaurants with service, Inland water transport for the purpose of excursion tourism, Permanent movie theater operation, operating fixed cinemas, Operation of recreational event facilities, Organizing entertainment events, Operation of exhibition and conference centers and facilities, Men's gyms and sport canterers, Women's gyms and sport centers.	Kingdom of Saudi Arabia
Economic City Pioneer Real Estate Management Company Ltd.	SAR 500,000	EEC 2%	Purchase and sell land and real estate and divide and sales activities on the map, Operation of exhibition and conference centers and facilities, Men's and Women's gyms and sports centers, Management and rental of property owned or leased (non-residential), Management and rental of property owned or leased (residential), Restaurants with service.	Kingdom of Saudi Arabia
Economic City Real Estate Development Co. Ltd.	SAR 500,000	EEC 2%	Purchase and sell land and real estate and divide and sales activities on the map, Operation of exhibition and conference centers and facilities, Men's and Women's gyms and sports centers, Management and rental of property owned or leased (non-residential), Management and rental of property owned or leased (residential), Restaurants with service. Organizing weddings and special events.	Kingdom of Saudi Arabia
Industrial Zones Development Co. Ltd	SAR 500,000	EEC 2%	Renovations of residential and non-residential buildings, Workers' housing, Buying and selling land and real estate and dividing it and selling activities on the map, Construction of prefabricated buildings on site, Management and rental of property owned or leased (non-residential), Management and rental of property owned or leased (residential)	Kingdom of Saudi Arabia
Economic City Investment Co. Ltd.	SAR 500,000	EEC 100%	Buying and selling land and real estate and dividing it and selling activities on the map, Management and rental of properties owned or leased (non-residential), Management and rental of property owned or leased (residential), Activities of brokers agents (semantic offices), Real estate management activities for commission	Kingdom of Saudi Arabia

Company	Capital	The company's ownership percentage	Main scope of business	Country of operation and country of incorporation
Emaar Knowledge Co. Ltd.	SAR 10,000,000	EEC 96%	Establishing, managing and operating a community college specialized in awarding bachelor's and master's degrees in business administration in King Abdullah Economic City, college buildings, institutes, centers, student and teacher accommodation, schools and sports fields.	Kingdom of Saudi Arabia

The Company's Policy in Distributing Dividends:

According to the company's Bylaws, the distribution of the company's profits is as follows:

- 10% of the net profits shall be set aside towards the formation of the Company's statutory reserve. The Annual General Meeting may stop this when the stated reserve reaches 30% of the paid capital.
- The Annual General Meeting, based on the proposal of the Board, may set aside a percentage not exceeding 10% of net profits towards the formation of agreed-on reserve allocated to specific purpose(s).
- The Annual General Meeting can decide on the formation of other reserves in the amount that achieves the Company's benefits or guarantees the distribution of the most possible stable profits to shareholders. The General Assembly can also deduct from the net profits certain amounts to establish social organizations for the Company's staff or to help what is already established of these organizations.
- The Annual General Meeting, based on the recommendation of the Board of Directors, can distribute from the remaining amount an amount not less than 5% of the Company's paid capital to the shareholders.
- Subject to the provisions stipulated in Article 23 of the Bylaws, an amount not exceeding 10% of the remaining amount shall be allocated as remuneration to the Board members, on the basis that this remuneration must be in balance with the number of meetings attended by the members.
- The Company can distribute transitional dividends to its shareholders semi-annually or quarterly after abiding by the requirements and regulatory instructions in this regard.

Composition of the Board and Classification of Members:

Member	Classification
Mr. Assim M. Al-Suhaibani	Chairman of the Board of Directors – Non-Executive
Mr. Jamal M. Bin Theniyah	Deputy Chairman of the Board - Non-Executive
Mr. Mohammed N. Hefni	Board Member - Non-Executive
Mr. Arif A. Al-Bastaki	Board Member - Independent
Mr. Osama O. Barayan	Board Member - Independent
Mr. Abdullah I. Al-Howash	Board Member - Non-Executive
Mr. Hani O. Baothman	Board Member - Non-Executive
Mr. Majed M. Al-Sorour	Board Member - Non-Executive
Mr. Qusai A. Al-Fakhri	Board Member - Independent

The names of the members of the board of directors who resigned during the year 2021 and the date on which the resignation was submitted and takes effect:

Name	Date of resignation	Effective date of resignation
Mr. Ahmed Y. Boshnak	September 26, 2021	September 26, 2021
Mr. Falih M. Hajjaj	September 26, 2021	September 26, 2021
Mr. Badr A. Reda	September 26, 2021	September 26, 2021
Mr. Ahmed Al-Matroushi	February 14, 2021	February 22, 2021

Names, qualifications, and experience of the Board and Committees members and Executive Management:

1. Names, qualification and experience of the board members as of 2021:

Mr. Assim M. Al-Suhaibani:

Current Jobs: Senior Director of Real Estate Projects Portfolio Department of Public Investment Fund.
Qualifications: MBA - Management in Oil and Gas Industries, Bachelors in Electrical Engineering.
Previous Jobs and Experiences: Chief Executive Officer of MASIC Logistics Company, Vice President & various assignments Schlumberger Company.

Mr. Jamal M. Bin Theniyah:

Current Jobs: Vice Chairman at Emaar Properties.
Qualifications: Bachelor in Public Administration.
Previous Jobs and Experiences: 18 years of experience in ports, international navigation, real estate, industrial and commercial development.

Mr. Mohammed N. Hefni:

Current Jobs: Chief Executive Office of KUN Investing Holding.
Qualifications: Master in Business Administration, Bachelors in Engineering Management.
Previous Jobs and Experiences: Finance consultant of Dallah AlBaraka, Senior Relationship Manager of Samba Financial Group.

Mr. Arif A. Albastaki:

Current Jobs: Chief Executive Officer of Amlak Finance PJSC.
Qualifications: Master in International Business, High Diploma in Banking & Finance.
Previous Jobs and Experiences: Head of Amanah of HSBC Bank Middle East, Head Commercial Banking of Dubai Islamic Bank, Relationship Manager of ABN AMRO Bank, Account Manager of National Bank of Fujairah.

Mr. Osama O. Barayan:

Current Jobs: Chief Investment Management of Dar Salih Company.
Qualifications: Master in Finance, Bachelor in Accounting.
Previous Jobs and Experiences: External Auditing, Internal Auditing, Compliance, Investments in general.

Mr. Abdullah I. Al-Howaish:

Current Jobs: Managing Director of Aseer Trading, Tourism and Manufacturing Co.

Qualifications: Bachelor in Economic.

Previous Jobs and Experiences: Experience extending for more than 38 years, where he held many leadership positions in a number of banks and companies, and membership of boards of directors and committees for local and international companies in various sectors (banks, banking, finance, investment, transport, trade and industry).

Mr. Hani O. Baothman:

Current Jobs: Chairman of the Board of SECDO Capital.

Qualifications: MBA, Bachelor in Mechanical Engineering.

Previous Jobs and Experiences: Managing Director & CEO of Sidra Capital, CEO of Aayan Arabia Holding, Private Equity Manager of SEDCO Holding, Investment officer in The Islamic Corporation for The Development of The Private Sector, Asset management officer of The Islamic Development Bank.

Mr. Majed M. Al-Sorour:

Current Jobs: CEO of the Saudi Golf Federation.

Qualifications: Master in Public Administration, Bachelor in Business Administration.

Previous Jobs and Experiences: Managing Director of Uptake Technologies, CEO of Amana Cooperative Insurance, Assistant General Manager in MEDGULF.

Mr. Qusai A. Al-Fakhri:

Current Jobs: CEO of Tourism Development Fund

Qualifications: Bachelor in Finance

Previous Jobs and Experiences: Advisor of the Minister of Tourism Investment in Ministry of Tourism, CEO of Alajjal Holding, Managing Director of Tiraz Arabia, Chief Investment Officer of Societe Generals, Head of Brokerage in Jadwa Investment, Deputy Chief for Capital Market of SHUAA, Senior Manager for Business Development Investment Department of Samba Group.

2. Names, qualification and experience of the Audit Committee:

Mr. Osama O. Barayan:

As per the above table under Board Members

Mr. Mazen Nasser Al-Sharfan:

Current Jobs: Director of internal audit at Nahdi Medical Company.

Qualifications: Master in professional accounting, bachelor in accounting, Insurance foundation certificate examination (IFCE), Master of business administration.

