

Board of Directors

Report 2022

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, 2022. 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 SR 10. 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 King Abdullah Economic City, 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 zone, King Abdullah Port, and any other activities necessary to achieve its objectives.

The Company is leading the development of King Abdullah Economic City (KAEC), a large-scale private sector economic project 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 2022:

In 2022, two landmark transactions were concluded in the automotive sector, cementing KAEC's position as the emerging automotive capital of the region.

- In February 2022, EEC signed a 25-year lease at KAEC Industrial Valley with Lucid LLC to construct and operate Advanced Manufacturing Plant "AMP-2", the electric vehicle company's second automotive manufacturing and assembly facility, together with all ancillary services. The lease is valued in excess of SAR 113M. The Lucid Motors project marks the first electric vehicle manufacturing project in the Middle East and is expected to have an annual production capacity of approximately 150,000 vehicles and employ several thousand high skilled workers.
- In November 2022, EEC sold an industrial plot covering more than 1M sqm at KAEC Industrial Valley worth SAR 359M to CEER National Automotive Company, the first Saudi electric vehicle brand, to build a specialized automotive facility that will manufacture electric vehicles. The deal amount will be paid over 15 years. It is expected that the CEER project will create direct and indirect high-skilled jobs at KAEC.
- The decision by Lucid and CEER to select KAEC Industrial Valley as their manufacturing location cements KAEC's positioning as the leading automotive hub in KSA, and an emerging destination for technologically advanced manufacturing. It is expected that with the arrival of these Original Equipment Manufacturers (OEMs), a number of automotive suppliers will also establish an industrial presence in KAEC to support OEM manufacturing operations.
- KAEC will play a growing role in developing the Kingdom's advanced manufacturing sector, promoting value-added exports, and aligning with Vision 2030 objectives.

- In March 2022, EEC and KAUST concluded a wide-ranging partnership, including collaboration areas such as enhancing physical connectivity and access between each other, promoting R&D and innovation partnerships between EEC, KAEC Industrial Valley tenants, and KAUST; and collaborating on initiatives related to human capital development, startups and entrepreneurship, among other topics.
- In May 2022, Saudi Arabian Airlines (Saudia) selected KAEC to relocate some of its digital transformation-related divisions, accounting for approximately 1,000 Saudia employees. In order to accommodate its employees, Saudi Airlines Real Estate Development Company leased office space at Bay Views Business Park, Bay La Sun district in KAEC for a period of 20 years. The lease is valued to be in excess of SAR 32M.
- In September 2022, King Abdullah Port (KAP) was named “Sea Port of the Year” at the inaugural Landmarks in Logistics Awards. Alphaliner also named KAP the “second-fastest growing port in the world” in 2022 in addition to the numerous awards and recognitions the port has received in recent years by the World Bank, S&P Intelligence, and others.
- In November 2022, Johnson Controls International Arabia (JCIA) inaugurated its largest YORK air conditioning systems manufacturing complex in the Kingdom and the Middle East at KAEC. Spanning over 200,000 sqm, the facility is the company’s largest in Africa, South Asia, Latin America, Europe and Middle East. The facility is the company’s only factory equipped with its Open Blue research and development center and four testing facilities in one integrated complex. The YORK factory location at KAEC takes advantage of the city’s strategic location on the Red Sea and the facilities of King Abdullah Port, enabling the company to broaden its exports to regional and international markets.
- In December 2022, KAEC’s Royal Greens Golf & Country Club received three prestigious industry awards at the 9th annual World Golf Awards: “Middle East’s Best Golf Course 2022,” “Saudi Arabia’s Best Golf Course 2022,” and “World’s Best Golf Clubhouse 2022.”

General Strategy Update for Emaar, the Economic City and KAEC for 2022:

During 2022, the company focused its efforts on improving performance through the implementation of a variety of strategic and operational initiatives while planting the seeds for its long-term strategy for the next 10 years of development of KAEC (the city) and EEC (the company).

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:

- 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, which in turn stimulates the demand for real estate products and services;
- Attracting more export-oriented industries in line with the Kingdom’s National Industrial Strategy. Lucid and CEER automotive projects, as well as YORK air conditioning systems are examples of this strategy in action;
- Developing leisure and tourism in the city in line with the Kingdom’s national tourism strategy. The city will offer a growing variety of tourism products and offerings, developed by EEC and third-party developers, to strengthen the tourism and leisure offering and support the Kingdom’s Vision 2030 aspirations with respect to tourism and quality of life. The Rixos Emerald Shores project, along with several other projects in the pipeline, illustrate the progress being made in tourism and leisure;
- Partnering with governmental and semi-governmental institutions to improve KAEC offerings, amenities and social infrastructure, and to realize projects and ambitions associated with Vision 2030;
- Developing strategies and plans for improvement and expansion of social infrastructure such as education and health, and attract specialized investors to develop these sectors;

- The company started working on financial restructuring that will continue in 2023.
- Partnering with private and public sector entities for large scale projects that can transform and accelerate the construction and development of the city;
- 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, third-party developers or other real estate investors;
- 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;
- Optimizing 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;
- Continually enhancing the value proposition to investors, third party developers and operators to attract projects which will accelerate the city's development and enhance the quality of life and offerings for residents and visitors;
- Improving the operating and financial performance of company-owned assets, and attracting specialized third parties to operate such assets when necessary in order to improve their performance.

