RAK PROPERTIES ANNUAL REPORT 2025

CORPORATE GOVERNANCE



CORPORATE GOVERNANCE REPORT ISSUED BY
RAK PROPERTIES P.J.S.C. FOR THE YEAR 2025

I: Governance Rules Implementation Measures, 2025

RAK Properties ["the Company"] has adopted a well-crafted set of controls, rules and charters that aim at establishing institutional discipline in respect of the relations and management of the company in line with the international best standards and practices. This is achieved by defining the responsibilities and duties of members of the company's board of directors and senior executive management. Notably, the company attaches a great deal of importance to protecting and safeguarding the rights of shareholders and stakeholders. The company is also committed to communicating with the competent authorities and the public in order to maintain its prestigious standing locally, regionally and globally. In this respect, the company acts in full compliance with the Decision of the Chairman of the Board of Directors of the Securities and Commodities Authority [SCA] No. (3/RM) of 2020, as amended, concerning the Approval of Public Joint Stock Companies Governance Guide; with the aim of establishing the rules of transparency, justice and accountability based on the international best models, practices and standards.

As part of the Board of Directors' unwavering commitment to establishing a distinguished model of compliance with the Decision No. (3/RM) of 2020 issued by the Chairman of the SCA's Board of Directors concerning the Approval of Public Joint Stock Companies Governance Guide; the company is fully committed to implementing the best practices as follows:

Corporate Governance

1. The company implements the policies, procedures and decisions issued by the SCA regarding the Governance Guide for Public Joint Stock Companies, while applying the best practices regarding the Board of Directors and its committees, dealing transparently with the external auditor, and implementing the General Assembly's decisions.
2. The company has established well-crafted work rules that regulate the dealings of the company's board members and employees, and formed an Insiders Transactions Follow-up & Supervision Committee, which is tasked with closely monitoring and overseeing all transactions and ownerships of the insiders.
3. The Board of Directors has carried out all necessary measures to ensure the strict confidentiality of the company's materially significant data and information, in an accurate manner that ensures that they are not exploited. It has also established effective control mechanisms requiring all parties that have authorized access to internal data and information related to both the company and its clients to maintain the confidentiality of information and data and refrain from misusing, transferring, or facilitating the transfer of such data, whether directly or indirectly, to any third parties.
4. Any member of the company's board of directors, who - whether for himself or for the entity he represents - has a joint or conflicting interest in a transaction or deal that is presented to the Board for a decision, is required to disclose the same to the Board and to have his disclosure recorded in the minutes of meeting. In addition, such a member is not allowed to vote on the decision to be issued in this respect.
5. The company is committed to conducting its business activities transparently in accordance with the requirements of the regulatory authorities and applicable laws, which include the disclosure of periodic reports, material information, ownerships of the insiders and their relatives, and related-party transactions with the company, in addition to making all information available to shareholders and investors in an accurate and clear manner.
6. All shares of stock issued by the company under the same category carry equal rights and obligations. Shareholders are entitled to all rights associated with their shares in accordance with the provisions of the Companies Law. The company's Articles of Association and internal bylaws set out the necessary procedures and controls to ensure that all shareholders are empowered to freely exercise their rights.
7. The Board of Directors has formed standing committees and other committees that report directly to it and operate in accordance with the governance rules of public joint stock companies, to carry out their tasks according to the powers vested in them.
8. The Board has established and approved in-depth written regulations and procedures for the Internal Audit Department, which define duties and responsibilities in accordance with the policy established by the Board of Directors and the general requirements and objectives, in order to monitor compliance with the provisions of applicable laws, regulations and decisions, as well as the requirements of regulatory authorities, the internal policy, regulations and procedures approved by the Board of Directors.
9. The company's board members, employees and auditor are committed to act in compliance with the code of professional conduct, internal policies and controls, and applicable laws and regulations.
10. Continuous updating of the company's website www.rakproperties.ae, which includes all relevant information about the company, for the sake of enhancing disclosure and transparency, and displaying any new developments. It also serves as a direct channel for shareholders to stay up-to-date with all events.
11. Continuous updating of the "Investor Relations Portal; https://www.rakproperties.ae/investor-hub/", through which the company is seeking to enable investors and parties concerned to have direct access to the most up-to-date information.

