



رأس الخيمة العقارية
RAK PROPERTIES.

Corporate Governance Report for the year 2022

Corporate Governance Report issued by RAK Properties P.J.S.C. for the year 2022

First, Measures taken to complete the corporate governance system during 2022 and how to implement them:

RAK Properties has been implementing and adopting Corporate Governance laws and regulations since 2009. The Corporate Governance Report for the year 2009 was issued in June 2010 and published on the Securities and Commodities Authority website. The Corporate Governance Report for the year 2010 was published in February 2011. 2011 report was issued in March 2012 and published on the Securities and Commodities Authority website and the Company's website. Governance reports for the years 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021 were issued and published on the Securities and Commodities Authority website and the Company's website. This report, the fourteen report, is for the year 2022.

RAK Properties believes in the necessity and importance of practical application of the principles and laws of governance and standards of institutional discipline in a precise manner and in line with the interests of the Company and its shareholders because these laws and controls have positive effects that benefit all parties. RAK Properties believes that adherence to the principles and rules of governance will preserve its funds and those of shareholders due to the transparency standards and efficiency guaranteed by such principles that defend the Company's reputation and secure the shareholders' trust in its Board of Directors leading to production boosting.

Therefore, RAK Properties abides, in all its activities and transactions, by compliance standards by implementing the resolutions, statutes, rules and regulations related to the organization and management of public joint stock companies and mostly based on the Federal Law No. (2) of 2015 on Commercial Companies and its subsequent amendments came in the decree by federal law no 26 of 2020 amending some provisions of the federal commercial companies law no (2) of 2015, interpretations or directives that have been further issued in all its activities and transactions to date by the Securities and Commodities Authority and competent official authorities in the UAE.

RAK Properties is pleased to confirm its commitment to the implementation of the provisions contained in the law No. 3 of 2020 concerning Approval of Joint Stock Companies Governance Guide as the latest legislation in this regard. The most important measure taken by the Company in implementation of this regulation is the periodic

disclosure of the Board's meeting dates more than two working days in advance, and the disclosure of the results of the meeting immediately thereafter.

RAK Properties has also committed to the disclosure standards of financial statements relating to the Company for every quarter during 2022, which was performed on time and under the supervision of the Stock Market and the Commodities and Services Authority. Moreover, pursuant to law provisions, Board Members have not received any representation or attendance allowances for attending the Board meetings. However, some of them have received attendance allowances for attending the meetings of the Board committees, as hereinafter detailed, as an effort added to the normal assignment of a Board member.

The current session started with the decision of the AGM by issuing special resolution to amend the Articles of Association on April 3, 2021 at the ordinary general assembly meeting of the Company, in particular to reduce the number of board members from 9 to 7 members. The current session of the Board expires on March 2024.

Second, Transactions performed by the Board Members, their spouses or sons regarding the securities of the Company during the year 2022:

The Board of Directors and its Executive Management abide by the rules and procedures governing the transactions performed by the Board members and Company's employees who have information by virtue of their positions in order to improve the level of transparency and disclosure and allow the shareholders to be equal in their transaction regarding the shares of the Company.

The Company has provided the stock market with a list of names of the Company Chairman and Board Members as well as an updated list of the insiders from the executive management and heads of departments in order for these insiders to comply with the procedures established by the market and the Authority through receiving the approval of the director of the stock market on any transactions conducted regarding the Company's security (The Company share) whether by selling or buying and through the trading floor or family transfers in the management of the clearing.

Furthermore, the Stock Market Department automatically suspends, through its electronic system, all those listed in the insiders list from trading, through buying or selling, in the Company's shares fifteen days in advance until the disclosure of the required financial results for each period. This procedure is automatically performed by the market system and the Securities and Commodities Authority.

If any insider wishes to buy or sell the Company shares during the grace period (outside the suspension periods), he/she must submit an application in accordance with the forms approved by the Abu Dhabi Securities Exchange and its financial intermediary.

It is worth noting that RAK Properties has obligated all its employees to follow the procedures of the stock market in this regard, emphasizing, from time to time, the importance of applying and abiding by these laws as well as any new laws, resolutions and circulars issued by the Market and the Authority governing these transactions.

The measures are aimed at maintaining the Company reputation and enhancing the confidence of shareholders and investors so that the Company Board of Directors and employees do not exploit the information that may be available for them before the others to achieve material gains at the expense of the others. Therefore, the Company applies all the regulations issued or to be issued in the future by the Securities and Commodities Authority and Abu Dhabi Securities Exchange.

During 2022, the following Board Members or their relatives up to the first degree traded in the shares during the grace periods according to the following table:

No.	Name	Position / relationship	Shares held as of 31/12/2022	Total purchase during 2022	Total sales during 2022
1	Abdulaziz Abdullah Salem Al Zaabi	Chairman	1,000,000	-	-
2	Mohamed Ahmed Ali Hassan Ruqait Al-Ali	Vice-Chairman	60,000,000	-	16,299,273
3	Sheikh Ahmed Omar Abdullah Al Qassimi	Board Member	200,000	-	-
4	Mohammed Mosabeh Al Nauimi	Board Member	20,000	-	-
5	Mohamed Ghobash Ahmed Al Marri	Board Member	0	-	-
6	Abdulla Rashid Jasem Al Abdouli	Board Member	100,000	100,000	-
7	Yaser Abdulla Mohamed Al Ahmad	Board Member	10,000	10,000	-

A. Composition of the Board of Directors and its Chairman and Members' details, experience and qualifications:

Pursuant to AGM resolution dated 3/4/2021, the Board of Directors of the Company shall be composed of seven (7) Board Members elected by the Ordinary General Assembly of the Company by secret vote. The term of the Board shall be three years. Therefore, Board of Directors of the Company was elected for the sixth session during the Company's Annual Meeting on Saturday, 3 April 2021 and thus the Board has spent about two years until the preparation of this report.