Previous Jobs and Experiences: Audit director at Economic Cities Authority – head of internal audit at Saudi Enaya Cooperative Insurance, audit manager at Saudi Economic & Development Company (SEDCO), senior audit Saudi Economic & Development Company (SEDCO), head of cost & management accounts at Cristal Global, Internal audit supervisor at Cristal Global Internal Auditor at Ernst & Young.

Mr. Abdulmajeed Sulaiman Al-Dakhil:

Current Jobs: Managing Partner of Riyadh office of ValuHub Business Valuation and Partners Co.

Qualifications: Bachelors in accounting, SOCPA -Member of Saudi Organization of Certified Public Accountants, Certified Public Accountants (CPA), Member of Licensee Committee of Saudi Arabia Business Valuation Appraisals (Taqeem), CFA level III candidate.

Previous Jobs and Experiences: more than 10 years of professional experience gained from Big 4 Consultancy Firm, Prestige Consultancy Firm KSA. a proved tracking record of tremendous assurance engagements in his career. expert in the Valuation Solution yielded from his special experience in the business valuation in different strategic industries such as Energy, Hospitality, Manufacturing, Healthcare, Construction Sectors to serve different valuation purposes such as business transactions, shareholders transactions, litigations and for financial reporting purposes such as impairment testing and Purchase Price Allocation. Throughout his professional experience in the valuation and assurance fields, he has supervised and led teams to perform services to publicly traded companies. Further, conducted many due diligence assignments for transactions and others purposes

3. Names, qualification and experience of the NRC Committee:

Mr. Arif A. Albastaki:

As per the above table under Board Members

Mr. Abdullah I. Al-Howaish:

As per the above table under Board Members

Mr. Mansour A. Al-Salem:

Current Jobs: Senior Vice President of Local Real Estate Investment at Public Investment Funds

Qualifications: MBA, Bachelor in Finance

Previous Jobs and Experiences: Head of Real Estate Development at Albilad Capital (ABIC), Head of private Investment Fund at Capital Market Authority (CMA), Mergers and Acquisitions Officer M&A Department at Aramco.

Mr. Tariq M. Al-Amoudi:

Current Jobs: Chief Human Resources Officer at Bupa Arabia.

Qualifications: MBA Strategy & HRM, Bachelor in Marketing.

Previous Jobs and Experiences: More than 10 years of human resources experience at Procter & Gamble, Consulting manager at KPMG, Marketing Executive, Tetrapak, Assistant Leader, Isaac Australia, Founding Partner of The Saudi Human Resources Club in partnership with R work, founder of Synergy Talent Search, consultant board member at Dar al-Hikma University.

4. Names, qualification and experience of the Executive Committee:

Mr. Mohammed N. Hefni:

As per the above table under Board Members

Mr. Arif A. Albastaki:

As per the above table under Board Members

Mr. Mansour A. Al-Salem:

As per the above table under NRC Committee Members

Mr. Marwan K. Al-Bouez:

Current Jobs: Senior Director and Head of Portfolio Department at Public Investment Fund.

Qualifications: Master in Finance Skills for Leaders, Bachelor in Mechanical Engineering, Executive Education in Strategic Persuasion, Executive Education in Negotiation and Competitive Decision Marketing, Executive Education in High Performance People Skills for Leaders

Previous Jobs and Experiences: Head of Real Estate Investments - Senior Director at MASIC, Fund Manager at SHUAA Capital, Co-Founder, Vice President and Senior Advisor at MEA Partners/Scas Inc, Senior Analyst at Merrill Lynch & Co, Analyst at Merrill Lynch, Industrial Engineer at Prima Industries SPA, Mechanical Engineer at MCC International.

5. Names, qualification and experience of the executive management:

Mr. Cyril R. Piaia:

Current Jobs: CEO Emaar The Economic City

Qualifications: Master Degree of Engineering from Ecole Centrale - Bachelor of Science from Lycee Thiers, Marseille – Several courses in Market Finance and Corporate Finance.

Previous Jobs and Experiences: Stratford and Russel, Associate Partner, Middle East and Eastern Europe - MB Group, Muscat, Chief Executive Officer, Musstir LLC - ORASCOM Development, Muscat, Chief Executive Officer, Muriya Tourism Development Company S.A.O.C - Arthur Andersen, Strategy and Corporate Finance, Senior Manager - Coopers and Lybrand Paris Office, Financial Auditor - Bokka no Sato, Production and Project Management Assistant - France Telecom, Toulon, Engineering Assistant

Ms. Arlida B. Ariff:

Current Jobs: Chief Development Officer

Qualifications: Masters in Civil Engineering, University of California - Bachelor in Civil Engineering, Syracuse University, New York.

Previous Jobs and Experiences: Chief Development Officer at Jabal Omar Development Company - Established Mampan Capital and Property Development and Management Company - Executive Director at KLCC Projects, the Project development arm of KLCC Holdings – worked as a leader at KLCC international venture.

Mr. Faris H. Alsawaf:

Current Jobs: Chief Commercial Officer

Qualifications: Bachelors in Management Information System.

Previous Jobs and Experiences – present partner and advisor at United Advisors - Founder and Managing Director at SAMA Industrial Manufacturing - Program Planning and Development Manager, PMO, The National Commercial Bank.

Mr. Yousef N. Alsayegh:

Current Jobs: Chief City Operations Officer

Qualifications: Bachelor of Science in Industrial Engineering Management from California Baptist University.

Previous Jobs and Experiences: Founder and owner of A&A Consultancy - Chief Executive Officer at Aliyat Properties Company - Advisor to HE the Mayor of Jeddah, Alsayegh and Associates Consultancy - Chief Operations Officer Prince Sultan Cultural Center Company - Saudi Aramco, Administrator Community Services.

Mr. Sajjad B. Chowdhry:

Current Jobs: Chief Asset Management Officer

Qualifications: Master of International Affairs from Colombia University - Master of Arts, Islamic Studies and Christian-Muslim Relations Hardtford Seminary - Bachelors of Arts in Biology – Finance certificate from Hofstra University.

Previous Jobs and Experiences: Strategy director at AWJ Holding Company - Independent Researcher at New York University - Interim Director at PARK51 – Vice President and then Senior Vice President at Capitas Group International - Head of Operations and Vice President at Zayan Companies, New York - Senior Associate Start Up Operations and Strategy at Dinarstandard.com - Associate Editor and co-founder at Gramercy Capital Corp. Senior Analyst, Standard and Poor's Structured Finance Ratings - Senior Research Assistant (Credit Card ABS Group) - Trivium Global LLC, Augmented Finance and Investment Advisor, Muallifoon, Academic Editing.

Mr. Ali M. Aljurbua:

Current Jobs: Chief Legal Officer

Qualifications: University of Westminster, London, United Kingdom, Qassim University, Bachelor Degree in Islamic Law

Previous Jobs and Experiences: Legal Advisor at Sadad Company Ltd - Legal Officer Commercial Judgements Cassation Department-Board of Grievances in Riyadh, Partner – Family Business, Private Company for import trading from China and providing resources for big projects.

Mr. Masood A. Razaq:

Current Jobs: Chief Strategy and Partnerships Officer

Qualifications: MBA, Awarded HBS Association of Germany\Booz-Allen & Hamilton Fellowship, University of Cambridge M.Phil with Honors in Development Studies (political economy), A.B magna cum laude in Government.

Previous Jobs and Experiences: Chief Strategy and corporate officer at Balubaid Group holding - DATACORE Technologies LLC, Partner, Verdacore FZE, managing Partner, Emirates NBD Bank PJSC, Managing Director, private equity, Microsoft Corporation, Group Manager, CSG, McKnisey & Company, INC., A.T. Kearney.

Dr. Ayman A. Hashem:

Current Jobs: Chief People & Culture Officer

Qualifications: PHD in Organizational Behavior, Industrial Operations Engineering, University of Michigan, Aeronautical and Astronautical Engineering, Stanford University, Masters of Science in Aeronautical Engineering, Civil Engineering, Stanford University, Master of Science in Civil Engineering, Civil Engineering, Stanford University, Bachelor of Science in Civil Engineering.

Previous Jobs and Experiences: Partner in LAMAS Management Strategy and Organizational Design, Strategy and Organizational Transformation, Advisor to the Minister on several ministerial projects with the Ministry of Labor, Organizational Transformation, Lead the Organizational Change and Restructuring project in the Jeddah Municipality – Several leadership in human resource management positions at Savola Group, Design Engineer at ETE.