The Company fully complies with all provisions of applicable laws, regulations, decisions and requirements of regulatory authorities in the best possible manner. These provisions and rules apply to the members of the company's board of directors, the executive management and all employees in the course of performing their respective duties.

II: Ownership and Transactions of Board Members and their Spouses and Children on the Company's Securities during 2025

A. Rules governing transactions of the company's board members and employees

The company's board members are among the insiders who have authorized access to the financial statements and internal information of the company. Based on the Board of Directors' commitment to promoting the level of transparency in disclosure and full compliance with the laws and regulations of the authorities and markets, the following measures have been carried out:

- The Supervision and Follow-up Committee (Insiders Committee) has assumed the responsibility of following up on and supervising the transactions and ownerships of the insiders, and maintaining a separate record for that purpose.
- An independent, all-inclusive record is maintained for all insiders, including the persons who can be classified as temporary insiders and who are entitled or authorized to get access to the company's internal information before publication. This record includes prior and subsequent disclosures of the insiders.
- The financial market is provided with a list of the names of the chairman and members of the company's board of directors, as well as an updated list of the names of insiders from the executive management and department heads who are strictly required to comply with the procedures established by the market and the SCA, through obtaining the approval of the director of the financial market on any transactions involving the company's securities, whether through buying, selling on the trading floor, or family transfers in the clearing department.

The rules governing transactions of the company's board members, employees, and insiders on securities explicitly include the trading ban periods stipulated in Article (14) of Decision No. (2) of 2001, issued by the SCA's Board of Directors concerning the Regulations as to Trading, Clearing, Settlement, Transfer of Ownership and Custody of Securities. This Article states that 'The chairman and members of the board of directors of a company whose securities are listed on the market, as well as its director general or any employee with access to the company's material information shall be prohibited from trading—whether personally, on their own behalf through third parties, or in any other capacity for the account of third parties—in the securities of the company or its parent, subsidiary, sister, or affiliated company, if any of these companies have their securities listed on the market, during the following periods.

- (10) ten business days before the announcement of any material information unless that information results from emergency or unforeseen events.
- (15) fifteen days before the end of the quarterly, semi-annual or annual financial period and until the disclosure of the financial statements.

B. The following table illustrates the shares held by the company's board members and total sale and purchase transactions as at December 31, 2025:

NO.	NAME	POSITION/ RELATIONSHIP	THE SHARES HELD AS AT DECEMBER 31, 2025	TOTAL SALES TRANSACTIONS DURING 2025	TOTAL SALES TRANSACTIONS DURING 2025
1	H.E Abdulaziz Abdulla AlZaabi	Board Chairman	1,920,000	2,721,374	-
2	Mr. Mohamed Ali Mussabeh Al Nuaimi	Deputy Chairman	20,800	-	-
3	Mr. Abdulla Rashed Jasem Al Abdouli	Board Member	10,400	-	-
4	Sheikh Ahmed Omar Abdulla Al Qasimi	Board Member	208,000	-	-
5	Mr. Mohamed Ghobash Ahmed Al Marri	Board Member	7,280	-	-
6	Mr. Yaser Abdulla Mohammed Al Ahmed	Board Member	10,400	-	-
7	Ms. Mouza Mohamed Majed Al Zaabi	Board Member	0	-	-

III: The Board of Directors

The Board of Directors has the broadest authority to carry out all actions and operations on behalf of the company, to the extent permitted for the company to do, including exercising all necessary powers to achieve its objectives. These powers are only restricted by the provisions of the law or the company's Articles of Association, which reserve certain matters for the General Assembly. Additionally, the company's Articles of Association provides that the Board of Directors consists of seven members to be elected by the General Assembly through secret cumulative voting.

A. Composition of the Board of Directors

The current board members were elected by the General Assembly held on March 20, 2024 for a period of three calendar years starting from the date of their election, subject to the governance requirements consistent with the company's Articles of Association in relation to the status of the board members, so that the majority of the members are at least independent non-executive members who have practical experience and technical skills that are beneficial to the company. The below table shows the composition of the Board of Directors.