Other decisions and developments:

The Emaar's Board of Directors approved the following resignations and appointments:

- Resignation of Chairman Mr. Assim M. Al-Suhaibani
- Appointment of Chairman Mr. Fahad A. Al-Saif
- Resignation of Board Member Mr. Majed M. Al-Surour
- Appointment of Board Member Mr. Naif S. Al-Hamdan

Future Expectations:

In 2022, the company started working on developing its new long-term strategy, which will define the key opportunities, objectives, and initiatives for both KAEC (the city) and EEC (the company) for the coming years. The goals of the long-term strategy are to improve operating and financial performance and create shareholder value while contributing to, and building on, Saudi Arabia's Vision 2030 programs and initiatives as a "vision-ready platform."

Given the dynamic environment of the Kingdom and its vibrant economy, the company will be addressing a number of attractive opportunities over the coming years. Once the company's revised long-term strategy has been developed in 2023, the company will begin implementing a broad set of initiatives which will improve the company's economic prospects, business results and financial 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 2018 to 2022:

Description	2018 Thousand SR	2019 Thousand SR	2020 Thousand SR (Restated)	2021 Thousand SR (Restated)	2022 Thousand SR
Revenues	1,008,234	946,807	547,287	372,079	363,267
Revenue cost	(669,827)	(644,819)	(866,316)	(609,134)	(580,770)
Gross profit	338,407	301,988	(319,029)	(237,055)	(217,503)
Marketing, general and Administrative expenses	(594,118)	(640,024)	(724,610)	(462,409)	(602,510)
Commission realized from bank deposits and Murabaha based deposits	7,737	791	2,536	558	1,891
Financial charges, net	(59,653)	(268,736)	(315,568)	(243,163)	(290,192)
Share of results of equity accounted investee	26,130	7,983	48,065	45,839	25,046
Other income	209,909	109,607	115,242	90,701	25,486
Zakat	(66,000)	(45,000)	(55,000)	(31,000)	(99,508)
Net (profit/loss) prior to non- controlling equity	(137,588)	(533,391)	(1,248,364)	(836,529)	(1,157,290)
Other Comprehensive income / (loss)	7,927	(13,811)	(10,618)	48,881	35,260
Total Comprehensive income / (loss) for the year	(129,661)	(547,202)	(1,258,982)	(787,648)	(1,122,030)
non-controlling increase share	(2,503)	0	0	0	0
Net income due to equity holders of the parent company	(127,158)	(547,202)	(1,258,982)	(787,648)	(1,122,030)
Earnings/(loss) per share (SAR)	(0.16)	(0.63)	(1.47)	(0.90)	(1.02)

B. Summary of the company's assets and liabilities for the years 2018 to 2022:

Description	2018 Thousand SR	2019 Thousand SR (Restated)	2020 Thousand SR (Restated)	2021 Thousand SR (Restated)	2022 Thousand SR
Current assets	2,275,922	2,202,256	2,012,161	2,197,057	1,493,404
Non-Current Assets	14,837,802	15,131,702	15,187,146	14,179,893	13,712,561
Total assets	17,113,724	17,333,958	17,199,307	16,376,950	15,205,965
Current liabilities	2,252,406	3,383,835	5,860,990	6,141,683	8,407,615
Non-Current Liabilities	7,211,252	6,847,868	5,588,417	2,458,460	143,573
shareholders' equity	7,650,066	7,102,255	5,749,900	7,776,807	6,654,777
Total liabilities and shareholders' equity	17,113,724	17,333,958	17,199,307	16,376,950	15,205,965

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

Geographical Location	Revenue SR (in thousands)
King Abdullah Economic City	363,267
Total Revenue	363,267

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

Description	2021 Thousand SR	2022 Thousand SR	Changes Thousand SR	% of Change
Revenue	372,079	363,267	(8,812)	(2.4%)
Cost of revenue	(609,134)	(580,770)	28,364	4.7%
Gross loss	(237,055)	(217,503)	19,552	8.2%
Marketing general and Administrative	(371,708)	(577,024)	(205,316)	(55%)
Operating loss	(608,763)	(794,527)	(185,764)	(30.5%)

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:

Bank Name:	Opening Balance	Draw-downs during the year	Repayments Made during the year	Other movement - amortisation of management fee	Closing Balance as of 31 Dec 2022	Accrued markup	Amount in "millions"
							Closing Balance with accrued markup as of 31 Dec 2022
Ministry of Finance	2,166.67				2,166.67	509.66	2,676.33
Saudi Arabian British Bank (SABB)	976.25		-0.01		976.24	1.26	977.50
Alinma Bank with management fee	1,688.90		-0.01	1.23	1,690.12	29.48	1,719.61
Bank Saudi Fransi	528.73	8.69			537.42	11.84	549.26
Saudi National Bank	131.43		-17.32		114.10	2.49	116.60
Long Term Loan	5,491.97	8.69	-17.34	1.23	5,484.55	554.74	6,039.29
Saudi Arabian British Bank (SABB)	198.77	139.61	-137.10		201.29	0.48	201.76
Short Term Loan	198.77	139.61	-137.10	0.00	201.29	0.48	201.76
Total Loan	5,690.74	148.30	-154.44	1.23	5,685.84	555.21	6,241.05

Description of any transaction between the company and any Related Party:

Related party	Nature of transactions	Transactions		Balance as at	
		2022	2021	31 December 2022	31 December 2021
Amounts due from related parties					
Affiliates	Lease rentals, utilities, service charges and other	193	172	211	206
Joint Venture	Lease rentals and utilities charges	3	-	581	3,269
Key management personnel	Sale of properties, utilities and service charges	16	204	3	88
	Lease rentals	157	-	73	-
Board of directors	Other	-	-	54	-
Total		369	376	922	3,563
Amounts due to related parties					
Affiliates	Services provided to the Group	1,290	3,449	(2,011)	(3,031)
Key management personnel	Remuneration	22,901	18,995	-	(12)
Board of directors	Remuneration and meeting fees	4,415	5,000	(4,415)	(5,000)
	Others	-	2,798	(16)	-
Total		28,606	30,242	(6,442)	(8,043)

Business or contracts that took place during the year 2022, 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:

1. Security Services Contract with National Security Services Company:

Element List	Explanation
Businesses and Contracts	signing off security services contract with the National Security Services Company.
Contract Value	12 million per year (60 million for 5 years)
Contract Duration	5 years
Financial Impact and the Relevant Period	It is expected that this contract will have direct impact on the financial results for the years from 2021 to 2026
Related Parties	The chairman of the Board Mr. Assim Al-Suhaibani and the Board member Mr. Majed Alsorour have an indirect interest in this contract, as they are representatives of The Public Investment Fund, the owner of National Security Services Company.
Additional Information	Emaar The Economic City confirms that the contract is in the ordinary course of business and has not been granted any special benefits.

2. Development lease contract with LUCID Limited Liability Company:

Element List	Explanation
Businesses and Contracts	Signing off development Lease Contract with LUCID Limited Liability Company.
Contract Value	SR. 113.5 Million.
Contract Duration	25 years.
Financial Impact and the Relevant Period	There will be a financial impact for the contract period: 25 Years (2022 to 2047)
Related Parties	The chairman of the board Mr. Assim Al-Suhaibani and the board member Mr. Majed Al-Sorour have an indirect interest in this contract, as they are the representatives of The Public Investment Fund, an investor in Lucid Company.
Additional Information	Emaar The Economic City confirms that the contract is in the ordinary course of business and has not been granted any special benefits.

3. Sale of an industrial plot agreement with CEER National Automotive Company:

Element List	Explanation
Businesses and Contracts	Signing off sale of an industrial plot to CEER National Automotive Company, the first Saudi Electric Vehicle brand, to build an automotive specialized factory that will manufacture electric vehicles.
Transaction Value	359,036,100 SAR
Expected Impact of the Transaction on the Company and Its Operations	The company will commence recognizing revenue starting from quarter 4, 2022, in accordance with terms and condition of contract and applicable financial reporting standards.
Related Parties	The Chairman of the Board Mr. Fahad AlSaif and the Board member Mr. Majed Al-Sorour have an indirect interest in this contract, as they are the representatives of The Public Investment Fund, the major shareholder of CEER National Automotive Company.
Additional Information	Emaar The Economic City confirms that the contract is in the ordinary course of business and has not been granted any special benefits.

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	2022	
	Paid	Due
Zakat	32,574,891	-
Tax	28,989,248	16,754
GOSI	10,558,798	-
Government charges (visas, exits and re-entry, work permits)	2,084,499	

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:

Segments related Revenue and Profitability

	Residential business	Industrial development	Hospitality and leisure	Education	City operations	Corporate	Adjustments and eliminations	Total
For the year ended 31 December 2022								
Revenue								
External customers*	52,258	147,932	103,905	42,635	26,597	(9,940)	-	363,387
Inter-segment	11,919	-	32,641	-	63,046	-	(107,606)	-
	64,177	147,932	136,546	42,635	89,643	(9,940)	(107,606)	363,387
Results								
Cost of inventories and services recognised as an expense	(82,803)	(43,995)	(47,656)	(4,464)	(77,629)	(16,832)	52,343	(221,036)
Impairment loss on non-financial assets	(22,231)	-	-	-	-	(36,755)	-	(58,986)
Impairment loss on financial assets	(36,830)	(15,304)	(3,357)	(2,456)	(5,086)	-	-	(63,033)
Financial charges	(69)	-	(2,534)	(4,404)	-	(287,292)	-	(294,299)
Financial income	-	-	-	-	-	1,802	-	1,802
Depreciation	(36,879)	(22,857)	(74,770)	(24,553)	(3,137)	(134,196)	-	(296,392)
Amortisation	(226)	-	-	(52)	-	(1,587)	-	(1,865)
Share of results of equity accounted investee	-	-	-	-	-	25,045	-	25,045
Other (expenses) / income	(63,374)	(26,731)	(59,059)	(68,580)	(20,361)	(247,068)	(27,322)	(512,495)
Loss before Zakat	(178,235)	39,045	(50,830)	(61,874)	(16,570)	(706,733)	(82,585)	(1,057,782)
Zakat	-	-	-	-	-	(99,508)	-	(99,508)
Loss for the year	(178,235)	39,045	(50,830)	(61,874)	(16,570)	(806,241)	(82,585)	1,157,290

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 cancers, 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
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	Kingdom of Saudi Arabia

Company	Capital	The company's ownership percentage	Main scope of business	Country of operation and country of incorporation
			Abdullah Economic City, college buildings, institutes, centers, student and teacher accommodation, schools and sports fields.	
Port Development Company Closed Joint Stock	SAR 5,210,000,000	EEC 50%	Executing contracts, managing, developing, maintaining, operating, financing, and investing in King Abdullah Port, and providing and implementing all services necessary to manage and operate the port and its necessary facilities.	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. Fahad A. Al-Saif	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-Howaish	Board Member - Non-Executive
Mr. Hani O. Baothman	Board Member - Non-Executive
Mr. Naif S. Al-Hamdan	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 2022 and the date on which the resignation was submitted and takes effect:

Name	Date of resignation	Effective date of resignation
Mr. Assim M. Al-Suhaibani	June 16, 2022	June 16, 2022
Mr. Majed M. Al-Surour	November 30, 2022	December 8, 2022

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

1. Names, qualification and experience of the Board members as of Dec 31, 2022:

Mr. Fahad A. Al-Saif:

Current Jobs: Senior Managing Director heads of the Public Investment Fund's Global Capital Finance Division, where he oversees PIF's Global Capital Financing activities of PIF and its portfolio companies.