The Board consists of seven Members are well known for their long and varied experience and high efficiency. The Board still exercises its powers to date as the term of the current Board ends on March 2024 The following is the Board's composition according to the categories of its members and their details, experiences and qualifications:

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No	Position	Name	Category	Experiences	Qualifications	The duration of his/her tenure as a Company Board Member.	Their membership and positions at any other joint stock companies	Their other important regulatory, governmental or commercial positions.
1	Chairman	Abdulaziz Abdullah Al Zaabi	Independent.	He has very rich experience in the field of business Administration in Real estate and banking sector and real estate and banking investments. He also has considerable experience in Federal National Council (FNC) affairs.	Holds a BA in International Business Administration from San Jose State University, USA, 1987.	18 years	Chairman of Al Khaleej Investment Board Member of Julphar pharmaceutical company	Second Vice President of the Federal National Council (FNC). Chairman of Ras Al Khaimah Charity Association Chairman of RAK Properties
2	Vice-Chairman	Mohamed Ahmed Ruqait	Independent.	He has extensive experience in the field of real estate, construction, development and investment, and has held several positions, most notably being a Federal National Council (FNC) member.	Graduated from the Royal Navy College	18 years	Non	Chairman of Al Ali Construction & Development Company Owner of Mohamed Ruqait Properties Board Member of RAK Properties
3	Board Member	Sheikh Ahmed Bin Omar Al Qassimi	Independent.	Has more than ten years of experience in management and business administration.	Holds a Master's degree in Business Administration from the Canadian University Dubai	8 years	Non	Board Member, RAK Properties

4	Board Member	Mohammed Mosabeh Al Nauimi	Independent.	One of the pioneers in the banking operations and business in the United Arab Emirates with more than 30 years of experience, one of the main contributors to setting the rules of Islamic finance and Islamic insurance, and an expert specializing in the affairs of listing public joint stock companies and holding several positions at the state level	Master of BA	2 years	Board Member of CBI, CEO of Mawared Company	Chairman of Chamber of Commerce, Board Member, RAK Properties
5	Board Member	Mohamed Ghobash Ahmed Al Marri	Independent.	Senior Manager, Private Wealth Management, National Bank of Abu Dhabi And he worked for many years in Abu Dhabi for financial services	High Diploma from Higher College of Technology	2 years	Board Member of United Fidelity	Board Member of RAK Properties
6	Board Member	Abdulla Rashid Jasem Al Abdouli	Independent.	He has extensive experience in the field of architecture and urban planning, and an active element in the field of entrepreneurship, innovation and stimulating the attraction of foreign investments.	BA in Architecture from the American University of Sharjah MA in Urban and Regional Planning from Paris-Sorbonne University Abu Dhabi Holds a Certificate in Investment Strategies in Real Estate Development from Harvard University	2 years	Non	Vice Chairman and Managing Director of Ras Al Khaimah Bulldozers Company CEO of Marjan Corporation Member of the Board of Directors and General Manager of Saraya Ras Al Khaimah Company Member of the Board of Directors of Ras Al Khaimah Real Estate Company.
7	Board Member	Yaser Abdulla Mohamed Al Ahmad	Non-Executive	He has experience in the field of banking, as he worked for the National Bank of Ras Al-Khaimah and Dubai Islamic Bank, and worked in a telecommunications company, and the Ras Al-Khaimah Economic Zones Authority (RAKEZ).	Holds a Bachelor of Arts degree	2 Years	None	Board Member of RAK Properties Head of Government Communications Department at Ras Al Khaimah Economic Zones Authority

B - Women's representation in the Board of Directors for the year 2022:

Under the Company's Articles of Association, the Board of Directors elected by the Ordinary General Assembly by secret vote. The number and percentage of male and female members was as follows:

Women are not represented according to the following table:

Gender	Number	Percentage
Male Board Members	7	100%
Female Board Members	0	0%

C) Reasons why no woman run for Board Membership election.

RAK Properties believes in the importance of women's participation in the development process and the need for their participation in companies' boards of directors. During the previous Boards terms, candidacy for the Board of Directors membership was made available for both sexes without any discrimination. However, no woman runs for Board membership election for the Board' previous sessions.

D) Board Members Remuneration and attendance allowance for attending the meetings of the Board and its committees:

1. Total of Board Members' remuneration paid for the year 2021:

The remuneration paid to the Chairman and Board Members for the year 2021 amounted to AED 6 Million Dirhams which was presented to the shareholders' General Assembly held on March 26, 2022 and received its approval.

2. Total of Board Members' remuneration proposed for the year 2022, which will be presented at the Annual Meeting for approval:

Pursuant to the federal laws and governance rules, Board remuneration shall not exceed 10% of the net profit, provided not exceeding 10% of such profits for the financial year. The Company may also pay the expenses, fees, bonus or a monthly salary as determined by the Board of Directors for any of its members if such member is working for any committee, makes special efforts or performs additional work to serve the Company above his normal duties as a Company Board Member in accordance with the Board of Directors' decision No. 3 of 2020 concerning Approval of Joint Stock Companies Governance Guide.

Board Members propose to the General Assembly a bonus of 3 Million Dirhams,; 375,000 to each member and 750,000 for the Chairman to be distributed among them for the year 2022.

3. Attendance allowance received by the Board Members for attending the meetings of the Board committees for the fiscal year 2022 are as detailed in following table:

No.	Name	Position	Attendance allowance for attending the meetings of the Board's committees				
			Executive and Investment Committee (EIC)	Nominations and Remunerations Committee (NRC)	Audit committee	Total of allowance value	Number of meetings
1	Mr. Abdulaziz Abdullah Al Zaabi	Chairman	-	-	-	-	-
2	Mr. Mohamed Ahmed Ruqait	Vice-Chairman	-	-	-	-	-
3	Sheikh Ahmed Omar Al Qassimi	Board Member, Chairman of NRC, Member of EIC	5,000 7 meetings	10,000 5 meetings	-	85,000	12
4	Mohammed Mosabeh Al Nauimi	Board Member, Chairman of audit and member of NRC	-	5,000 5 meetings	10,000 8 meetings	105,000	13
5	Abdulla Rashid Jasem Al Abdouli	Board Member, chairman of EIC	10,000 7 meetings	-	-	70,000	7
6	Mohamed Ghobash Ahmed Al Marri	Board Member, Member of Audit & EIC	5,000 7 meetings	-	5,000 8 meetings	75,000	15
7	Yaser Abdulla Mohamed Al Ahmad	Board Member, Member of Audit & NRC	-	5,000 5 meetings	5,000 8 meetings	65,000	13

4. Details of the allowances, salaries, or additional fees that a member of the Board of Directors received other than the fees for attending the committees and their reasons:

None

E. Number of Board meetings during 2022:

During the fiscal year 2022 ended 31 December 2022, the Board held 6 meetings as follows:

No.	Meeting date	Personal Attendance	Attendance by Proxy	Names of Absent Members/ sent their apologies
1	Meeting no 1/2022 on 12/2/2022	7	-	-
2	Meeting no 2/2022 on 28/4/2022	4	-	Sheikh Ahmad & Mr. Mohamed Ruqait & Mr. Mohammed Al Nauimi did not attend
3	Meeting no 3/2022 on 28/5/2022	7	-	-
4	Meeting no 4/2022 on 30/7/2022	5	-	Sheikh Ahmad & Mr. Mohammed Al Nauimi did not attend
5	Meeting no 5/2022 on 5/11/2022	7	-	-
6	Meeting no 6/2022 on 10/12/2022	7	-	-

Chairman and Board Members Personal attendance was as follows:

Name	Attendance
Abdulaziz Abdullah Al Zaabi	6
Mohamed Ahmed Ruqait	6
Sheikh Ahmed Bin Omar Al Qassimi	5
Mohammed Mosabeh Al Nauimi	5
Abdulla Jasem Al Abdouli	6
Nawwaf Ghobash Al Marri	6
Yaser Abdulla Al Ahmad	6