Mr. Bakr A. Sindi:

Current Jobs: Chief Supply Chain Officer

Qualifications: Bachelor in Mining Engineering, King Abdulaziz University.

Previous Jobs and Experiences: Supply Chain and Industrial Ecology Director, Member of Excom, Alsafwa Cement Company, Supply Chain and Procurement Head, Jamjoom Vehicles and Equipment, Senior Procurement and Contracting Manager, Bank Al Jazira, Purchasing Deputy Manager, National Commercial Bank, Senior Buyer, Bin Laden Group for Operation and Maintenance, Mining Engineer at Yanbu Cement CO.

Mr. Fawaz M. Kilfaden:

Current Jobs: Chief Information and Smart City Officer

Qualifications: Bachelors of Science, Communications and Electronic Engineering, Kind Abdulaziz University, Edinburgh Business School, Heriot-Watt University, Management Course in Organizational Behaviors and Economics, INSEAD Executive Education Programme Certificate – Leading in a Transforming World.

Previous Jobs and Experiences: IT Director, Panda Retail Company - Regional IT Executive Director, Savola Foods, Arabia, Levant.

Mr. Tareq M. Khan:

Current Jobs: Chief Marketing Officer

Qualifications: Certified coach from Mars Venus Coaching, California, International Leadership Management, Dubai, Certified Chief Sustainability Officer, The Bullet Proof Manager, CRESTCOM, MBA in General Management, College of Business Administration, Management Associate, The National Commercial Bank, Future Leaders Program, Bachelors in Marketing, University of Petroleum and minerals.

Previous Jobs and Experiences: Chief Marketing Officer, The Saudi Investment Bank, Director, Corporate Communication and Sustainability, Savola Group, Commercial Director, EJADA United, Manpower sourcing and recruitment, Brand Manager, Goody, Jeddah – FMCG, Department Head of Marketing and Loyalty. Nahdi Medical Company, Value Management, Loyalty and Communication, The National Commercial Bank, Assistant Category Manager, Goody, Lead Promoter, UNILEVER, Dammam.

Mr. Ahmad A. Badawi:

Current Jobs: Chief Governance, Risk and Compliance

Qualifications: Certified CEO – The CEO Institute, CMA International Advanced Certificate in Anti Money Laundering at International Compliance Association, CMA International Advanced Certificate in Compliance at International Compliance Association, Bullet Proof Manager Certificate at Crestcom, General Securities Qualification (1&2) at Capital Market Authority, Bachelors of Science, Finance at King Fahad University of Petroleum and Minerals, Dhahran.

Previous Jobs and Experiences: Head of Compliance, AML, and Shariah Monitoring, SEDCO Capital, Internal Audit Manager, SEDCO Holding, Internal Auditor, Saudi Aramco Mobil Refinery Co. Ltd (Samref), Internal Auditor, The National Titanium Dioxide Co. Ltd. (CRISTAL).

■ Names of the Executive Management previous members during the year 2021:

Name	Position	Resignation Date
Mr. Ahmed I. Linjawy	CEO	April 11, 2021
Ms. Wafa S. Al-Hameedi	Chief Information and Smart City Officer	May 18, 2021
Mr. Karim S. Mourad	Chief Governance, Risk and Compliance officer	June 13, 2021
Mr. Shadi Ghamri	Chief Development officer	August 1, 2021
Dr. Hani T. Gharbawi	Chief Legal Officer	February 26, 2021
Mr. Eyad I. Abdulrahim	CFO	August 23, 2021

Names of the companies, whatever their legal forms are, inside and outside the Kingdom, which a Board member is a member of their current or previous board or manager in:

Mr. Assim M. Alsuhaibani:

Names of the companies in which the member of the Board of Directors is a director or manager of its current board of directors	Inside/Outside Kingdom	Legal entity (listed/unlisted/limited liability)	Names of the companies in which the member of the Board of Directors was a director or manager of its current board of directors	Inside/Outside Kingdom	Legal entity (listed/unlisted/limited liability)
Umm Al Qura Development & Construction	Inside the Kingdom	Closed Joint	NA		
Sela Company					
KAFD Development & Management Company					
Saudi Entertainment Ventures (SEVEN)					

Mr. Jamal M. Bin Theniyah:

Names of the companies in which the member of the Board of Directors is a director or manager of its current board of directors	Inside/Outside Kingdom	Legal entity (listed/unlisted/limited liability)	Names of the companies in which the member of the Board of Directors was a director or manager of its current board of directors	Inside/Outside Kingdom	Legal entity (listed/unlisted/limited liability)
Emaar Properties	Outside the kingdom	Listed	Dubai Ports World	Outside the kingdom	Government entity
Emaar Development					

Mr. Mohammed N. Hefni:

Names of the companies in which the member of the Board of Directors is a director or manager of its current board of directors	Inside/Outside Kingdom	Legal entity (listed/unlisted/limited liability)	Names of the companies in which the member of the Board of Directors was a director or manager of its current board of directors	Inside/Outside Kingdom	Legal entity (listed/unlisted/limited liability)
Emaar the Economic City	Inside the Kingdom	Listed	NA		
Defaf Logistics Company		Limited Liability			
Manakha Real State Development		Unlisted			
Samir Abbas Hospitals					
Ports Development Company - King Abdullah Port					

Mr. Arif A. Albastaki:

Names of the companies in which the member of the Board of Directors is a director or manager of its current board of directors	Inside/Outside Kingdom	Legal entity (listed/unlisted/limited liability)	Names of the companies in which the member of the Board of Directors was a director or manager of its current board of directors	Inside/Outside Kingdom	Legal entity (listed/unlisted/limited liability)
Aramex	Outside the kingdom	Listed	Emaar Properties	Outside the kingdom	Unlisted
Amlak Finance PJSC		Listed	TECOM Group		Limited Liability
Emaar Hospitality Group		Limited liability	Awqaf and Minors Affairs Foundation		Dubai Government
National Health Insurance Company -Daman		Unlisted	EFS Finance Services Company		Limited Liability
Al Salam Bank Algeria		Unlisted	Amlak Finance	Inside the kingdom	Listed
			Amlak International Finance		Listed

Mr. Osama O. Barayan:

Names of the companies in which the member of the Board of Directors is a director or manager of its current board of directors	Inside/Outside Kingdom	Legal entity (listed/unlisted/limited liability)	Names of the companies in which the member of the Board of Directors was a director or manager of its current board of directors	Inside/Outside Kingdom	Legal entity (listed/unlisted/limited liability)
Sariyah Medical	Inside the Kingdom	Limited Liability	Ports Development Company	Inside the Kingdom	Unlisted

Mr. Abdullah I. Al-Howaish:

Names of the companies in which the member of the Board of Directors is a director or manager of its current board of directors	Inside/Outside Kingdom	Legal entity (listed/unlisted/limited liability)	Names of the companies in which the member of the Board of Directors was a director or manager of its current board of directors	Inside/Outside Kingdom	Legal entity (listed/unlisted/limited liability)
Aseer Trading, Tourism, Agriculture, Real State and Contracting Company	Inside the Kingdom	Listed	ITQAN Capital	Inside the kingdom	Unlisted
Halwani Bros – Saudi Arabia		Listed	SABB Takaful		Unlisted
Halwani Bros – Egypt	Outside the Kingdom	Unlisted	Saudi Ground Services		Listed
SEDCO Capital Company	Inside the Kingdom	Unlisted	Riyadh Airports Company		Unlisted
Alessa Industries Company	Inside the Kingdom	Unlisted	Saudi Amad for Airport Services & Transport Support Co (SAAS)		Unlisted
Amlak International for Real State Financing		Listed	Standard Chartered Capital Saudi Arabia		Unlisted
Al Khozama Management Company		Unlisted	Fawaz Abdulaziz Alhokair Company		Listed
Al Rabie Saudi Foods Company		Limited Liability	SIMAH		Unlisted
	Ittefaq Steel Products Company		Unlisted		

Mr. Hani O. Baothman:

Names of the companies in which the member of the Board of Directors is a director or manager of its current board of directors	Inside/Outside Kingdom	Legal entity (listed/unlisted/limited liability)	Names of the companies in which the member of the Board of Directors was a director or manager of its current board of directors	Inside/Outside Kingdom	Legal entity (listed/unlisted/limited liability)
Jeddah Uptown Project	Inside Kingdom	Closed Joint	Sidra Capital	Inside the Kingdom	Closed Joint
Al Khozama Management Company		Closed Joint	Aayan Holdiong		
Sidra Capital		A company licensed by the Capital Market Authority			
Inox Capital		Licensed by the Swiss Financial Market Supervisory Authority			
Al Murjan International Holding Limited		A company licensed by the Dubai International Financial Center			