NAME	POSITION	CATEGORY	EXPERIENCES	QUALIFICATIONS	MEMBERSHIP TERM	THEIR MEMBERSHIPS AND POSITIONS IN ANY OTHER JOINT-STOCK COMPANIES	THEIR POSITIONS IN ANY OTHER SIGNIFICANT REGULATORY, GOVERNMENTAL, OR COMMERCIAL ROLES
H.E Abdulaziz Abdulla Al Zaabi	Board Chairman	Non-executive Non-independent	Extensive experience in business management within the real estate and banking sectors, including real estate and banking investments. Additionally, he has a strong background in Federal National Council affairs	Bachelor of International Business Administration from San José State University, USA, 1987	21 Years	Director of Julphar Pharmaceuticals	Chairman of the Board of Directors of Ras Al Khaimah Charity Association

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NAME	POSITION	CATEGORY	EXPERIENCES	QUALIFICATIONS	MEMBERSHIP TERM	THEIR MEMBERSHIPS AND POSITIONS IN ANY OTHER JOINT-STOCK COMPANIES	THEIR POSITIONS IN ANY OTHER SIGNIFICANT REGULATORY, GOVERNMENTAL, OR COMMERCIAL ROLES
Mr. Mohamed Ali Mussabeh Al Nuaimi	Deputy Chairman	Non-executive Independent	A pioneer in the banking sector in the United Arab Emirates with over 30 years of experience, a key contributor to establishing the principles of Islamic finance and Islamic insurance, and a specialist in the listing of public joint stock companies. He has held several high-level positions at the national level.	Master of Business Administration	5 Years	Director of the Commercial International Bank, Board Member of Ras Al Khaimah Economic Zones (RAKEZ)	Chairman of the Board of Directors of Ras Al Khaimah Chamber
Mr. Abdulla Rashed Jasem AlAbdouli	Board Member	Non-executive Independent	He possesses extensive experience in architecture and urban planning and plays an active role in entrepreneurship, innovation, and attracting foreign investments	Bachelor of Architecture from the American University of Sharjah Master of Urban and Regional Planning from Paris-Sorbonne University Abu Dhabi Certificate in Real Estate Development Investment Strategies from Harvard University	5 Years	Director of RAK Ceramics	Deputy Chairman and Managing Director of RAK Dredging Company Chief Executive Officer of Marjan Director and General Manager of Saraya Ras Al Khaimah Company
Sheikh Ahmed Omar Abdulla Al Qasimi	Board Member	Non-executive Non-independent	He possesses extensive experience in management and business administration	Master of Business Administration from Canadian University Dubai	11 Years	-	-

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NAME	POSITION	CATEGORY	EXPERIENCES	QUALIFICATIONS	MEMBERSHIP TERM	THEIR MEMBERSHIPS AND POSITIONS IN ANY OTHER JOINT-STOCK COMPANIES	THEIR POSITIONS IN ANY OTHER SIGNIFICANT REGULATORY, GOVERNMENTAL, OR COMMERCIAL ROLES
Mr. Mohamed Ghobash Ahmed Al Marri	Board Member	Non-executive Independent	Former Senior Manager in Private Wealth Management at the National Bank of Abu Dhabi, with many years of experience at Abu Dhabi Financial Services	Higher Diploma from Higher Colleges of Technology in Business Administration	5 Years	Director of Fidelity United Insurance Company	-
Mr. Yaser Abdulla Mohammed Al Ahmed	Board Member	Non-executive Independent	Extensive experience in the banking sector, having worked at National Bank of Ras Al-Khaimah and Dubai Islamic Bank, as well as experience at Etisalat and Ras Al Khaimah Economic Zones (RAKEZ)	Bachelor of Arts (BA)	5 Years	N/A	Head of Government Communication Department at Ras Al Khaimah Economic Zones
Ms. Mouza Mohamed Majed Al Zaabi	Board Member	Non-executive Independent	An entrepreneur with a proven track record in the real estate sector, successfully leading various projects. She has over 15 years of experience in real estate and business management.	Master of Business Administration from Abu Dhabi University	2 Years	N/A	Chief Executive Officer of Mozaabi Real Estate

B. Female representation on the Board of Directors for the year 2024:

Under the company's Articles of Association, which provides that the company shall be managed by a Board of Directors to be elected by the General Assembly by secret ballot, the number and percentage of male and female directors are as follows:

GENDER	NUMBER	PERCENTAGE
Male Board Members	6	85%
Female Board Members	1	15%

The remuneration of members of the board of directors is determined based on the provisions of Article (169) of Federal Law No. 2 of 2015 regarding the Commercial Companies and the provisions of Article (29) of the SCA Board Chairman's Decision No. (3/RM) of 2020 concerning the Approval of Public Joint Stock Companies Governance Guide, and the provisions of Article (38) of the Company's Articles of Association.