Number of Board Resolutions by Circulations issued during 2022

None

F. Functions and powers assigned by the Board of Directors to the Executive Management:

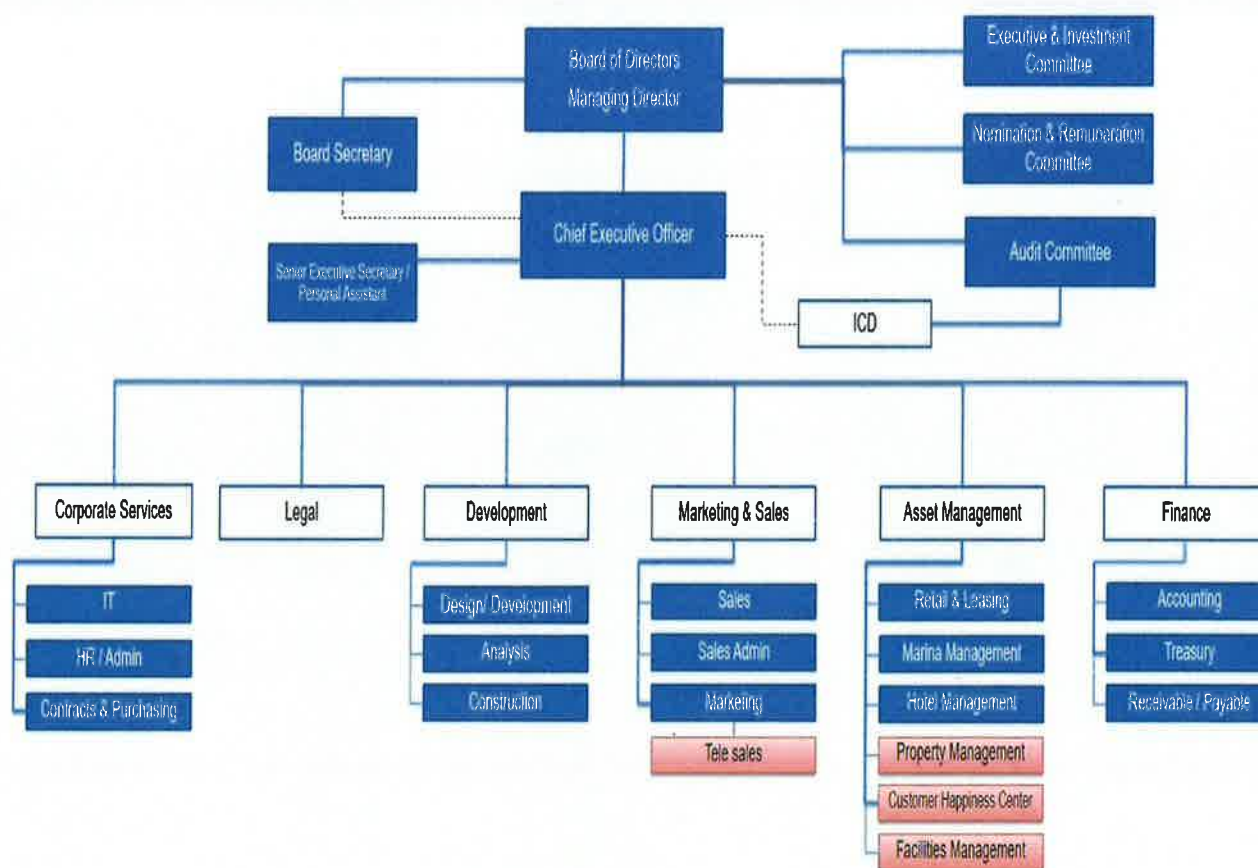
General authorization issued by the RAK Properties' Board of Directors based on the articles of association of RAK Properties "Company" and the Board of Directors General

Authorization notarized by Notary Public under no. 1773/2022 dated 26/9/2022, for CEO to represent the Company before all departments; authorities; private, official or nonofficial entities; companies; establishments and private sector establishments. They also appointed him to sign all transactions and papers necessary for the completion of the Company's business in all governmental, non-governmental and private entities, banks and financial institutions. His powers include also representing the Company and signing on its behalf in all financial, administrative, legal and judicial matters. In addition, he is authorized to purchase shares and stocks in existing or under establishment companies, participate in their management, take decisions regarding them, and manage all their financial, administrative, legal and judicial affairs.

The Board of Directors also decided to authorize Mr. Sameh Al Muhtadi to sign contracts containing the arbitration clause and conclude and sign the arbitration agreements with any party in the name of the Company and on its behalf. He is authorized to take all the necessary procedures in this regard including appointing and challenging arbitrators and experts, do reconciliation and waiver and take all other procedures related to arbitration which require special authorization under the law pursuant to provisions of Article 25 of the Company's Articles of Association, and all the measures taken in this regard in light of the Company's Articles of Association provisions.

G. Related Party Transactions (Stakeholders)

Statement of the related Party	Clarification of the Nature of the Transactions	Type of transaction	Value of Transaction
<p>1) Mr. Mohamed Ahmed Ruqait Al-Ali is a member of the Board of Directors of RAK Properties and he is major shareholder RAK Properties PJSC, holding 3%.</p> <p>2) He is also a partner in Al-Ali Construction and Development Company which is owned by the following:</p> <ul style="list-style-type: none"> - Muhammad Ahmad Raqait Al-Ali, as a partner, with a percentage of 1%. Mohamed Ruqait Holding LLC as a 99% partner 	During the year 2022, RAK Properties paid 432,288 Dirhams for the Intercontinental Hotel project, which was built by Al Ali Construction and Development Company.	construction of the Intercontinental Ras Al Khaimah Hotel	AED 409,875,852 Million Dirhams
	An amount of 210,797 was paid for a previous contract, which is a contract for the construction and development of 206 villas, at a value of 214 million dirhams.	Construction of 206 villas, at a value of 214 million dirhams	AED 214 Million Dirhams
	An amount of 4,079,375 dirhams has been paid for the Pilling works in the Bay Residence project	Pilling work in the the Bay Residence project	AED 9,835,247 Million Dirhams



I. Details of the Company's senior executives

Name	Position	Date of appointment	Total salaries and remunerations paid for the year 2022 in Dirhams	Total bonuses paid for the year 2022 in Dirham	Any other cash / in-kind bonuses for 2022 or
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					due in the future
Mr. Sameh Al Muhtadi	CEO	22/8/2022	969,793	It will be presented to NRC Committee	-
Mr. Mohammed Al Tair	COO	17/2/2008	1,149,061	It will be presented to NRC Committee	-
Mr. Mohammed Al Assadi	EX-CFO	1/9/2021	802,886	It will be presented to NRC Committee	-
Mr. Omar Al Ali	Chief Support Services Officer	20/8/2017	910,674	It will be presented to NRC Committee	-
Mr. Tariq Al Shaikh	Director of Asset Management	22/1/2022	878,118	It will be presented to NRC Committee	-
Mr. Maen Abdol Kareem	Legal advisor and Secretary of the Board of Directors	1/9/2019	549,599	It will be presented to NRC Committee	-