Mr. Majed M. Al-Sorour:

Names of the companies in which the member of the Board of Directors is a director or manager of its current board of directors	Inside/Outside Kingdom	Legal entity (listed/unlisted/limited liability)	Names of the companies in which the member of the Board of Directors was a director or manager of its current board of directors	Inside/Outside Kingdom	Legal entity (listed/unlisted/limited liability)
Saudi Golf Federation	Inside the Kingdom	Government entity	Al Nassr Football Club	Inside the Kingdom	Sport Entity
Golf Saudi		Limited Liability Company			
Liv Golf Investment		Sport Entity			
Newcastle Football Club	Outside the Kingdom	Sport Entity			
Arab Golf Federation		Government entity			

Mr. Qusai A. Al-Fakhri:

Names of the companies in which the member of the Board of Directors is a director or manager of its current board of directors	Inside/Outside Kingdom	Legal entity (listed/unlisted/limited liability)	Names of the companies in which the member of the Board of Directors was a director or manager of its current board of directors	Inside/Outside Kingdom	Legal entity (listed/unlisted/limited liability)
AlUla Development Company	Inside the Kingdom	Limited Liability	NA		
Palm (PIF Co)					

The number of Board meetings held during 2021, their dates and the attendance record of each meeting listing the names of the attendees:

The Board of Directors held eight (8) meetings during the year 2021, and the following table shows the attendance record for each meeting:

Name	12 Jan	10 Mar	30 Mar	5 May	5 July	8 Aug	18 Aug	25 Oct
Mr. Assim M. Al-suhaibani	N/A							✓
Mr. Jamal M. Bin Theniyah	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Mohammed N. Hefni	✗	✓	✓	✓	✓	✓	✓	✓
Mr. Arif A. Al-Bastaki	✓	✓	✗	✓	✓	✓	✓	✓
Mr. Abdullah I. Al-Howaish	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Osama O. Barayan	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Hani O. Baothman	✗	✓	✗	✓	✓	✓	✓	✓
Mr. Majed M. Al-Sorour	N/A							✓
Mr. Qusai A. Al-Fakhri	N/A							✓
Mr. Ahmed Matroushi	✓	N/A						
Mr. Ahmed Y. Boshnak	✓	✓	✓	✓	✓	✗	✓	N/A
Mr. Falih M. Hajjaj	✓	✓	✓	✓	✓	✓	✓	N/A
Mr. Badr H. Ali Reda	✓	✓	✓	✓	✓	✓	✓	N/A

✓: Attended the meeting

✗: Apologized

N/A: Wasn't a member

Remuneration of Board Members, its Committee's Members and Senior Executives

The Nominations and Remuneration Committee is responsible for recommending to the Board the remuneration of its members, committee's members and senior executives, in accordance with the approved policy, which considers the following:

- Be consistent with the Company's strategy and objectives;
- Provide remunerations with the aim of encouraging the Board members and Executive Management to achieve the success of the Company and its long-term development, by for example making the variable part of the remuneration linked to the long-term performance;
- Determine remuneration based on job level, duties and responsibilities, educational qualifications, practical experience, skills and level of performance;
- Be consistent with the magnitude, nature and level of risks faced by the Company;
- Take into consideration the practices of other companies in respect of the determination of remunerations, and avoid the disadvantages of such comparisons in leading to unjustifiable increases in remunerations and compensations;
- Attract talented professionals and retain and motivate them without exaggeration;
- Be prepared in coordination with the nomination committee in respect of new appointments;
- Take into consideration situations where remunerations should be suspended or reclaimed if it is determined that such remunerations were set based on inaccurate information provided by a member of the Board or the executive management, in order to prevent abuse of power to obtain unmerited remunerations; and
- Regulating the grant of Company's shares to the Board members and the Executive Management, whether newly issued or purchased by the Company.

a. Board of Directors Remuneration:

According to Article 21 of the Company's Articles of Association and Article 76 of the Company's bylaws, remuneration granted to the Board of Directors shall be an identified amount, attendance fees for meetings, in-kind benefits, or a percentage of net profits. Two or more of these may be combined, in line with the provisions of the Company's bylaws, corporate governance regulations, and the rules and regulations set by the Capital Market Authority in this regard:

- If the Board members' remuneration is a percentage of net profits, then according to Article 47 of the Company's bylaws and Article 76 of the companies' regulations, the remuneration of Board members must not exceed ten percent of the remaining net profits after deducting the approved reserves and distribution of dividends to shareholders in a percentage of not less than five percent of the paid-up capital.
- Differences in the remuneration of Board members are permitted, reflecting the experience of each member and his specialization, duties, responsibilities, independence, number of meetings attended, and other considerations.
- The remuneration of independent Board members must not be a percentage of profits achieved by the Company or based directly or indirectly on the Company's profitability.
- In all cases, the total remuneration or tangible benefits that a Board member receives must not exceed SR 500,000.00 annually.

b. The Board's Committees Remuneration:

The policy of each committee must include the remuneration of its members and the policy of remunerating executive management should include:

- Audit Committee:
 - An annual remuneration of (SAR75,000) for each member of the committee from within the board of Director and (SAR100,000) for each member from outside the Board of Director.
 - Attendance allowance for each Committee meeting of (SAR5,000) for each Committee member.
- Nomination and Remuneration Committee:
 - An Annual remuneration at (SAR75,000),
 - Attendance allowance for each Committee meeting of (SAR5,000) for each member.
- Executive Committee:
 - Annual remuneration for the committee members is in line with the approved policies of the company.

c. The Executive Management Remuneration:

The executive management policy includes the following:

- Basic salary.
- Allowances that include, for example but not limited to, housing, car, telephone and education for children.
- Insurance benefits, including medical, health, life, and accidents.
- Short-term incentive plans related to performance of the member and the Company, long-term incentive plans such as stock options, and other plans related to retention of staff.
- Other benefits that include, but are not limited to, annual leave, annual air tickets, and end of service indemnity.

A breakdown of the remuneration and compensation owned to the board members, committee members and executive management (all the sums mentioned are in Saudi Riyals).

1. Board Remuneration and Compensation as of 31 Dec 2021:

Senior Executives	Fixed remunerations							Variable remunerations						End-of-service award	Aggregate Amount	Expenses Allowance
	Specific amount	Allowance for attending Board meetings	Total Allowance for attending committee meetings committee	In-kind benefits	Remunerations for technical, managerial and consultative work	Remunerations of the chairman, Managing Director or Secretary, if a member	Total	Percentage of the profits	Periodic remunerations	Short-term incentive plans	Long-term incentive plans	Granted shares (insert the value)	Total			
First: Independent Directors																
Mr. Arif A. Al-Bastaki	288,767	N/A	75,000	N/A	N/A	N/A	363,767	N/A	N/A	N/A	N/A	N/A	N/A	N/A	363,767	N/A
Mr. Osama O. Barayan	350,000	N/A	70,000	N/A	N/A	N/A	420,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	420,000	N/A
Mr. Qusai A. Al-Fakhri	92,055	N/A	N/A	N/A	N/A	N/A	92,055	N/A	N/A	N/A	N/A	N/A	N/A	N/A	92,055	N/A
Mr. Falih M. Hajjaj ¹	257,945	N/A	10,000	N/A	N/A	N/A	267,945	N/A	N/A	N/A	N/A	N/A	N/A	N/A	267,945	N/A
Mr. Badr H. Ali Reda ¹	257,945	N/A	N/A	N/A	N/A	N/A	257,945	N/A	N/A	N/A	N/A	N/A	N/A	N/A	257,945	N/A
TOTAL	1,246,712		155,000				1,401,712								1,401,712	
Second: Non-Executive Directors																
Mr. Assim M. Al-Suhsibani	92,055	N/A	N/A	N/A	N/A	N/A	92,055	N/A	N/A	N/A	N/A	N/A	N/A	N/A	92,055	N/A
Mr. Jamal M. Bin Theniyah	350,000	N/A	N/A	N/A	N/A	N/A	350,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	350,000	N/A
Mr. Mohammed N. Hefni	274,589	N/A	90,000	N/A	N/A	N/A	364,589	N/A	N/A	N/A	N/A	N/A	N/A	N/A	364,589	N/A
Mr. Abdullah I. Al-Howaish	273,767	N/A	90,000	N/A	N/A	N/A	363,767	N/A	N/A	N/A	N/A	N/A	N/A	N/A	363,767	N/A
Mr. Hani O. Baothman	303,014	N/A	15,000	N/A	N/A	N/A	318,014	N/A	N/A	N/A	N/A	N/A	N/A	N/A	318,014	N/A
Mr. Majed M. Al-Sorour	92,055	N/A	N/A	N/A	N/A	N/A	92,055	N/A	N/A	N/A	N/A	N/A	N/A	N/A	92,055	N/A
Mr. Ahmed Matroushi ¹	46,986	N/A	N/A	N/A	N/A	N/A	46,986	N/A	N/A	N/A	N/A	N/A	N/A	N/A	46,986	N/A
TOTAL	1,432,466		195,000				1,627,466								1,627,466	
Third: Executive Directors																
Mr. Ahmed Y. Boshnak ¹⁺²	2,807,945	N/A	5,000	N/A	N/A	N/A	2,812,945	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2,812,945	N/A
TOTAL	2,807,945		5,000				2,812,945								2,812,945	