The remuneration of the board chairman and members consists of a percentage of the net profit but not exceeding 10% of the profits for the fiscal year. The company may also pay expenses, fees, an additional bonus or a monthly salary to the extent decided by the Board of Directors to any of its board member if that member performs certain duties in any committee or exerts special efforts or performs additional duties to serve the company further to his/her normal duties as a director of the company. It is not permissible to pay an attendance allowance to the board chairman or members for board meetings.

The fines imposed on the company by the SCA or a competent authority due to the board of directors' violations of the Companies Law or the Company's Articles of Association during the fiscal year ended will be deducted from the remuneration of the board chairman and members. The General Assembly may decide against deducting those fines or any part of them if it becomes convinced that those fines are not the result of negligence or error on the part of the Board of Directors.

1. **Total remuneration paid to board members for the year 2024**
   The total remunerations paid to chairman and members of the board of directors for the fiscal year ending on December 31, 2024 amounted to AED 8 million.

2. **Total proposed remunerations of board members for the year 2024**
   The remuneration of board members is determined based on a proposal by the Board of Directors submitted to the General Assembly. In all cases, it must not exceed 10% of the net profit for the fiscal year ending on December 31, 2025, after deducting all depreciation and reserves. The board members propose to the General Assembly the distribution of remuneration for the year 2025 and it will be presented at the AGM for approval.

3. **Allowances for attending meetings of the board' committees for the fiscal year 2025**

			Allowances for Attending Meetings of committees of the Current Board of Directors				
#	NAME	POSITION	EXECUTIVE AND INVESTMENT COMMITTEE (EIC)	NOMINATIONS AND REMUNERATIONS COMMITTEE (NRC)	AUDIT AND RISK COMMITTEE	TOTAL	NUMBER OF MEETINGS
1	H.E Abdulaziz Abdulla AlZaabi	Chairman of the Board/Chairman of the Executive Committee	60,000 6 sessions	-	-	60,000	6
2	Mr. Mohamed Ali Mussabeh Al Nuaimi	Chairman of the Audit Committee / Chairman of the Nominations and Remuneration Committee	-	50,000 5 sessions as Nominations Committee Chairman	50,000 5 sessions as Audit Committee Chairman	100,000	10

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			Allowances for Attending Meetings of committees of the Current Board of Directors				
#	NAME	POSITION	EXECUTIVE AND INVESTMENT COMMITTEE (EIC)	NOMINATIONS AND REMUNERATIONS COMMITTEE (NRC)	AUDIT AND RISK COMMITTEE	TOTAL	NUMBER OF MEETINGS
3	Mr. Abdulla Rashed Jasem AlAbdouli	Chairman of the Executive and Investment Committee	40,000 sessions as Chairman of the Executive Committee and 6 sessions as a Committee Member	-	-	40,000	7
4	Sheikh Ahmed Omar Abdulla Al Qasimi	Member of the Nominations and Remuneration Committee / Member of the Executive and Investment Committee	35,000 7 sessions as an Executive Committee member	25,000 5 sessions As a member of the nominations committee	-	60,000	12
5	Mr. Mohamed Ghobash Ahmed Al Marri	Member of the Nominations and Remuneration Committee / Member of the Executive and Investment Committee	35,000 7 sessions	25,000 5 sessions	-	60,000	12
6	Mr. Yaser Abdulla Mohammed Al Ahmed	Member of the Audit Committee / Member of the Executive and Investment Committee	35,000 7 sessions	-	25,000 5 sessions	60,000	12
7	Ms. Mouza Mohamed Majed Al Zaabi	Member of the Audit Committee / Member of the Nominations and Remuneration Committee	-	25,000 5 sessions	25,000 5 sessions	50,000	10
8	Andrew Robinson	External member of the audit committee	-	-	49,000	49,000	5

4. **Allowances, salaries or additional fees received by board members other than committee attendance allowances for the fiscal year 2025**

There are no allowances, salaries or additional fees received by the board members for the fiscal year ending on December 31, 2025.