Fourth: External Auditor:

a. About the Company's auditor and details of audit and other services' fees and costs:

Ernst & Young is one of the most experienced external auditing firms accredited by the Ministry of Economy. **Ernst & Young** was appointed the Company's External Auditor for the year 2022 by the approval of the General Assembly in its meeting dated 26/3/2022 and their auditing fees are AED 470,000 + VAT shall be on the expense of RAK Properties. It is independent of the Company and the Board of Directors. It is not a partner or agent of any of the Company's founders, Board Members or any of their relatives to the fourth degree. All the work performed by the external auditor is free from any conflict of interest. The Company complies with all terms and conditions related to the External auditor pursuant to the provisions of the law No. 3 of 2020.

b. Fees and costs for auditing and services performed by the External Auditor:

Name of Auditing Office and the auditors partner	Auditing Office: Ernst & Young Auditors Partner: Wardah Ebrahim
Number of years spent as an external auditor of the Company	3 years
Total audit fees in AED for 2022 financial statements	AED 470,000 + VAT
Fees and costs for special services other than 2022 financial statements auditing	Non
Details and nature of other services provided	Quarterly and annual financial reports review
Details of other services performed and submitted by an external auditor other than the Company's auditor during 2022.	There is no another external auditor

Details of other services performed and submitted by an external auditor other than the Company's auditor during 2022.	There is no another external auditor
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No other special or additional services were provided by **Ernst & Young** the Company's external auditor except for auditing the financial statements for 2022.

C. Qualified opinions made by the Company's auditor in the annual interim financial statements for the year 2022:

No Qualified opinions made by the Company's auditor for the year 2022

Fifth: Audit Committee

a. The Committee Chairman's acknowledgment of his responsibility for the Committee sytem at the Company, review of its work mechanism and ensuring its effectiveness.

Mr. Moahmmed Mosabeh Al Nauimi, Chairman of Audit Committee, acknowledges his responsibility for the committee system in the Company, review of its work mechanism and ensuring its effectiveness.

b. Audit Committee's members' names, terms of reference and tasks:

This committee was formed in 3/4/2021 till date and consists of the following members:

- Mr. Mohammed Mosabeh Al Nuaimi, Committee's Chairman (Independent Member)
- Mr. Mohammed Ghobash Al Marri, committee member (Independent Member)
- Mr. Yaser Abdulla Al Ahmad, committee member (Non-Executive Member)

Mr. Andrew Robinson was elected as an Audit Committee member from outside the Board of Directors. He is qualified and has more than 22 years of experience and practice. He is a certified accountant in England and he worked for KPMG office in Dubai and Oman. Mr. Andrew is a Fellow of ICAEW and the Company considers his appointment to be a very valuable addition to the work of the both the Committee and the Company because of his long experience in this field.

Audit Committee's other functions are:

- To monitor and observe the external auditor's independence and objectivity and to have discussion with them on the nature and scope the audit process and its effectiveness in accordance with the approved auditing standards.
- To monitor the integrity of the Company's financial statements, annual, semi-annual and quarterly reports and review them as part of their normal work during the year and after closing the accounts in any quarter. It shall have particular emphasis on:
 - 1- Any changes in accounting policies and practices
 - 2- Highlighting the areas subject to the management report
 - 3- Significant changes resulting from the audit
 - 4- Supposing that the Company is a going concern
 - 5- Complying with the accounting standards determined by the Securities and Commodities Authority and Abu Dhabi Securities Exchange.
 - 6- Adhering to the rules of listing, disclosure and other legal requirements related to the preparation of financial reports.
- Coordinating with the Board of Directors, Executive Management and the Chief Financial Officer in order to perform its tasks. The Committee shall meet with the external auditors at least once a year.
- Considering any important and unusual items that are or should be included in such reports and accounts and giving due consideration to any matters raised by the Company's Chief Financial Officer, compliance officer or the Company's external auditors.
- Reviewing the Company's financial control, internal control and risk management systems.
- Discussing the internal control system with the management and ensuring that it fulfills its duty to establish an effective internal control system.
- Considering the results of the main investigations in the internal control matters assigned to it by the Board of Directors or on its initiative with the approval of the management.
- Ensuring that there is coordination between the Company's internal auditor and external auditor and that the necessary resources for the internal control system are available in addition to reviewing and controlling the effectiveness of the system.
- Reviewing the Company's financial and accounting policies and procedures.
- Reviewing, replying to and approving the external auditor's letter and work plan and any material inquiries presented by the auditor to the executive management regarding accounting records, financial accounts or control systems
- Ensuring that the Board of Directors responds in a timely manner to the inquiries and material issues raised in the external auditor's letter.
- Developing controls that enable the Company's employees to report any potential violations in financial reports, internal control or other matters in a confidential manner

and the procedures necessary to ensure independent and fair investigations of such violations

- Monitoring the Company's compliance with professional codes of conduct
- Ensuring the application of work rules related to its tasks and the powers assigned to it by the Board of Directors
- Discussing, approving and ratifying the Company's quarterly financial reports and submitting them to the stock market and the Securities and Commodities Authority in the event that the Board of Directors cannot meet in a timely manner.
- Ensuring the application of corporate governance controls as set forth in the Securities Authority's decision No. 7 of 2016.
- Reviewing and evaluating the Company's investments, and adopting appropriate solutions regarding them such as selecting exit mechanisms or adopting the most suitable investment opportunities in amounts not exceeding 50 million Dirhams.
- Reviewing the Company's financial balance sheet, cash flows and investment portfolios on a periodic basis and submitting them to the Board of Directors.
- Ensuring that there is an appropriate system for classification and archiving (e.g. meeting minutes, committee decisions, etc.)
- The Committee shall submit all its reports to the Board of Directors for approval and ratification at the first meeting of the Board following the last meeting of the Committee.
- The Committee shall hold its meeting at least once every three months or whenever necessary and the minutes of its meetings shall be kept by the Rapporteur.
- The Company is committed to providing all the resources necessary for the Committee to perform its tasks, including authorizing it to use experts whenever necessary
- The Committee may seek the assistance of any specialized staff members or members of the Executive Board at any time to explain the issues relevant to the work of the Committee
- The Board of Directors shall have the right to request a meeting with the Committee whenever it deems appropriate
- Any other matters assigned to it by the Chairman or the Board of Directors or matters necessary for the business in conformity with the Committee's functions and nature of work.
- Considering any other matters determined by the Board of Directors.

c. Number and dates of meetings held by the Committee and number of members attended in person:

During the fiscal year ended 31 December 2022, the Committee held the following meetings:

- 1- Meeting no. 1/2022 on 8/2/2022
- 2- Meeting no. 2/2022 on 27/2/2022

- 3- Meeting no. 3/2022 on 26/4/2022
- 4- Meeting no. 4/2022 on 13/6/2022
- 5- Meeting no. 5/2022 on 26/7/2022
- 6- Meeting no. 6/2022 on 28/10/2022
- 7- Meeting no. 7/2022 on 21/12/2022
- 8- Meeting no. 8/2022 on 28/12/2022

Name	Attendance
Mr. Mohammed Mosabeh Al Nuaimi	8
Mr. Mohammad Ghobash Al Marri	8
Mr. Yaser Abdulla Al Ahmad	8
Mr. Andrew Robinson	8

Sixth: Nominations and Remunerations Committee:

a. The Committee Chairman's acknowledgment of his responsibility for the Committee sytem at the Company, review of its work mechanism and ensuring its effectiveness.