Qualifications: Bachelor in Information systems from King Fahad University of Petroleum and Minerals.

Previous Jobs and Experiences: Mr. AlSaif worked on developing PIF's green financing framework and obtaining an investment grade inaugural credit rating by international rating agencies, and subsequently launching PIF's debut international bond program; issuing the first green bond with a 100-year tranche, the first bond of its kind globally by a Sovereign Wealth Fund, simultaneously. Among other efforts that support PIF and its portfolio companies, Mr. AlSaif worked on diversifying the sources of capital to fund transformational projects across different sectors. In addition, Mr. AlSaif holds more than 25 years of experience in leading diverse functions including treasury, investment, debt capital management and corporate finance. He started his career in the private sector and served senior positions in both Saudi British Bank (SABB) and HSBC Saudi Arabia for over a decade. Following his private sector stint, Mr. AlSaif then took on a public sector role within Saudi Arabia's Ministry of Finance, where he served as a senior advisor to the Minister, His Excellency Minister of Finance, and established and headed the ministry's debt management function, later renamed as National Debt Management Centre (NDMC), where he served as the Chief Executive Officer and Board member. During his time at NDMC, he worked on Executing the sovereign medium-term debt strategy, and on the set up of the primary dealership (local sukuk), international sukuk and bonds, such as dollar-denominated bond program, negative-yielding euro-denominated bond issuance, obtaining the credit rating of the government, and government financings through Export Credit Agencies.

Mr. Jamal M. Bin Theniyah:

Current Jobs: Vice Chairman at Emaar Properties.

Qualifications: Bachelor in Public Administration.

Previous Jobs and Experiences: Mr. Bin Thaniah joined Port Rashid in October 1981 and progressed through the management until May 1991 when the Dubai government merged port Rashid with Jebel Ali port under Dubai Ports Authority (DPA). He has been appointed as Assistant Managing Director. In 1999, one of the first initiatives of Mr. Thaniah and DPA chairman in the international port operation market encompassing Beirut, Djibouti and Jeddah led to the creation of Dubai Ports International (DPI). In 2001 he was appointed as a Managing Director to masterplan the development of Jebel Ali as one of the biggest terminals in the world, increasing its capacity from 20 million TEUs at that time to 50 million TEUs. In 2004, Bin Thaniah played a significant role in acquiring Sealand world terminals to give DPI a real international footprint. Bin Thaniah is the Co-Founder of DP World, the 4th largest port operator in the world with a capacity of 100 Million TEUs in the year 2006; DPI concluded the acquisition of P&O Ports to become the 3rd largest port operator in the world and DPW was created to become a real international port operator company worth USD 22 billion. In 2006 Bin Thaniah was appointed a Vice-Chairman and GCEO of Ports & Freezone world, including DP World, Freezone world and P&O Ferries, until his retirement in January 2017. In 2008, following the global crisis, Bin Thaniah led the restructuring of Dubai World, a conglomerate in the real estate (Nakheel), private equity (Istithmar) and Dry dock world.

Mr. Mohammed N. Hefni:

Current Jobs: Chief Executive Office of KUN Investing Holding.
Qualifications: Master in Business Administration Management, Bachelors in Architecture 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 at HSBC Bank Middle East, Head Commercial Banking at Dubai Islamic Bank, Relationship Manager at ABN AMRO Bank, Account Manager of National Bank of Fujairah.

Mr. Osama O. Barayan:

Current Jobs: Chief Investment Management of Dar Saleh 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 Sinad Holding Company (Previously: 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. Naif S. Al-Hamdan:

Current position: Senior Director - Real Estate Projects Portfolio at Public Investment Fund
Qualifications: Master in Business Administration, Bachelor in Finance.
Previous jobs and experiences: Mr. Naif has more than seventeen years of Investment and Real Estate Development experience, Prior to joining PIF, he was a Vice President, Investment business development at Sulaiman A Al Rajhi Real Estate Investment Co along with serving number of key positions in private sector including a Manger at Investment Banking Group at Global Investment House Naif also worked at the Real Estate Transaction Advisory Services at Ernst Young and an Assistant Relationship Manager at SABB Bank.

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 N. Al-Sharfan:

Current Jobs: Chief Executive Officer at Cruise Saudi.
Qualifications: Master in professional accounting, bachelor in accounting, Insurance foundation certificate examination (IFCE), Master of business administration.
Previous Jobs and Experiences: Director of internal audit at Nahdi Medical Company, Audit Director at Economic Cities Authority, Head of Internal Audit at Saudi Enaya Cooperative Insurance, Audit Manager at 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 S. 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. 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 investment at Albilad Capital (ABIC), Head of private Investment Fund at Capital Market Authority (CMA)

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. 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 manga 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.