1: Membership ended.

1+2: The specified remuneration amount includes the remuneration for the membership of the Board of Directors in addition to the total monthly salary for the position of the managing director.

Important Note: The requirements of the Companies Law will be complied with, so that the total amount received by a member of the Board of Directors in terms of financial or in-kind rewards and benefits does not exceed five hundred thousand riyals annually.

2. Remunerations of the committees as of 31 Dec 2021:

Senior Executives	Fixed Remuneration (Except for the allowance for attending Committee meetings)	Allowance for attending Committee meetings	TOTAL
Executive Committee Members			
Mr. Mohammed N. Hefni ¹	75,000	60,000	135,000
Mr. Abdullah I. Al-Howaish ¹	61,233	55,000	116,233
Mr. Arif A. Al-Bastaki	75,000	50,000	125,000
Mr. Osama O. Barayan ¹	18,699	20,000	38,699
Mr. Hani O. Baothman ¹	42,534	15,000	57,534
Mr. Mansour A. Al-Salem*	13,767	5,000	18,767
Mr. Marwan K. Al-Bouez*	13,767	5,000	18,767
Audit Committee Members			
Mr. Osama O. Barayan	75,000	50,000	125,000
Mr. Mazen N. Al-Sharfan*	100,000	50,000	150,000
Mr. Abdul Majeed S. Aldakhil*	100,000	50,000	150,000
Nomination and Remuneration Committee Members			
Mr. Arif Al-Harmi Al-Bastaki	61,233	25,000	86,233
Mr. Abdullah I. Al-Howaish ¹	75,000	35,000	110,000
Mr. Ahmed Y. Boshnak ¹	2,466	5,000	7,466
Mr. Mohammed N. Hefni ¹	60,411	30,000	90,411
Mr. Falih M. Hajjaj ¹	8,014	10,000	18,014
Mr. Mansour A. Al-Salem*	12,123	0,000	12,123
Mr. Tariq Al-Amoudi*	12,123	0,000	12,123

* Member out of the board.

1: Membership ended during 2021.

3. Remunerations of the Senior Executives as of 31 Dec 2021:

Senior Executives	Fixed remunerations				Variable remunerations						End-of-service award	Total remunerations for Board executives, if any	Aggregate amount
	Salaries	Allowances	In-kind benefits	Total	Periodic remunerations	Profits	Short-term incentive plans	Long-term incentive plans	Granted shares (insert the value)	Total			
Chief Executive Officer ¹	4,343,333	627,667	182,591	5,153,591	-	-	-	-	-	-	3,192,000	-	8,345,591
Chief Financial Officer	1,215,250	425,338	63,203	1,703,791	1,564,700	-	-	-	-	1,564,700	233,238	-	3,501,729
Chief Strategy Officer	370,000	129,500	48,191	547,691	-	-	-	-	-	-	-	-	547,691
Chief Development Officer ²	1,537,201	538,020	201,975	2,277,196	-	-	-	-	-	-	2,420,660	-	4,697,856
Chief Operational Officer ³	885,805	310,032	157,509	1,353,346	-	-	-	-	-	-	-	-	1,353,346
TOTAL	8,351,589	2,030,556	653,469	11,035,615	1,564,700	-	-	-	-	1,564,700	5,845,898	-	18,446,213

(1) Remuneration for the position of CEO of the company included both the current and former CEO during the year 2021.

(2) Remuneration for the position of Chief City Development includes both the current and former Chief City Development during 2021.

(3) Remuneration for the position Chief City Operations included both current and former Chief City Operations during 2021.

A description of any interest of securities and contractual rights of subscription belonging to the members of the Board of Directors and their relatives in the company 's shares or debt instruments and any change in that interest or those rights during year 2021:

Name of the person to whom the interest, contractual papers, or subscription rights belong in ECC	2021/1/1	2021/12/31	Net change	Percentage
	Number of shares	Number of shares		
Mr. Assim M. Alsuhailani	---	---	---	---
Mr. Jamal M. Bin Theniyah	4,107	4,107	---	---
Mr. Mohammed N. Hefni:	---	---	---	---
Mr. Arif A. Albastaki:	1000	1000	---	---
Mr. Osama O. Barayan:	100	100	---	---
Mr. Abdullah I. Al-Howaish:	102	102	---	---
Mr. Hani O. Baothman:	---	---	---	---
Mr. Majed M. Al-Sorour:	---	---	---	---
Mr. Qusai A. Al-Fakhri:	---	---	---	---

Note: There is no interest or contractual securities or subscription rights of board members or their relatives in the debt instruments of the company or subsidiaries

A description of any interest of securities and contractual rights of subscription belonging to the members of the Executive Management and their relatives in the company 's shares or debt instruments and any change in that interest or those rights during year 2021:

Name of the person to whom the interest, contractual papers, or subscription rights belong in ECC	2021/1/1	2021/12/31	Net change	Relatives shares	Percentage of change
	Number of shares	Number of shares			
Mr. Cyril R. Piaia	---	---	---	---	---
Ms. Arlida B. Ariff	---	---	---	---	---
Mr. Faris H. Alsawaf	---	---	---	---	---
Mr. Yousef N. Alsayegh	---	---	---	---	---
Mr. Sajjad B. Chowdhry	---	---	---	---	---
Mr. Ali M. Aljurbua	---	---	---	---	---
Mr. Masood A. Razaq	---	---	---	---	---
Dr. Ayman A. Hashem	---	---	---	---	---
Mr. Bakr A. Sindi	---	---	---	128	---
Mr. Fawaz M. Kilfaden	---	---	15800	---	100%
Mr. Tareq M. Khan	---	---	---	---	---
Mr. Ahmad A. Badawi	---	---	---	---	---

Note: There is no interest or contractual securities or subscription rights of senior executives or their relatives in the debt instruments of the company or subsidiaries.

The list of dates of the General Assembly meetings held and the names of the Board member who attended the meetings in 2021:

Name	30 June 2021 AGM	26 September EGM
Mr. Assim M. Al-Suhaibani	N/A	N/A
Mr. Jamal M. Bin Theniyah	✓	✓
Mr. Mohammed N. Hefni	✓	✓
Mr. Arif A. Al-Bastaki	✓	✓
Mr. Abdullah I. Al-Howaish	✓	✓
Mr. Osama O. Barayan	✓	✓
Mr. Hani O. Baothman	✓	✓
Mr. Majed M. Al-Sorour	N/A	N/A
Mr. Qusai A. Al-Fakhri	N/A	N/A
Mr. Ahmed Matroushi	N/A	N/A
Mr. Ahmed Y. Boshnak	✓	✓
Mr. Falih M. Hajjaj	✓	✓
Mr. Badr H. Ali Reda	✓	✓

✓: Attended the meeting

N/A: Wasn't a member

A brief description of the competencies and duties of the committees, such as the audit committee, the nomination committee and the remuneration committee indicating their names, names of their chairmen, names of their members, the number of their respective meetings, dates of those meetings and the members' attendance details of each meeting;

Within the framework of corporate governance, the following committees are established by the Board of Directors: Nomination and Remuneration Committee, Executive Committee and Audit Committee.