Shaikh Bin Ahmed Omar Al Qassemi, Chairman of Nomination and Remuneration Committee, acknowledges his responsibility for the committee system in the Company, review of its work mechanism and ensuring its effectiveness.

b. Nominations and Remunerations Committee's members names, terms of reference and tasks:

The Nominations and Remunerations Committee was formed in accordance with the Corporate Governance Regulations and Rules. It consists of three Board members as follows:

Members of the Nominations and Remunerations Committee during Board of Directors' current session, they are as follows:

- Sheikh Ahmed Bin Omar Al Qassimi, Chairman
(Independent Board Member)
- Mohammed Mosabeh Al Nuaimi, Committee member
(Independent Board Member)
- Mr. Yaser Abdulla Al Ahamd, Committee member
(Non-Executive Board Member)

For achieving its objectives, the Nominations and Remuneration Committee have the following responsibilities:

- Constantly ensuring the independence of independent members

- Identifying the Company's needs of competent individuals at senior executive management level and employees and the bases of their selection.
- Selecting candidates and reviewing all nomination processes for the appointment or reappointment of the following:
 - 1- Board of Directors members for the purpose of being approved by the shareholders
 - 2- Members of the various Board's committees for the purpose of being approved by the Board
- Arranging and following up the procedures related to proposals of membership in the Board of Directors in accordance with the provisions of the applicable laws and regulations and the regulations of the Securities and Commodities Authority
- Organizing and following up the procedures for nomination to the Board of Directors in accordance with the applicable laws and regulations and the Securities and Commodities Authority's provisions.
- Searching for qualified individuals to nominate as Board Members, recommending them to the Board of Directors and conducting a study on the potential candidates' background and qualifications for submission to the Board of Directors.
- Submitting an annual list to the Board of Directors containing the individuals recommended for nomination during the shareholders' annual general meeting.
- Submitting annual reports to the Board of Directors accompanied by an assessment of the Board's performance. The Committee shall discuss the report with the Board after the end of each financial year.
- Reviewing the formation of the Board and the committees on an annual basis and submitting recommendations to the Board of Directors when necessary regarding the membership of the committees
- Generally supervising the evaluation of the performance of the Board and its members and their areas of responsibility, at least annually, and proposing objective performance criteria.
- Developing, monitoring the application of and annually reviewing the Company's HR and training policy.
- Reviewing the plans of professional development and succession within the institution and discussing the same with the Board and senior management.
- Reviewing and submitting to the Board the recommendations regarding labor contracts, dismissal and retirement arrangements and any privileges of key members of senior management
- Developing and annually reviewing the policy of granting bonuses, benefits, incentives and salaries to Board of Directors members and its employees. The Committee should verify that the bonuses and benefits granted to the senior executive management of the Company are reasonable and commensurate with Company performance.

- Identifying the Company's needs of competent individuals at senior executive management level and employees and the bases of their selection.
- Considering and approving the end of service gratuities, bonuses, dismissal payments and similar payments the Board of Directors members, managing directors and executive management.
- Reviewing and evaluating the efficiency of the Committee's charter on an annual basis and requesting the Board of Directors' approval on the proposed changes

c. Number and dates of meetings held by the Committee and number of members attended in person:

During 2022, the Committee held 5 meetings as follows:

- 1- Meeting no. 1/2022 on 11/2/2022
- 2- Meeting no. 2/2022 on 27/2/2022
- 3- Meeting no. 3/2022 on 11/5/2022
- 4- Meeting no. 4/2022 on 28/6/2022
- 5- Meeting no. 5/2022 on 28/10/2022

Name	Number of Meeting Attendance
Shaikh Ahmed Bin Omar Al Qassemi	5
Mohammed Mosabeh Al Nuaimi	5
Yaser Abdulla Al Ahmad	5

Seventh: Follow-up and Supervision of Insiders' Trading Committee (FSIT Committee)

a. The Committee Chairman's acknowledgment of his responsibility for the Committee sytem at the Company, review of its work mechanism and ensuring its effectiveness.

Mr. Maen Abdul Kareem Chairman of Follow-up and Supervision of Insiders' Trading Committee, acknowledges his responsibility for the committee system in the Company, review of its work mechanism and ensuring its effectiveness.

b. Names of the members of the committee to follow up and supervise the transactions of the aspired persons, and indicate its competence and the tasks entrusted to it:

The Follow-up and Supervision Committee for Insiders' Transactions was formed as follows:

- 1- Legal Advisor: Chairman of the Committee
- 2- Chief Financial Officer - member
- 3- Investor Relations Officer – Member

The Follow-up and Supervision Committee has the following responsibilities for achieving its objectives:

1. Prepare a private and integrated record that includes the names and data of the insiders, including people who can be considered temporary insiders, and who have the right or access to the company's internal information before publishing it.
2. Monitor and supervise insiders' dealings and properties, and keep their record.
3. Conducting a periodic review of the insiders' records and statements, to ensure that they are constantly updated, and consulting with the executive management of the company regarding any updates that are required to be made on these records and statements at the time of occurrence in accordance with the requirements and requirements of the company's business progress.
4. Submitting the statements and periodic reports of the insiders to the Abu Dhabi Stock Exchange and / or the Securities and Commodities Authority.
5. Ensure that the list of company insiders is constantly updated on the Abu Dhabi Securities Exchange website, and that any update on this list is made as soon as it occurs.
6. Continuous communication with the insiders and spreading awareness of their trading in the company's shares and the securities issued by the company, including sensitizing them and constantly reminding them of the periods of prohibiting trading in the company's shares and the securities issued by the company in accordance with the regulations and rules in force with both the Securities and Abu Dhabi Securities Market Finance, to ensure compliance with it, and to avoid any wrongdoing.
7. Generally, it is responsible for all matters specified in the guidelines of the Securities and Commodities Authority, as it is the responsibility of the Follow-up and Supervision Committee of the Insiders' Transactions of the Company.
8. Ensure that the company complies with all disclosure and transparency rules.
9. Prepare and adopt a model and criteria for identifying the insiders from the employees and external parties.