5. **Board Meetings during the fiscal year ending on December 31, 2024**

In accordance with the provisions of Article (23) of the SCA Board Chairman's Decision No. (3/RM) of 2020 concerning the Approval of Public Joint Stock Companies Governance Guide, and pursuant to Article (28) of the Company's Articles of Association, the Board of Directors must hold its meetings at least four times a year. The meeting must be convened based on a written call by the Chairman of the Board of Directors or upon a written request submitted by at least two board members, at least one week before the scheduled meeting date, accompanied by the agenda. Each board member has the right to include in the agenda any topic he deems necessary for discussion during the meeting.

In accordance with the above-mentioned controls, the company's Board of Directors held 6 meetings during the fiscal year ending on December 31, 2025, as shown in the following table:

NO.	MEETING DATE	PERSONAL ATTENDANCE	ATTENDANCE BY PROXY	NAMES OF ABSENT MEMBERS/ SENT THEIR APOLOGIES
First	5/2/2025	7	-	-
Second	11/3/2025	6	-	Sheikh Ahmed Omar Al Qasimi
Third	7/5/2025	7	-	-
Fourth	13/8/2025	7	-	-
Fifth	22/10/2025	6	-	Mr. Yaser Abdulla Mohamed Al Ahmed
Sixth	18/12/2025	7	-	-

F. **Board Decisions passed by circulations during the fiscal year 2025**

No decisions were passed by circulation during the fiscal year 2025.

IV. STANDING COMMITTEES OF THE BOARD OF DIRECTORS

Pursuant to the SCA Board Chairman's Decision No. (3/RM) of 2020 concerning the Approval of Public Joint Stock Companies Governance Guide, the Board of Directors has formed standing committees that report directly to it, in order to contribute to performing the board's tasks and responsibilities. These committees play a crucial role in supporting the board in fulfilling its duties relating to the management of the company, with each committee operating within its designated scope of authority approved by the Board.

The Board has also established procedures outlining the committee's mission, term, powers, and the mechanism through which the Board of Directors oversees and assigns tasks to it. The committee submits a written report detailing its actions, findings, and recommendations with absolute transparency.

A. Audit Committee

- **Declaration by Chairman of the Audit Committee on his Liability for the Committee's Rules of Procedure**

Pursuant to the provisions of Article (61) of the SCA Board Chairman's Decision No. (3/RM) of 2020 concerning the Approval of Public Joint Stock Companies Governance Guide, Mr. Mohamed Ali Mussabeh Al Nuaimi, Chairman of the Audit Committee, acknowledges his liability for the committee's rules of procedure within the company, as well as for his review of its operational mechanism and effectiveness for the year 2025.

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A. Audit Committee

- **Names of Members of the Audit Committee, and details of the tasks and responsibilities of the committee**

  The Board of Directors, elected by the General Assembly held on March 20, 2024, formed the Audit Committee to support the Board in various areas. In accordance with the provisions of Article (58) of the SCA Board Chairman's Decision No. (3/RM) of 2020 concerning the Approval of Public Joint Stock Companies Governance Guide, the Audit Committee consists of three non-executive board members, all of whom are independent members. One of these members chairs the committee. The committee members have substantial expertise in financial and accounting matters, with past professional experience in the field of accounting and financial matters, as follows:

NAME	POSITION	CAPACITY
Mr. Mohamed Ali Mussabeh Al Nuaimi	Chairman	Independent
Mr. Yaser Abdulla Mohammed Al Ahmed	Member	Independent
Ms. Mouza Mohamed Majed Al Zaabi	Member	Independent

Mr. Andrew Robinson was appointed as an external member of the Audit Committee, independent of the company's Board of Directors. He is a highly qualified professional with over 23 years of experience in financial analysis and consulting. He is a chartered accountant in England, previously worked at KPMG offices in Dubai and Oman. Additionally, he holds a fellowship from the Institute of Chartered Accountants - Britain.