1. Nomination and Remuneration Committee:

The Committee is responsible for studying topics related to it or which are transferred to it by the Board of Directors. It then raises its recommendations to the Board to take the necessary decisions, or takes the decisions itself, if the Board authorizes it to do so. The Committee focuses on:

a. Nomination:

- Propose clear policies and standards for membership of the Board of Directors and executive management.
- Recommend to the Board nominees for board membership and re-nominating them in accordance with the approved policies and standards, provided that such persons did not previously convicted for committing a breach of trust.
- Recommend to the Board nominees in the event of vacancies in its membership seats or any of the other Board Committees, to appoint new members when needed.
- Prepare a description of the capabilities and qualifications required for the membership to the Board of Directors and for assuming the executive management positions.
- Determine the time a member shall allocate for the activities of the Board of Directors.
- Review, on an annual basis, the necessary needs of the appropriate skills or expertise for the membership of the Board of Directors and executive management positions.
- Review the organizational structure of the Board of Directors and executive management and provide recommendations in respect of the changes which can be made.
- Review, on an annual basis, the independency status of the independent members and if there is a conflict of interests in case the member is a board member of another company.
- Set a job description for the executive, non-executive, and independent members and senior executives.
- Set the relevant procedures in case of a vacant position of a Board member or senior executive.
- Provide an appropriate level of training and familiarization to new board members about the company's tasks and achievements, in order to enable them to perform their work with the required efficiency.
- Study and review the performance of the executive management.
- Study and review the succession plans for the company in general, the Board, the CEO and senior executives.
- The Committee shall study the nomination and appointment of the senior executives and determine their remuneration and the subsequent amendments thereto in coordination with the Executive Management, and it shall give recommendation to the Board of Directors about the same, pursuant to the provisions of this Charter, the Law and approved policies.
- Nomination for the Board Membership of Companies where the Company Invests:
 - a. The Committee proposes the policies and procedures for nomination and appointing the Company's representatives in the Board membership of Companies in which the Company invests.
 - b. The Committee study's the nomination and appointment of the Company's representatives in the Board memberships of its affiliates, subsidiaries and other companies in which the company invests,

in coordination with the Executive Management. The Committee shall recommend the Board nominees as per the provisions of this Charter, the Law and approved policies.

b. Remuneration

- Prepare a clear remuneration policy for the Board, its Committees, and the executive management; and submits the same to the Board of Directors for consideration before it gets approved by the Company's General Assembly, provided that such policy should follow performance-related standards, required disclosure, and implementation monitoring.
- Clarify the relationship between the granted remuneration and the remuneration policy and disclose any material deviation from this policy.
- Periodically review the remuneration policy and assess its efficiency in fulfilling the intended objectives thereof.
- Recommend to the Board of Directors, the remuneration of the Board members, its committees' members, and senior executives.
- Review the CEO's financial remuneration, including long- and short-term incentives, as well as setting the ceiling of expected results to be achieved by the CEO, and making recommendations thereon to the Board of Directors.
- Review and approve the CEO's recommendations on financial rewards for senior executives.
- Ensure compliance with remuneration policy for Board of Directors and members, its committees, and executive management that was approved by the General.

c. Assessing the Performance of the Board and Executive Management:

- The Remuneration and Nomination Committee propose, upon the request of the Board of Directors, the mechanisms for assessing the performance of the Board, its members and committees, and the executive management on an annual basis, through appropriate performance indicators that are connected with the fulfillment of the Company's objectives and strategies, quality of the risk management, adequacy of the internal control systems and others. The Committee shall determine the strengths and weaknesses and propose remedial actions thereto in alignment with the Company's interests, and the performance assessment procedures shall be written and clear and they shall be disclosed to the Board of Directors and to the persons concerned with the assessment process.

d. Names of the Nomination and Remuneration Committee members as of 31 December 2021:

Name	Position
Mr. Arif A. Albastaki	Chairman
Mr. Abdullah I. Al-Howaish	Member
Mr. Mansour A. Al-Salem	Member
Mr. Tariq M. Al-Amoudi	Member

e. Names of the Nomination and Remuneration Committee previous members during the year 2021:

Name	Period (from – to)	Position
Mr. Ahmed Y. Boshnak	2021/1/1 – 2021/1/12	Member
Mr. Mohammed N. Hefni	2021/1/13 – 2021/11/2	Member
Mr. Fali H. Hajjaj	2021/8/19 – 2021/9/26	Chairman

f. Meetings of the Nomination and Remuneration Committee:

The Nomination and Remuneration Committee held seven (7) meetings during the year 2021, and the following table shows the attendance record for each meeting:

Name	6 Jan	20 Jan	18 Feb	15 Mar	20 Apr	15 Sep	19 Sep
Mr. Arif A. Albastaki	✓	✓	✓	✓	✓	N/A	
Mr. Abdullah I. Al-Howaish	✓	✓	✓	✓	✓	✓	✓
Mr. Ahmed Y. Boshnak	✓				N/A		
Mr. Mohammed N. Hefni	N/A	✓	✓	✓	✓	✓	✓
Mr. Falih M. Hajjaj			N/A			✓	✓

✓: Attended the meeting

N/A: Wasn't a member

2. Audit Committee:

The Audit Committee shall be responsible for monitoring the Company's business and verifying the integrity and fairness of its reports, financial statements, and internal control systems. Besides any other duties and responsibilities assigned to it by Board of Directors, the mandates of the Committee shall particularly include the following:

- Financial Reporting:
 - a. Analyzing the Company's interim and annual financial statements before presenting them to the Board of Directors, and expressing its opinion and providing recommendations thereon to ensure their integrity, fairness, and transparency;
 - b. Providing technical opinions, at the request of the Board of Directors, as to whether the Board of Directors' report and financial statements are fair, balanced, and understandable, and include information that enables shareholders and investors to evaluate the Company's financial position, performance, business model, and strategy;
 - c. Analyzing any important or unfamiliar issues contained in the financial reports
 - d. Accurately investing any issues raised by the Company's CFO or the person assuming his/her duties, or the Company's Compliance Officer or External Auditor;
 - e. Verifying accounting estimates in respect of significant matters stated in the financial reports; and
 - f. Examining the accounting policies followed by the Company and providing its opinion and recommendations to the Board thereon.
- Internal Audit:
 - g. Examining and reviewing the company's internal control system, and risk management system.
 - h. Analyzing the internal audit reports and following up on the implementation of corrective measures for the remarks contained therein.
 - i. External Auditor:
 - j. Providing a recommendation to the Board of Directors on the nomination and dismissal of external auditors, determining their fees and evaluating their performance, following the verification of their independence, and reviewing the scope of their work and the terms of their contract;
 - k. Verifying the independence, objectivity, and fairness of the External Auditors and the effectiveness of the audit activities, taking into account relevant rules and criteria;
 - l. Reviewing the Company's External Auditor plan and its activities, and verifying the non-submission of technical or administrative works that are beyond the scope of the audit activity, and providing their inputs thereon;
 - m. Responding to queries of the Company's External Auditors;
 - n. Reviewing the external auditor's report and its comments on the financial statements, verify the executive management's answers to these observations, and following up the procedures taken in connection therewith.

And to verify that there are no difficulties encountered by the auditor with the company's management during the performance of his duties.