10. Determine the essential and sensitive information that can be viewed and affect the company's share price.

11. Prepare and review trading policies periodically and submit recommendations to the Board of Directors for approval to make any amendment to them.

12. Insiders familiar with the employees and members of the Board of Directors should disclose any deliberations of the committee.

c. Report summary of the Committee's work during 2022:

The Committee has updated the lists of insiders at the stock market to include the Board of Directors members and Company's senior employees of first and second grade, as well as some insiders from relevant department. It also advised the employees and the members of the Board of Directors of the necessity to adhere to the laws and regulations of trading and not to sell and / or buy in periods of banning trading.

Eighth: Any committee(s) approved by the Board of Directors (Executive and Investment Committee)

a. The Committee Chairman's acknowledgment of his responsibility for the Committee system at the Company, review of its work mechanism and ensuring its effectiveness.

Mr. Abdulla Al Abdouli Chairman of Executive and Investment Committee acknowledges his responsibility for the committee system in the Company, review of its work mechanism and ensuring its effectiveness.

b. Executive and Investment Committee's members' names, terms of reference and tasks:

The Executive and Investment Committee is entrusted with some of the Board of Directors' duties and responsibilities in order to increase Board effectiveness by employing the skills of some of the Committee members in supervising some important issues such as supporting the Company's Executive Management. The Committee is formed by a Board of Directors decision for a period not exceeding 3 years and consists of a number of members not less than 3 members.

The Executive Committee and the Investment was formed in accordance with the Board of Directors Decision No. 3/4/2021. It consisted of 3 members and their names are as follows:

1- Mr. Abdulla Jasem Al Abdouli, Committee Chairman

- (Independent Board Member)
- 2- Sheikh Ahmed Bin Omar Al Qassimi, Committee member
(Independent Board Member)
- 3- Mr. Mohammed Ghobash Al Marri, Committee member
(Independent Board Member)

For the purpose of achieving its objectives, the Executive Committee and the Investment have the following responsibilities:

- Support and help the ACEO and Executive Management Team.
 - Periodically review the Company's projects work progress in addition to its works in general.
 - Review and approve the policies and procedures followed in the Company and the powers of accreditation and signature from time to time.
 - Make suggestions and express opinion in timely manner to the Board and its Chairman regarding issues related to the performance of the Company and its main issues, if any.
 - Develop and adopt the Company's organizational structure
 - Propose major projects and strategic investments for the Company and propose the contribution to public offerings in companies' shares and submit them to the Board of Directors for approval.
 - Discuss and adopt financial reports and commodities in the event that the Board of Directors cannot meet on time.
 - Ensure the application of corporate governance controls.
- Review and evaluate the Company's investments, and adopt appropriate solutions regarding them such as selecting exit mechanisms or adopting the most suitable investment opportunities in amounts not exceeding 50 million Dirhams.
- Review the Company's financial balance sheet, cash flows and investment portfolios on a periodic basis and submit them to the Board of Directors.
- Ensure that there is an appropriate system for classification and archiving (e.g. meeting minutes, committee decisions, etc.)
- The Committee may adopt urgent decisions by passing them in the event that the meeting cannot be held as quickly as possible.
 - The duration of the Committee's work is the same as that of the Board unless a decision is issued by the Board of Directors to the contrary.
 - Any other matters assigned to it by the Chairman or the Board of Directors or matters necessary for the business in conformity with the Committee's functions and nature of work. Consider any other matters determined by the Board of Directors.
 - The Committee may seek the assistance of any specialized staff members or members of the Executive Board at any time to explain the issues relevant to the work of the Committee

- The Board of Directors shall have the right to request a meeting with the Committee whenever it deems appropriate
- The Committee shall submit all its reports to the Board of Directors for approval and ratification at the first meeting of the Board following the last meeting of the Committee.
- Hold meetings, periodically or at the request of the Committee's Chairman or the majority of its members whenever necessary.

c. Number and dates of meetings held by the Committee and number of members attended in person:

During the fiscal year ended 31 December 2022, the Committee held the following meetings:

- 1- Meeting no. 1/2022 on 10/2/2022
- 2- Meeting no. 2/2022 on 25/2/2022
- 3- Meeting no. 3/2022 on 2/6/2022
- 4- Meeting no. 4/2022 on 12/10/2022
- 5- Meeting no. 5/2022 on 7/12/2022
- 6- Meeting no. 6/2022 on 21/12/2022
- 7- Meeting no. 7/2022 on 28/12/2022

Name	Attendance
Mr. Abdulla Jasem Al Abdouli	7
Sheikh Ahmed Bin Omar Al Qassimi	7
Mr. Mohammed Ghobash Al Marri	7

Ninth: Internal Control System:

a. Confirmation by the Board of its responsibility for the Company's internal control system, reviewing its working mechanism and ensuring its effectiveness:

The Board of Directors confirms its responsibility for the Company's internal control system. It reviews its working mechanism and ensures its effectiveness. The Board adopted in its meeting No. (2) for the year 2007 held on 19/04/2007 the establishment of a department in the Company called "The Internal Audit Department". The department name changed later by a Board of Directors decision to be "The Internal Control Department" to match the names of the committees in the corporate governance requirements, subject of this report.

b. Department Director's Name, qualifications and date of appointment:

Mr. Usman Zishan, Manager of Internal Control Department, holds a Bachelor of Commerce, 2002. He has 15 years' experience in internal audit and he is reporting to the audit committee of the board. The Board of Directors continuously reviews the internal control system to ensure its effectiveness and realization of its objectives.

Internal Control Department's functions:

Internal control is an independent oversight and advisory activity aimed at improving performance and maximizing the value of the Company in order to assist the management in accomplishing its objectives by implementing a coherent and continuous system to evaluate and improve the effectiveness of the risk management performance and the internal regulatory and control system at the Company. The internal control also ensures that the Company's information is comprehensive and credible, policies and procedures are complied with, property are protected, resources are economically and efficiently used and the organizational and operational objectives of the Company are implemented.

1. Values:

Internal control department's manager and Staff shall:

- (A) Demonstrate the highest levels of profession, honesty and ethics.
- (B) Establish strong and effective relations through mutual respect and joint work.
- (C) Coordinate with all Company's employees during the audit process and advisory services.
- (D) Recruit and train individuals with relevant expertise.

2. Scope of Work:

The Internal Control Department participate with the management, Company's internal society and different parties in achieving of the Company's objectives and supporting the Company in adhering to policies, rules and procedures. The Internal Control Department functions include paying attention to areas of risk that have a significant impact on the Company. The Internal Control Department should have sufficient flexibility to interact with changing circumstances. Specifically, the Internal Control Department assesses the extent to which the Company's internal regulatory and control and risk management system is coherent to ensure that:

- (A) Risks are identified and managed appropriately.
- (B) Important administrative, financial and operational information are accurate, reliable, sound and on time.
- (C) Policies, laws and instructions are complied with by the employees.
- (D) Materials are economically kept, efficiently used and sufficiently protected.