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. Moneer J. Brembali:

Current Jobs: Chief Human Recourses Officer

Qualifications: Master's Degree of Business Administration from Hult International Business School, Bachelor's Degree of Science, Marine Sciences from King Abdulaziz University,

Previous Jobs and Experiences: The Red Sea Development Company, *Executive Director Human Resources*, Alshaya Co., *Human Resources Director*, Enaya Insurance, *Human Resources Director*, Carrier, *Human Resources Manager*, Unilever, *HR Business Partner*, Bank Al Jazira, *Recruitment Manager*, Siemens, *HR Consultant*.

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 2022 and their resignation date:

Name	Position	Resignation Date
Mr. Sajjad B. Chowdhry	Chief Asset Management Officer	Aug 28, 2022
Mr. Faris H. Alsawaf	Chief Commercial Officer	May 8, 2022
Mr. Yousef N. Alsayegh	Chief City Operations Officer	Feb, 8 2022
Dr. Ayman A. Hashem	Chief People & Culture Officer	Feb 28, 2022
Mr. Waseem Malleye	Chief Investment Officer	Dec 15, 2022

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. Fahad A. Al-Saif:

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)
Gulf International Bank	Outside the Kingdom	-	NA	NA	
Aqua Power Company	Inside the Kingdom	Listed			
The Saudi Real Estate Refinance Company		Unlisted			
Aircraft leasing company		Listed			
National Shipping Company of Saudi Arabia		Unlisted			
Voluntary Carbon Market Company					

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 PJSC	Outside the kingdom	Listed	Dubai Ports World	Outside the kingdom	Government entity
Emaar Development PJSC					
Emaar MISR for Development (Egypt)					
Emaar Libadiye Gayrimenkul Gelistirme A.S. (Turkey)		Limited Liability			
Emaar Gayrimenkul Gelistirme A.S. (Turkey)					
Emaar India Limited (India)					
Dubai Hills Estate Hospitality LLC					
Dubai Hills Estate District Cooling LLC					
Dubai Hills Estate Retail LLC					
Mina Rashid Properties LLC					
Dubai Creek Harbour LLC (formerly The Lagoons Development LLC)					
The Lagoons Phase One LLC					
Dubai Hills Estate LLC					

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)
Defaf Logistics Company	Inside the Kingdom	Limited Liability	NA	NA	
International Medical Center		Unlisted			
Manakha Real Estate Development					
Samir Abbas Hospitals					

Ports Development Company - King Abdullah Port			
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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 PJSC	Outside the Kingdom	Listed	EII Capital	Outside the kingdom	Unlisted
Amlak Finance PJSC			TECOM Group		Listed
Amlak Finance Egypt		Unlisted	Awqaf and Minors Affairs Foundation		Dubai Government
Emaar Hospitality Group		Limited liability	EFS Finance Services Company		Limited Liability
National Health Insurance Company -Daman		Unlisted	Amlak Finance PJSC	Amlak International Finance	Listed
Al Salam Bank Algeria					
Americana Restaurants International PLC	Listed	Amlak International Finance	Amlak International Finance	Inside the Kingdom	Listed
Emaar Economic City					

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)
Healthcare Alliance	Inside the Kingdom	Limited Liability	NA		
Arbah Capital		Closed Saudi Joint Stock			
Scientific endowment at King Abdulaziz University		Scientific Endowment			
Almultqa Alarabi (AMIC)	Outside the Kingdom	Listed Egyptian joint stock company			

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)
Sinad Holding company	Inside the Kingdom	Listed	ITQAN Capital	Inside the kingdom	Unlisted
Halwani Bros – Saudi Arabia			SABB Takaful		
SEDCO Capital Company		Unlisted	Saudi Ground Services		Listed
Alessa Industries Company			Riyadh Airports Company		
Amlak International for Real State Financing		Listed	Saudi Amad for Airport Services & Transport Support Co (SAAS)		Unlisted
Al Rabie Saudi Foods Company		Unlisted	Standard Chartered Capital Saudi Arabia		
Halwani Bros – Egypt	Fawaz Abdulaziz Alhokair Company		Unlisted		
	SIMAH				
	Ittefaq Steel Products Company				
		Al Khozama Management Company			

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)
Sidra Capital	Inside the Kingdom	Closed Joint Stock	Roua Al Haram - Makkah (PIF Owned Company)	Inside the Kingdom	Limited Liability Company
Inoks Capital	Outside the Kingdom	Licensed by the Swiss Financial Market Supervisory Authority	Uptown Jeddah (PIF Owned Company)		Limited Liability Company
Retal Urban Development Company	Inside the Kingdom	Limited Liability Company	Sidra Capital		Closed Joint Stock
			Alkhozama Management		Limited Liability Company
			Aayan Arabia Holding	Listed	

Mr. Naif S. Al-Hamdan:

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)
Al Ula Development Company	Inside the Kingdom	Closed joint Stock		NA	
Rua Al Madinah Holding Company					
Rua Al Haram Al Makki Company					
AlBalad Development Company					
Boutique Hospitality Collection Company					
Central Ar Riyadh Development Company					
Saudi Downtown					
Saudi Real Estate Company		Listed			

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)
MOMRAH Funding Committee	Inside the Kingdom	Government Entity		NA	
Dan Comany		Limited Liability Company			
Aseer Development Authority		Government Entity			
Al Shafa Development Company		Limited Liability Company			

The number of Board meetings held during 2022, their dates and the attendance record of each meeting listing the names of the attendees:

The Board of Directors held five (5) meetings during the year 2022, and the following table shows the attendance record for each meeting:

Name	12 Jan	29 Mar	12 Sep	7 Nov	12 Dec
Mr. Fahad A. Alsaif	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. Naif S. Al-Hamdan	N/A				✓
Mr. Qusai A. Al-Fakhri	✓	✓	✓	✓	✓
Mr. Assim M. Al-Suhaibani	✓	✓	N/A		
Mr. Majed M. Al-Sorour	✓	✓	✗	✓	N/A

✓: Attended the meeting

✗: Apologized

N/A: Wasn't a member

Remuneration of Board 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 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 2022:

	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	200,000	N/A	60,000	N/A	N/A	N/A	260,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	260,000	N/A
Mr. Osama O. Barayan	300,000	N/A	45,000	N/A	N/A	N/A	345,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	345,000	N/A
Mr. Qusai A. Al-Fakhri	300,000	N/A	N/A	N/A	N/A	N/A	300,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	300,000	N/A
TOTAL	800,000		105,000				905,000								905,000	
Second: Non-Executive Directors																
Mr. Fahad A. Al Saif	162,740	N/A	N/A	N/A	N/A	N/A	162,740	N/A	N/A	N/A	N/A	N/A	N/A	N/A	162,740	N/A
Mr. Jamal M. Bin Theniyah	300,000	N/A	N/A	N/A	N/A	N/A	300,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	300,000	N/A
Mr. Mohammed N. Hefni	300,000	N/A	35,000	N/A	N/A	N/A	335,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	335,000	N/A
Mr. Abdullah I. Al-Howaish	300,000	N/A	20,000	N/A	N/A	N/A	320,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	320,000	N/A
Mr. Hani O. Baothman	300,000	N/A	N/A	N/A	N/A	N/A	300,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	300,000	N/A
Mr. Naif S. Al-Hamdan	19,726	N/A	N/A	N/A	N/A	N/A	19,726	N/A	N/A	N/A	N/A	N/A	N/A	N/A	19,726	N/A
Mr. Assim M. Al-Suhaibani ¹	137,260	N/A	N/A	N/A	N/A	N/A	137,260	N/A	N/A	N/A	N/A	N/A	N/A	N/A	137,260	N/A
Mr. Majed M. Al-Sorour ¹	280,274	N/A	N/A	N/A	N/A	N/A	280,274	N/A	N/A	N/A	N/A	N/A	N/A	N/A	280,274	N/A
TOTAL	2,600,000		55,000				1,855,000								1,855,000	
Third: Executive Directors																
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL																

1: Membership ended.

Note: the remuneration payment shall not be more than 500k as per EEC Bylaw.

2. Remunerations of the committees as of 31 Dec 2022:

	Fixed Remuneration (Except for the allowance for attending Committee meetings)	Allowance for attending Committee meetings	TOTAL
Executive Committee Members			
Mr. Mohammed N. Hefni	120,000	35,000	155,000
Mr. Arif A. Al-Bastaki	120,000	35,000	155,000
Mr. Mansour A. Al-Salem*	120,000	30,000	150,000
Mr. Marwan K. Al-Bouez ¹	120,000	35,000	155,000
Audit Committee Members			
Mr. Osama O. Barayan	150,000	45,000	195,000
Mr. Mazen N. Al-Sharfan*	150,000	45,000	195,000
Mr. AbdulMajeed S. Aldakhil ¹	150,000	45,000	195,000
Nomination and Remuneration Committee Members			
Mr. Arif A. Al-Bastaki	120,000	25,000	145,000
Mr. Abdullah I. Al-Howaish ¹	111,123	20,000	131,123
Mr. Mansour A. Al-Salem*	120,000	25,000	145,000
Mr. Tariq Al-Amoudi*	120,000	25,000	145,000

* Member out of the board.

¹: Membership ended during 2022.

3. Remunerations of the Senior Executives as of 31 Dec 2022:

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	3,360,000	237,000	244,332	3,841,332	-	-	-	-	-	-	166,744	-	4,008,077
Chief Financial Officer (acting)	950,152	237,538	250,324	1,438,014	-	-	-	-	-	-	-	-	1,438,014
Chief Strategy Officer	1,644,444	575,552	176,439	2,396,435	-	-	-	-	-	-	92,500	-	2,488,935
Chief Development Officer	1,630,332	563,029	119,810	2,313,171	-	-	-	-	-	-	92,146	-	2,405,317
Chief Marketing Officer	1,248,170	436,857	253,989	1,939,016	-	-	-	-	-	-	80,364	-	2,019,379
TOTAL	8,833,098	2,049,977	1,044,894	11,927,968	-	-	-	-	-	-	431,754	-	12,359,722

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 2022:

Name of the person to whom the interest, contractual papers, or subscription rights belong in ECC	Beginning of the year 2022	End of the year 2022	Net change	Percentage of Change
	Number of shares	Number of shares		
Mr. Fahad A. Al-Saif	---	---	---	---
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. Naif S. Al-Hamdan	---	---	---	---
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 2022:

Name of the person to whom the interest, contractual papers, or subscription rights belong in ECC	Beginning of the year 2022	End of the year 2022	Net change	Relatives shares	Percentage of change
	Number of shares	Number of shares			
Mr. Cyril R. Piaia	---	---	---	---	---
Ms. Arlida B. Ariff	---	---	---	---	---
Mr. Ali M. Aljurbua	---	---	---	---	---
Mr. Masood A. Razaq	---	---	---	---	---
Mr. Moneer J. Brembali	---	---	---	---	---
Mr. Bakr A. Sindi	---	---	---	128	---
Mr. Fawaz M. Kilfaden	15800	15800	---	---	---
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 2022:

The General Assembly had conducted 1 meeting during the fiscal year of 2022as follows:

Name	June 9,2022 AGM
Mr. Assim M. Al-Suhaibani	✓
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	✓
Mr. Qusai A. Al-Fakhri	✓
Mr. Fahad A. Al-Saif	N/A
Mr. Naif S. Al-Hamdan	N/A

✓: 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.

a. Names of the Nomination and Remuneration Committee members as of 31 December 2022:

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

b. Names of the Nomination and Remuneration Committee previous members during the year 2022:

Name	Period (from – to)	Position
Mr. Abdullah I. Al-Howaish	January 1, 2022 – December 4, 2022	Member

c. Meetings of the Nomination and Remuneration Committee:

The Nomination and Remuneration Committee held five (5) meetings during the year 2022, and the following table shows the attendance record for each meeting:

Name	16 Feb	6 June	7 Sep	19 Oct	13 Dec
Mr. Arif A. Al-Bastaki	✓	✓	✓	✓	✓
Mr. Abdullah I. Al-Howaish	✓	✓	✓	✓	N/A
Mr. Mansour A. Al-Salem	✓	✓	✓	✓	✓
Mr. Tariq M. Al-Amoudi	✓	✓	✓	✓	✓

✓: 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 investigating 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:
 - a. Examining and reviewing the company's internal control system, and risk management system.
 - b. Analyzing the internal audit reports and following up on the implementation of corrective measures for the remarks contained therein.
 - c. External Auditor:
 - d. Examine carefully any issues raised by the internal auditor in the company.
 - e. 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;
 - f. Verifying the independence, objectivity, and fairness of the External Auditors and the effectiveness of the audit activities, considering relevant rules and criteria;
 - g. 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;
 - h. Responding to queries of the Company's External Auditors;
 - i. 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.
 - j. The Committee shall periodically meet with the External Auditor. At least twice a year.

- Compliance guarantee:
 - a. Reviewing the findings of the report of supervisory authorities and ensuring that the Company has taken the necessary actions in connection therewith;
 - b. Review company reports that include financial statements with the regulatory authorities, and verify that the information contained in the approved financial statements.
 - c. Ensuring the Company's compliance with the Related Laws, Regulations, policies, and Instructions;
 - d. 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
 - e. 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.
 - f. 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.
 - g. 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 2022:

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 2022:

Name	Date of resignation	Effective date of resignation	Position
No resignation occurred for any Member of the Audit committee during the year 2022			

- c. Meetings of the Audit Committee:

The Audit Committee held nine (9) meetings during the year 2022, and the following table shows the attendance record for each meeting:

Name	25 Jan	28 Feb	17 Mar	9 May	16 Jun	15 Aug	6 Sep	31 Oct	5 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 2022:

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 2022:

Name	Period (from – to)	Position
No member of the Executive Committee has resigned during the year 2022		

c. The Executive Committee held seven (7) meetings during the year 2022 as follows:

Name	24 Feb	18 May	27 Jun	30 Jun	25 Aug	25 Sep	17 Nov
Mr. Mohammed N. Hefni	✓	✓	✓	✓	✓	✓	✓
Mr. Arif A. Albastaki	✓	✓	✓	✓	✓	✓	✓
Mr. Mansour A. Al-Salem	✓	✓	✓	✓	✓	✓	X
Mr. Marwan K. Bouez	✓	✓	✓	✓	✓	✓	✓

✓: Attended the meeting

X: Apologized

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 2022 and made a recommendation to the Board of Directors and General Assembly to 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.
- 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 2022.
- 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.

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 with the need to focus on improving the effectiveness of certain aspects of the Internal Controls system of the prior year. 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 senior management to work on updating the internal controls system 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 and Emerging 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 and its residents.
- Continuous decreased in sales.

- Increase in number of legal cases from customers or other financial obligations and payables.
- Inability to attract enough population to KAEC due to lack of white-collar job opportunities and materialized investments.
- Inadequate activation of the regulations as stipulated by the Economic Cities & Special Zones Authority or any new or updated regulations from the competent authorities, other supportive regulations to provide special privileges to Economic Cities.
- Liquidity risks and inability to obtain additional funding and financial support which results with inability to meet the current financial obligations and loans, or to continue support the primary facilities and operational needs of the city or finance new projects.
- The risks associated with the cybersecurity and information security.

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

The Group's activities may expose it to a variety of financial risks. The Group's overall risk management program focuses on robust liquidity management as well as monitoring of various relevant market variables, thereby consistently seeking to minimize potential adverse effects on the Group's financial performance.

The Group may expose to the following risks from its use of financial instruments:

Credit risk;

- Market risk (commission rate risk, currency risk and price risk)
- Liquidity risk.

This part illustrates information about the Group's possible exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk.

The Board of Directors has an overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's senior management are responsible for developing and monitoring the Group's risk management policies and report regularly to the Board of Directors on their activities.

The Group's risk management policies (both formal and informal) are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group's Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group's Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Group's principal financial liabilities comprise of trade and other payables, lease liabilities and long-term and short-term borrowings. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include investment in equity accounted investees, employees' receivable – home ownership scheme, unbilled revenue, trade receivables and other current assets, restricted cash and cash and cash equivalents.

The Board of Directors reviews and agrees policies for managing each of the following risks which are summarised below:

Credit risk : Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is exposed to credit risk principally from its employees' receivable – home ownership scheme, unbilled revenue, trade receivables and other current assets.