- o. The Committee shall periodically meet with the External Auditor. At least twice a year.
- Compliance guarantee:
 - p. Reviewing the findings of the report of supervisory authorities and ensuring that the Company has taken the necessary actions in connection therewith;
 - q. Review company reports that include financial statements with the regulatory authorities, and verify that the information contained in the approved financial statements.
 - r. Ensuring the Company's compliance with the Related Laws, Regulations, policies, and Instructions;
 - s. Reviewing the contracts and proposed transactions that the Company desires to conduct with related parties thereof, and providing its recommendations to the Board on connection therewith; and
 - t. Report to the Board any issues in connection with what it is deemed necessary to take action on and providing recommendations as to the actions that should be taken.
 - u. Review the results of internal investigations on any suspicion of fraud or suspicion of attempting to infringe on any law, rules or regulations that have or are likely to have a material impact on the company's operating results or its financial position. Provided that the committee discusses these results with the auditor and submits recommendations regarding them to the Board of Directors in a timely manner.
 - v. Ensure that there is a strong corporate governance structure, and that sound management practices, financial and other policies and guidelines are adequately defined and accessible to all who need to know them.

a. Names of the Audit Committee members as of 31 December 2021:

Name	Position
Mr. Osama O. Barayan	Chairman
Mr. Mazen N. Al-Sharfan	Member out of the board
Mr. Abdulmajeed S. dakhil	Member out of the board

b. Names of the Audit Committee previous members during the year 2021:

Name	Date of resignation	Effective date of resignation	Position
Mr. Alaa S. Al-Jabari	December 8, 2020	January 26, 2021	Member
Mr. Abdullah I. Al-howaish	January 6, 2021	January 26, 2021	Member

c. Meetings of the Audit Committee:

The Audit Committee held ten (10) meetings during the year 2020, and the following table shows the attendance record for each meeting:

Name	17 Feb	17 Mar	11 Apr	6 May	17 Jun	10 Aug	26 Aug	4 Oct	4 Nov	15 Dec
Mr. Osama O. Barayan	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Mazen N. Al-Sharfan	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Abdulmajeed S. dakhil	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

✓: Attended

3. Executive Committee:

The Executive Committee comprises four members. The Committee is granted its powers by the Board of Directors, which assigns it the following responsibilities: supervision of the execution of the Company's overall strategy, setting the Company's budget, monitoring the Company's operational and financial performance and reporting to the Board of Directors about financial and strategic affairs, in addition to all related matters.

a. Names of the Executive Committee members as of 31 December 2021:

Name	Position
Mr. Mohammed N. Hefni	Chairman
Mr. Arif A. Albastaki	Member
Mr. Mansour A. Al Salem	Member
Mr. Marwan K. Bouez	Member

b. Names of the Executive Committee previous members during the year 2021:

Name	Period (from – to)	Position
Mr. Abdullah I. Al-Howaish	1/1/2021 - 10/25/2021	Member
Mr. Osama O. Barayan	1/1/2021 - 4/1/2021	Member
Mr. Hani O. Baothman	4/2/2021 - 10/25/2021	Member

c. The Executive Committee held twelve (12) meetings during the year 2021 as follows:

Name	10 Jan	8 Feb	7 Mar	14 Mar	8 Apr	25 Apr	6 May	23 Jun	22 Aug	31 Aug	27 Sep	18 Nov
Mr. Mohammed N. Hefni	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Abdullah I. Al-Howaish	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	N/A
Mr. Arif A. Albastaki	✓	✓	✓	✓	✓	✓	×	×	✓	✓	✓	✓
Mr. Osama O. Barayan	✓	✓	✓	✓	N/A							
Mr. Hani O. Baothman	N/A				×	✓	✓	✓	×	×	×	N/A
Mr. Mansour A. Al-Salem	N/A											✓
Mr. Marwan K. Bouez	N/A											✓

✓: Attended the meeting

×: Apologized

N/A: Wasn't a member

Results of the annual review of the effectiveness of the internal control procedures of the Company and the opinion of the audit committee with respect to the adequacy of the Company's internal control system:

• Evaluating internal control system:

Based on the provisions of the Corporate Governance Regulations issued by the Capital Market Authority in Articles 23 and 55 in relation to the basic functions of the Board of Directors and the tasks of the Audit Committee and based on the provisions of Article 104 of the New Companies Law, the Audit Committee presents through this report its opinion on the effectiveness of the Internal Controls System in Emaar the Economic City.

The Audit Committee periodically follows up and performs the responsibilities and tasks entrusted to it by the Board of Directors. The Audit Committee expressed its opinion on the effectiveness of the internal controls system as follows:

- Appointment of Independent External Auditors: The committee had reviewed the offers submitted by a number of registered Audit Firms for the annual audit of the financial statements for the year ended 31 December 2021 and made a recommendation to the Board of Directors and General Assembly to re-appoint the External Auditors. This form part of the tasks assigned to the Audit Committee with regard to the recommendation to the Board of Directors on appointment, reappointment or removal of external auditors, determining their fees, and evaluates their performance.

- b. The annual audit plan submitted by the External Auditors: The Audit Committee approved the audit plan submitted by the External Auditors after discussing the same with them and ensure that it covers the main areas of concerns for the company.
- c. Review the financial statements which include the accounting policies used and discussing the same with Management and the External Auditors: During its periodic meetings throughout the year, the committee discussed the financial policies used in the preparation of the financial statements in accordance with the International Financial Reporting Standards (IFRS). After reviewing and discussing these policies, these were approved by the Board of Directors. The Audit Committee also reviewed the quarterly and annual financial statements and special reports which includes comparing the current period with the previous periods and highlighted some observations and also discussed the same with Management and the External Auditors. This was done prior to the approval of the Financial statements by the by the Board of Directors and being published on the CMA platform. The audit opinion on the Financial Statements was unqualified for the year ended 31 December 2021.
- d. The "management letter" and the recommendations provided by the External Auditors and the extent to which management is taking corrective action on these recommendations: The Audit Committee had reviewed the "management letter" submitted by the External Auditors and received from Management the necessary corrective action plan in relation to these observations. The Audit committee followed up with Management the stages of implementation of audit recommendations and made sure that Management is committed to implementing the audit recommendations.
- e. Reports and recommendations provided by the company's Internal Auditors and the extent to which management is taking corrective actions on the recommendations: The Audit Committee periodically follows up with the Internal Auditors and Senior Management the stages of management's commitment to the agreed action plans in order to take corrective action plan on the recommendations provided by the Internal Auditors. The Internal Auditors submits a follow-up report on Audit Recommendations i.e. open and closed audit recommendations. The Audit Committee discusses this report with Management and the Internal Auditors.
- f. Annual audit plan submitted by the Internal Auditors: The Internal Audit Department submits the Internal Audit Annual Plan based on the risk assessment of each department as well as inputs received from Management and the Audit Committee. The Audit Committee approves the Internal Audit Annual Plan after reviewing the above-mentioned criteria. The Audit Committee follows up with the Internal Auditors with regard to the adherence to the approved audit plan. The Audit Committee also approves any amendments to it based on justifications which require these amendments, if any.
- g. Reviewing and approving the "Internal Audit Charter": The Committee reviewed and approved the "Internal Audit Charter" in line with the International Standards of Internal Auditing and International best practices. The Audit Committee also ensured that the Head of Internal Audit is independent, which enhance the objectivity of the Internal Audit's work.
- h. Approval of updates in relation to the internal audit framework and protocol: The Audit Committee reviewed and approved the necessary and suggested updates from the Head of Internal Audit on the internal audit framework, protocols and special procedures in line with the professional developments in this field.
- i. The various reports that the Audit Committee requests from management for review and discusses during its periodic meetings: The Audit Committee periodically requests from senior management various reports on the progress of operations, collection processes, legal issues, zakat and value-added tax. The committee also reviews the operations carried out with the relevant authorities on a regular basis and provide opinions on them to the Board of Directors prior to approving them. Various reports are discussed during the periodic meetings of the Audit Committee, where management provides adequate information and address the committee's queries. The committee also discusses and

reviews all developments in terms of new laws and regulations in the Kingdom of Saudi Arabia and ensures that the company complies with all requirements of the Capital Market Authority and the Companies Law.

- j. The annual report on the risks that the company may face: The Audit committee reviews the report on the risks that the company may face and provide recommendations on it after reviewing the steps taken by management to mitigate the effects of these risks or cancel them completely, if possible. The Audit Committee submits the same to the board of directors for final discussion and approval.
- k. Reviewing the extent of co-operation and assistance provided by the External Auditors and Internal Auditors and emphasizing their independence and the absence of any restrictions preventing them from completing the assigned tasks: The Audit Committee asked the auditors to comment on any professional difficulties that would impede them to complete their Audit Work. The Audit Committee did not receive any comments from the auditors in this regard. The External Auditors as well as the Internal Auditors confirmed that they had obtained all the information and documents required in order to complete their audit work.
- l. Verification and clearance of grievances received from stakeholders: The Audit Committee reviewed the reports received through the system of reporting violations and independently investigated them through the Internal Audit Department and took the necessary corrective actions in accordance with the policy for reporting violations which was approved by the Board. Investigations reports received during the year did not reveal any violations related to operations or thefts.
- m. Reviewing the compliance reports: The Audit Committee periodically reviews the compliance reports that reflect the company's compliance with the statutory requirements issued by the relevant government agencies such as the Economic Cities and Special Zones Authority, and follow up on the points raised and the implementation of the recommendations contained in those reports.

The audit reports referred to the above did not show a fundamental weakness in the company's internal controls system, as the majority of observations are mainly in the areas of improving performance, activating the work of departments, increasing their efficiency and documentation of procedures in order to improve the internal controls system and make the best use of available resources.