- (E) Programs, plans and objectives are achieved with the required efficiency.
- (F) Company's control process is of high quality and continuously developed.
- (G) Significant legislative and regulatory requirements affecting the Company are properly managed.

3. Accountability:

Internal control department's manager shall be responsible for performing his duties before the Company's Board of Directors through the Audit Committee and shall be responsible for submitting audit reports to the Acting Chief Executive Officer. Such responsibility includes the following:

- (A) Regularly verify the accuracy and efficiency of the Company's internal regulation and control in activities that fall within the audit process' scope and functions.
- (B) Submit reports on important issues, provide information on the appropriate decision to address such issues and make recommendations about improving the operation in the activities related to these issues.
- (C) Provide information on a regular basis on the annual audit plan' status and results and on the adequacy of the internal control management tools.
- (D) Coordinate with other internal and external supervision and control tasks, including all areas such as risk management, compliance control, security, laws, ethics, and environmental and external auditing.

4. Powers:

Internal control department's manager and staff shall have the following powers:

- (A) Have unrestricted access to all positions, records, property and employees
- (B) Allocate the Internal Control Department's resources, select the tasks, determine the internal control's scope of work and apply the necessary techniques to achieve the audit objectives
- (C) Obtain the necessary assistance from the Company's different departments employees when conducting the audit in addition to other specialized services from inside or outside the Company.

Internal control department's manager and staff shall NOT have the following powers:

- (A) Perform any operational tasks for the Company or its subsidiaries.
- (B) Conduct or approve any accounting transaction outside of the Internal Control Department.
- (C) Take any decisions that fall within the responsibilities of the Department.

5. Independence

There is no interference in the Internal Control work in terms of determining the scope of internal control, work performance and reporting results. In order to achieve the independence of the Internal Control Department, the Department's officers shall be accountable to the Internal control department's manager who shall be directly accountable to the Board's Audit Committee and shall have independent powers to deal with any individual within the company to perform his duties.

6. Information and confidentiality:

The information obtained by auditors by virtue of their audit provides a reliable basis for auditing, reporting and recommendations. The audit work documents that contain such information are the property of the Company and they remain under the supervision of the Internal Control Department and can only be accessed by authorized individuals.

The Internal Auditor shall also:

- Be careful with the use of and protect the information obtained during the task.
- Not use the information for any personal purpose or to achieve personal interests in any illegal, illicit or immoral way.
- Disclose all facts known to him, i.e. information whose non-disclosure will cause the audit report to be incomplete.

7. Responsibilities:

Internal control department's manager and staff shall be responsible for:

(A) Develop the policies related to the Internal Control activity and the Manager shall be responsible for the technical or administrative application of such policies.

(B) Develop the annual audit plan using an approach based on identifying the risks associated with the activities and submit the plan to the Audit Committee and the ACEO for review and approval.

(C) Implement the annual audit plan, as approved by the committee, and introduce any special tasks or duties required by the management and the committee.

(D) Develop and implement comprehensive programs of work to cover all the audit areas mentioned in the annual plan and evaluate and develop the Internal Regulation and Control system and Company's organizational activities.

(E) Re-evaluate the audit plan continuously based on changing circumstances and make adjustments as necessary.

- (F) Issue audit reports containing audit activities results to the Managing Director, ACEO and other managers.
- (G) Informing the ACEO, and the Audit Committee of current trends and successful practices in the Company's Internal Control.
- (H) Submit a report to the Audit Committee on the Internal Control activities and serious issues in periodic meetings.
- (I) Follow up on observations sent to the Management and evaluate the plans or corrective actions taken.
- (J) Undertake accurate follow-up works to ensure that the corrective actions taken are implemented and acted upon.
- (K) Take into account the scope of work of external auditors and external bodies as necessary for a comprehensive audit of the Company.
- (L) Assist with investigating the acts related to breach of trust within the Company, notify the ACEO, Audit Committee and other Directors of the results and assist official authorities with different claims (if necessary).
- (M) Perform any advisory services to assist the management with achieving its objectives and addressing various matters. This may include designing systems, training and new initiatives.
- (N) Participate in different committees, compliance control duties and system development tasks in order to provide the Company with the guidance necessary for addressing potential issues and areas of weakness or inefficiency of internal control.
- (O) Evaluate the Company's important functions in addition to the changes and developments in the Company's operation system, services, key systems and control systems while working on increasing the level of assistance with implementing these changes.
- (P) Perform all the requirements related to Internal Control matters that are assigned by the Board of Directors.

Standards for Practicing Internal Control:

At the Company's Internal Control Department, the professional practice of Internal Control is in accordance with the Standards for the Professional Practice of Internal Auditing (SPPIA) issued by the Institute of Internal Auditors (IIA). These standards represent the minimum professional practice at the Company's Internal Control Department.

Accordingly, the Company Board of Directors acknowledges its responsibility for the implementation of the Company's Internal Control System, its periodic review and its effectiveness through the Board's Audit Committee.

(C) Compliance Officer's Name, qualifications and date of appointment:

It was decided that Ms. Duaa Masood Al Mahri, to be appointed Risk & Compliance Officer for the financial year 2022. She has bachelor degree in Public Relations from University of United Arab Emirates, and she has previous experience for 3 years in Compliance field.

(D) How the Internal Control Department deals with any significant problems in the Company or those disclosed in annual reports and accounts:

The Company did not face any problems.

(E) Number of reports issued from Internal Control Department

The Internal Control Department has issued 14 internal audit reports to the audit committee of the board during the year 2022.

Tenth: Details of violations committed during the fiscal year

No violation was committed during the fiscal year 2022

Eleventh: In kind and cash contributions made by the Company in local community and environment preservation.