Customer credit risk is assessed by the Group according to the Group's established policy, procedures and controls relating to customer credit risk management. Credit quality of a customer is assessed based on a credit rating process. Each new customer is analysed individually for credit worthiness before entering into contract with the customer.

The Group seeks to manage its credit risk with respect to customers by monitoring outstanding receivables. Certain sales pertaining to real estate are made on instalment basis. The sale agreements with customers provide that the title to the property is transferred to the customers only upon the receipt of complete sale price. The collection department monitors the situation of outstanding receivables and follows up with customers for the payments in accordance with the contractual terms. Payment term varies from product to product with some exceptions at the customer level.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for various customer segments with similar loss patterns. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors (such as GDP forecast and inflation rate) affecting the ability of the customers to settle the receivables.

With respect to credit risk arising from the other financial assets of the Group, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Credit risk from balances with banks and financial institutions is managed by Group's treasury in accordance with the Group's policy. Given the profile of its bankers, management does not expect any counterparty to fail meeting its obligations. The Group deals with reputable banks with investment grade credit ratings and the credit quality of these financial assets can be assessed by reference to external credit ratings. Credit risk on cash at banks and restricted cash is limited as these are held with banks with sound credit ratings ranging from BBB+ and above. While cash and cash equivalents and other receivables are also subject to impairment requirements of IFRS 9 'Financial Instruments' ("IFRS 9"), these are considered as low risk and the impairment loss is not expected to be material.

Excessive risk of concentration

Concentration arises when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of risk is managed through focus on the maintenance of a diversified portfolio. In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Market risk : Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Market risk comprises of three types of risk: currency risk, commission rate risk and other price risk

Commission rate risk :Commission rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market commission rates.

The Group's exposure to the risk of changes in market commission rates may relate primarily to the Group's long-term and short-term borrowings with floating commission rates. The Group manages the commission rate risk by regularly monitoring the commission rate profiles of its commission bearing financial instruments.

Commission rate sensitivity

With all other variables held constant, the Group's loss before tax is affected through the impact on floating rate borrowings.

The assumed movement in basis points for the commission rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

The weighted average rate for the Group's long-term borrowings is approximately 4.73%.

Currency risk :Currency risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in foreign exchange rates. The Group did not undertake significant transactions in currencies other than Saudi Riyals and US Dollars. As US Dollar is pegged to Saudi Riyal, the Group is not exposed to significant currency risk.

Price risk :The Group has no significant exposure to price risk as it does not hold any equity securities or commodities.

Liquidity risk :Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available through committed credit facilities to meet any future commitments. The cash flows, funding requirements and liquidity of Group companies are monitored on a centralised basis, under the control of Group Treasury. The objective of this centralised system is to optimise the efficiency and effectiveness of the management of the Group's capital resources. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank borrowings. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and borrowing facilities, by continuously monitoring forecasted and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Group's management has developed a plan to enable the Group to meet both its obligations as they become due and to continue its operations, without significant curtailment, as a going concern.

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

The shareholders' register was requested five (5) times as follows:

No.	Date	Reason
1	February 24, 2022	Corporate Process
2	April 3, 2022	Corporate Process
3	June 9, 2022	General Assembly
4	November 1, 2022	Corporate Process
5	December 11, 2022	Corporate Process

The Board of Directors disclosures and declarations for the year 2022:

- 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.
- In regard of the restrictions imposed on the company, the registration of residential real estate sale agreements imposed by The Economic Cities and Special Zones Authority continued to be suspended. The authority requested to provide a number of requirements, which were met, with the exception of the service change model, which took longer than expected to be prepared. The company is currently working on completing the final stage of the model and submitting the same to the Authority to lift the suspension of agreements registration.
- The company confirms that there is an existing internal audit function established based on audit committee's recommendation.
- 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 inconsistency with the standard approved by the Saudi Organization for Chartered and Professional Accountants.
- The company confirms there are no shares and debt instruments issued for each affiliate company.
- The company confirms that it had not received any notification for interest in a class of voting shares held by persons (other than the company's directors, Senior Executives and their relatives) pursuant to Article 85 of the Rules on the Offer of Securities and Continuing Obligations.
- The company confirms that there is no interest, contractual securities and subscription rights belonging to the members of the company's Board of Directors, senior executives and their relatives in the shares or debt instruments of the company or any of its affiliates.
- The company confirms that there is no any convertible debt instruments, contractual securities, preemptive right or similar rights issued or granted by the Company during the fiscal year.
- The company confirms that does not have 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 no redemption, purchase or cancellation by the company or its affiliates of any redeemable debt instruments.
- 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.
- The company confirms that there are no reservations from the external auditor on the company's annual financial statements according to its 2022 report.
- During 2022, the Board of Directors did not recommend the change of auditor before the end of the period for which he was appointed, as the PWC office was appointed to audit the company for the year 2022 and his appointment period was not terminated during the year.
- The company confirms that it did not receive any information relating to any competing business with the Company or any of its activities that any member of the Board is engaging in or was engaging in such competing businesses.

- 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	67, 68, 69	Formation of the Risk Management Committee.	These are guiding articles; however, the Audit Committee is currently performing the required tasks.
2	37, 39	Training and assessment of the Board, its Committees and Members of Executive Management.	These are guiding articles.
3	82,84, 85	Establishment of programs for developing and encouraging the participation and performance of the Company's employees, Social Responsibility and social initiatives	These are guiding articles.
4	92	Formation of the Corporate Governance Committee.	These are guiding articles.