The global COVID-19 pandemic continued to represent one of the most emerging risks affecting the company's activities and financial performance during 2021. However, Management continued to take decisions in order to manage risks and ensure the presence of an adequate control environment within this crucial stage, and to adhere to all instructions issued by the concerned authority.

Based on all of the above, and bearing in mind that the objectives of the internal control system are:

- Ensuring that the accounting records are prepared in an appropriate manner and that they are valid, accurate and complete.
- Safeguarding of assets and property.
- Maintaining Integrity in transactions.
- Increasing the efficiency of the company's performance and the efficient exploitation of its available capabilities.
- Comply with various laws, rules & regulations.

The Audit Committee considers that the objectives of the internal controls system as stipulated in Emaar the Economic City have been achieved to a reasonable extent. The Audit Committee also considers that management position in general regarding internal control is positive, as the majority of activities are governed by written policies and procedures, and management reacts positively towards the recommended policies or improvements. Furthermore, there was no conflict between the recommendations and decisions of the Audit Committee with the Board of Directors during the year. The Audit Committee also stresses that the emerging stage requires the Board of Directors and management to work on updating the

control environment and risk management systems to help overcome current or future changes and challenges at all levels with regard to the efficiencies and effectiveness of the company's operations.

We also would like to highlight that it is not possible to absolutely confirm the comprehensiveness of the examinations and evaluations of internal controls, as auditing is based on random sampling. Furthermore, there is a diversity in the company's operations. Therefore, improvement and development efforts are on-going by the Audit Committee through the system of the three lines of defense of governance to ensure the efficiency & effectiveness in the mechanism of follow-up and improvement of internal control procedures.

Information on any risks facing the company (operational, financial or market related) and the policy of managing and monitoring these risks

- **Future Risks:**

As in the case of mega strategic projects, the construction of an integrated city involves many risks associated with the long period of time to complete the project and implies on the necessity of adapting to rapid changes in terms of economic and practical terms. Therefore, the company from time to time consults with expert firms to ensure the accuracy of the assumptions and studies and to rely on best practices in the activities it practices in order to ensure long-term continuity.

The company had identified a general perception of the risks and challenges that it may face that may affect its performance or the city's development programs, and the Board and the Executive Management have set the necessary plans and procedures to reduce or eliminate the impact of these risks. The most significant risks are as follows:

- Risks related to the security and safety of the city.
- Decreased sales due to the economic slowdown in the Kingdom, which affected the investment climate of the public and private sectors. This had an impact on the ability of existing customers to fulfill their financial and investment obligations in the city.
- Activating the regulations as stipulated by the Economic Cities & Special Zones Authority or any new or updated regulations from the competent authorities.
- The risks associated with the cyber attacks that the Kingdom of Saudi Arabia has been exposed to during recent period.

In addition to the above risks, management monitors and follows up on risks of a financial nature as follows:

Commission rate risk: is the risk that the fair value or future cash flows of financial instruments will fluctuate due to fluctuations in market commission rates. The Group's exposure to the risk of changes in market commission rates relates to the Group's bank deposits on which a commission is paid and to loans from the Ministry of Finance and commercial banks. The Group manages commission rate risk by monitoring fluctuations in commission rates in the currencies in which its commission-paying liabilities and assets are denominated.

Currency risk: is the risk that the fair value or future cash flows of financial instruments will fluctuate due to fluctuations in foreign exchange rates. During the year, the Group did not carry out significant transactions in currencies other than the Saudi Riyal and the US Dollar. Since the US dollar is pegged to the Saudi riyal, the Group was not exposed to any significant currency risk.

Credit risk: is the risk that one party to a financial instrument will not fulfill an obligation and cause the other party to incur a financial loss. The Group limits credit risk with respect to customers by monitoring outstanding receivables. In accordance with the sale agreement with clients, the title deed of the property is transferred to clients only upon receipt of the full price. The Group manages its exposure to credit risk with respect to Murabaha deposits with banks by diversifying and investing with counterparties with good credit ratings.

Liquidity risk: is the risk that the Group will encounter difficulty in raising funds to meet its commitments related to financial liabilities. Liquidity risk can result from the inability to sell a financial asset quickly at an amount equal to its fair value. Liquidity risk is managed by regular monitoring and ensuring that sufficient funds are available through credit facilities to meet any future commitments. The Group expects to have sufficient funds available to pay all liabilities payable within 12 months of the year end.

The company's management monitors and evaluates all these risks and deals with them on an ongoing basis by following them up periodically and submitting them to the board of directors, which in turn takes the necessary decisions to reduce their impact to an acceptable level.

The number of the Company's requests for shareholders' register and dates and reasons for those requests.

The shareholders' register was requested seven (7) times as follows:

No.	Date	Reason
1	4-Nov-21	Corporate Process
2	3-Nov-21	Corporate Process
3	17-Oct-21	Corporate Process
4	17-Oct-21	Corporate Process
5	6-Oct-21	Corporate Process
6	26-Sep-21	General Assembly
7	5-Sep-21	Corporate Process

The Board of Directors disclosures and declarations for the year 2021:

- The Board of Directors reviews the shareholders' proposals and comments regarding the company and its performance during the meeting following the assembly meeting and takes what it deems appropriate so that it does not conflict with the company's objectives and strategy.
- The company confirms that it has not received any penalty, precautionary measure or precautionary restriction imposed on the company by the Authority or from any supervisory, regulatory or judicial authority.
- The company confirms that there are no business or contracts that took place during the year 2021, in which the company is a party, and in which or in which there was an interest for a member of the company's board of directors, its senior executives, or any person related to any of them.
- The company assures that there are no recommendations of the Audit Committee that conflict with the decisions of the Board of Directors, and the Board did not refuse to take any recommendations regarding the appointment and dismissal of the company's auditor, determining his fees, evaluating his performance, or appointing the internal auditor.
- The company confirms that there is no significant change has been made in its financial records, and the company is in compliant with standards issued by the Saudi Organization for Certified Public Accountants (SOCPA).
- The company confirms that it had not received any notification of interest in voting shares belonging to persons (other than members of the board of directors, senior executives and their relatives).
- The company confirms that does not have any conversion or subscription rights under any convertible debt instruments, contractually based securities, warrants or similar rights.
- The company confirms there is no any conversion or subscription rights under any convertible debt instruments, contractually based securities, warrants or similar rights issued or granted by the company.

- The company confirms that there is redemption, purchase or cancellation by the company of any redeemable debt instruments and the value of such securities outstanding, distinguishing between those listed securities purchased by the company and those purchased by its affiliates.
- There are no shares and debt instruments issued for the subsidiary companies.
- There are no treasury shares held by the company.
- The company confirms that there is no arrangement or agreement under which a member of the company's board of directors or a senior executive has waived any remuneration.
- The company confirms that there are no arrangements or agreements under which one of the company's shareholders has waived any rights to profits.
- The company confirms that there are no investments or reserves created for the benefit of the company's employees.
- During 2021, the Board of Directors did not recommend the change of auditor before the end of the period for which he was appointed, as the KPMG office was appointed to audit the company for the year 2021 and his appointment period was not terminated during the year.
- The company confirms that there are no reservations from the external auditor on the company's annual financial statements according to its 2021 report.
- The company confirms that the Remunerations awarded are in accordance with the approved Remunerations policy, and there is no material deviation between the granted Remunerations and the remuneration policy.
- **Emaar, The Economic City declares that:**
 1. The financial statements were properly produced.
 2. The internal audit system was established on a sound basis, and effectively implemented.
 3. There is no doubt concerning the ability of Emaar, The Economic City to continue its activities.

The provisions of the Corporate Governance Regulations that have been applied, what has not been applied, and the reasons for that

The company has applied all the provisions mentioned in the Corporate Governance Regulations issued by the Capital Market Authority, with the exception of the provisions listed below:

#	Article NO.	Requirements	Reasons for non-application
1	70,71,72	Formation of the Risk Management Committee.	These are guiding articles; however, the Audit Committee is currently performing the required tasks.
2	39, 41	Training and assessment of the Board and its committees and members.	These are guiding articles; however, the board will consider the same in future.
3	87,88	Development of social responsibility policy and initiatives.	These are guiding articles; however, the board will consider the same in future.
4	95	Formation of the Corporate Governance Committee.	These are guiding articles; however, the board will consider the same in future.