1. RAK Energy Summit /Sponsorship Supporting Partner
2. Al Ihsan Charity Association / Eid Orphans Donations
3. Al Ihsan Charity Association Orphans Sponsorship
4. Ajman Club for Disabled/ Sponsorship
5. Rashid center for people of determination./ Sponsorship
6. Shamal Art association / Sponsorship

Twelfth: General information:

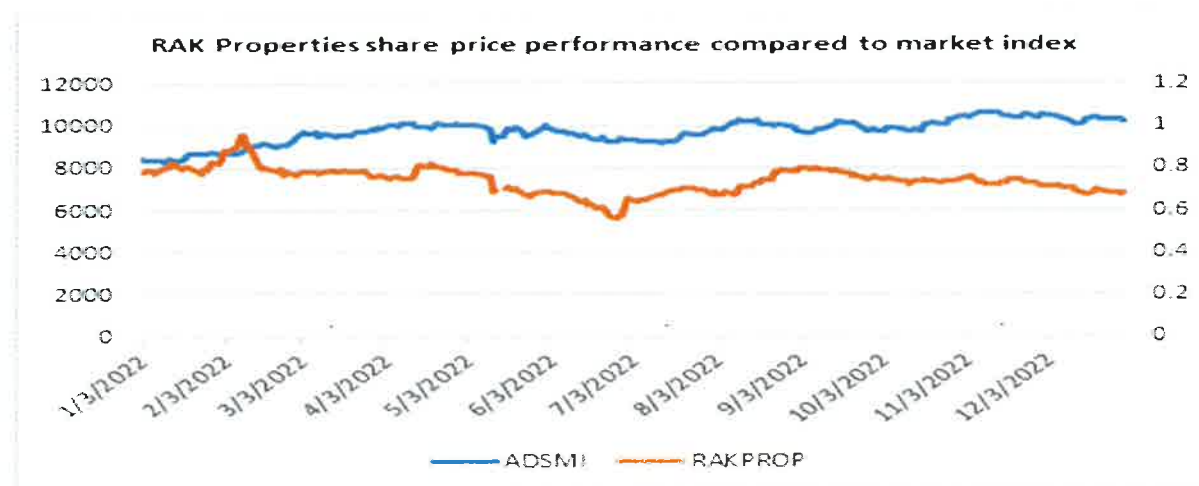
a. The Company's share market price (closing, high and low price) at the end of each month during the financial year 2022

Transaction	Value	Volume	Close	Lower Price	High price	Date	Month
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63	1,231,780.00	1,825,914	0.68	0.66	0.68	2022/12/30	Dec
34	527,950.32	734,175	0.71	0.71	0.72	2022/11/30	Nov
39	805,026.97	1,092,433	0.74	0.72	0.74	2022/10/31	Oct
68	4,014,697.07	5,331,293	0.75	0.74	0.75	2022/9/30	Sep
159	4,946,288.77	6,271,710	0.79	0.78	0.79	2022/8/31	Aug
45	1,566,592.38	2,248,335	0.69	0.69	0.70	2022/7/29	Jul
265	11,572,307.12	19,322,609	0.62	0.57	0.62	2022/6/30	Jun
36	740,264.96	1,093,585	0.67	0.66	0.68	2022/5/27	May
121	6,271,562.38	8,110,743	0.77	0.76	0.78	2022/4/29	Apr
75	2,852,430.51	3,750,803	0.76	0.75	0.76	2022/3/31	Mar
158	6,670,943.07	8,581,922	0.77	0.77	0.78	2022/2/28	Feb
137	4,409,738.48	5,378,210	0.82	0.81	0.83	2022/1/31	Jan

b. Comparison between the company's share performance, the general market index, and the index of the sector to which the company belongs during 2022:

1. Comparing the Company's share performance with the general market index:



2. Comparing the Company's index to the sector index



3. Shareholders' equity as of 31/12/2022 classified as follows (National / GCC/ Arab / Foreign):

Symbol	Company Name	Nationals		GCC		Arabs		Others		Total Foreign	Outstanding
		Allowed	Actual	Allowed	Actual	Allowed	Actual	Allowed	Actual	Ownership%	Shares
RAKPROP	RAK Properties	100%	74.27%	49%	9.81%	49%	6.77%	49%	9.15%	25.73%	2,000,000,000

(C) Shareholders' equity as of 31/12/2022 classified as follows (Individuals / Companies/ Governments): National / GCC/ Arab / Foreign:

Individuals			
Nationality Types	Volume	%age	Number of Shareholders
ARB	129,934,849	6.50	2,023
GCC	113,018,653	5.65	3,105
OTH	75,718,193	3.79	1,617
UAE	1,123,330,448	56.17	7,107

Companies			
Nationality Types	Volume	Percentage	Number of Shareholders
ARB	2,488,154.00	0.35%	14
GCC	99,257,473.00	13.81%	31
OTH	111,706,077.00	15.54%	65
UAE	505,194,532.00	70.30%	113

Government			
Nationality Types	Volume	Percentage	Number of Shareholders
UAE	217,017,101	5.05%	1

(D) Shareholders who own (5%) and above of the Company's capital as at 31/12/2022

No.	Name	Number of owned shares	Shareholding percentage against the share capital
1	Government of Ras Al Khaimah	101,017,217	5.0509 %

E) Distribution of shareholders according to shareholding volume as at 31/12/2022 according to the following table:

No.	Shareholding	Number of Shareholders	Number of shares	Shareholding percentage against the share capital
1	50,000Less than	12,044	115,132,890	5.75%

2	From 50,000 to less than 500,000	1304	169,180,205	10.25%
3	From 500,000 less than 5,000,000	389	864,163,536	26.80%
4	5,000,000More Than	71	1,103,523,077	55.17%
5	5,000,000Equal to	8	40,000,000	2%

(F) Measures taken regarding investor relations controls in addition to the following:

- Name and contact information of the Investor Relations Officer:

Mr. Abdallah Shukri Al Akhdar was appointed as Investor Relations Officer. He can be contacted via e-mail ir@rakproperties.ae

- Link of investor relations web page on the Company's website:

The Company's website contains an a web page for the investor relations which can be reached through the following <http://www.rakproperties.net/investor-relation/>

(G) Special resolutions presented in the general assembly held during 2022 and the actions taken thereon.

None

(H) Board Rapporteur's name and date of his/ her appointment:

Board Rapporteur is Mr. Maen Abdol-Kareem and he is the legal advisor and Board secretary and he was appointed on 1/10/2019.

(I) Substantial events that occurred during the year 2022:

There have been no unusual or substantial events faced by the Company in 2022.

(J) Statement of the Company's Contract equal or above 5% of the Capital during the year 2022

The Company did not enter or sign any contract above 5% of the Capital during the year 2022.

(K) Percentage of Emiratization in the Company by the end of 2020, 2021 ,2022:

Number Board's national members are 7 and they include the Board's Chairman and Vice-Chairman and percentage of employees' Emiratization is as follows:

2020	2021	2022
15.9%	19.4%	18.1%

(H) Projects and innovative initiatives undertaken by the Company or initiatives under development in 2022.

None

Name الإسم

Signature التوقيع

Abdulaziz Abdulla Al Zaabi
Chairman of the Board



عبد العزيز عبدالله الزعابي
رئيس مجلس الإدارة

Mohammed Mosabeh Al Nuaimi
Chairman of the Audit Committee



محمد مصبح النعيمي
رئيس لجنة التدقيق

Sheikh Ahmad Omar Al Qassemi
Chairman of Nomination Committee



الشيخ أحمد بن عمر القاسمي
رئيس لجنة الترشيحات والمكافئات

Usman Zishan
Manager of Internal Control Department



عثمان زيشان
مدير إدارة الرقابة الداخلية

Date: 11th February 2023

التاريخ: 11 فبراير 2023