- **Audit Committee's Responsibilities**

The Audit Committee undertake the tasks and duties assigned to it according to the SCA Board Chairman's Decision No. (3/RM) of 2020 concerning the Approval of Public Joint Stock Companies Governance Guide, as follows:

1. Review the financial and accounting policies and procedures in the company.
2. Monitor the integrity of the company's financial statements and reports (annual, semi-annual, and quarterly) and review them as part of its regular duties throughout the year, with a particular focus on the following points:
   - Any changes in accounting policies and practices.
   - Highlighting the aspects subject to management's discretion.
   - Substantial amendments resulting from the audit.
   - Assuming the continuity of the company's business.
   - Adherence to the accounting standards determined by the SCA.
   - Adherence to the rules of listing and disclosure and other legal requirements related to the preparation of financial reports.
3. Coordination with the company's Board of Directors, executive management, and the chief financial officer or the manager performing similar duties in the company in order to perform its duties.
4. Consider any important and unusual items that are or should be included in these reports and accounts. Additionally, the committee should attach due importance to any matters raised by the company's chief financial officer, the manager performing similar duties, the compliance officer, or the auditor.
5. Submit a recommendation to the Board of Directors regarding the selection, resignation or dismissal of the auditor. In the event that the Board of Directors does not approve the recommendations of the Audit Committee in this regard, the Board of Directors should include in the governance report a statement explaining the recommendations of the Audit Committee and the reasons underlying the board's rejection thereof.
6. Develop and implement the policy of hiring an auditor, and submit a report to the Board of Directors specifying the issues it deems important to take action on, with recommendations on the necessary steps to be taken.
7. Ensure that the auditor meets the conditions stipulated in the applicable laws, regulations, decisions and the company's articles of association, and follow up and monitor his independence.

8. Meet with the company's auditor without the presence of any of the senior executive management or their representatives, at least once a year, and discuss with him the nature and scope of the audit process and its effectiveness in accordance with the approved auditing standards.
9. Review all matters related to the company's auditor, including his plan of action, communications with the company, observations, suggestions, reservations, and any significant inquiries raised by the auditor to senior executive management regarding accounting records, financial statements, or control systems. Additionally, monitor the company's management response to these inquiries and ensure the provision of necessary support to facilitate the auditor's work.
10. Ensure that the Board of Directors responds in a timely manner to the clarifications and essential issues raised in the auditor's letter.
11. Review and evaluate the internal control and risk management systems in the company.
12. Discuss the internal control system with the Board of Directors and ensure its effective implementation in establishing a robust internal control framework.
13. Review the findings of major investigations into internal control issues assigned to it by the Board of Directors or carried out at the initiative of the committee and with the approval of the Board of Directors.
14. Review the auditor's assessment of internal control procedures and ensure that there is coordination between the internal auditor and the external auditor.
15. Ensure the availability of the necessary resources for the internal audit department and review and monitor the effectiveness of that department.
16. Examine the internal audit reports and follow up on the implementation of corrective measures for the observations contained therein.
17. Establish controls that enable the company's employees to report any potential violations in the financial reports, internal control or other matters confidentially and the steps to conduct independent and fair investigations of such violations.
18. Monitor the company's compliance with the rules of professional conduct.
19. Review the dealings of related parties with the company and ensure that there is no conflict of interest and recommend the same to the Board of Directors before conclusion.
20. Ensure the application of the work rules for its tasks and the powers assigned thereto by the Board of Directors.
21. Submit the report and recommendations to the Board of Directors on the above-mentioned matters.
22. Consider any other topics determined by the Board of Directors.

- **Audit Committee's Meetings during 2025**

Based on the provisions of Article No. (62) of the SCA Board Chairman's Decision No. (3/RM) of 2020 concerning the Approval of Public Joint Stock Companies Governance Guide, the Audit Committee holds its meetings at least once every three months or whenever necessary. Accordingly, the Audit Committee held 5 meetings during the fiscal year ending on December 31, 2025, with all its members attending in person, as shown in the following table:

MEETING NUMBER	MEETING DATE	PERSONAL ATTENDANCE OF MEMBERS	ABSENTEES
First	4/2/2025	4	-
Second	6/5/2025	4	-
Third	6/8/2025	4	-
Fourth	21/10/2025	4	-
Fifth	17/12/2025	4	-

D. Audit Committee's Annual Report

1. The important matters considered by the Committee in respect of the financial statements and the way of addressing such matters:

		AREA OF FOCUS	ACTIONS TAKEN BY THE COMMITTEE
1	Tax Provision	The Group is subject to income tax where the determination of the global provision for income tax requires significant judgement.	The Committee reviewed updates from the Group's Head of Tax, reports from the external auditor and external tax advisors, including those on the newly enacted UAE corporate tax and its implications for the Group. After assessing the appropriateness of the tax provisions in light of these updates and reports, the Committee concluded that the applied treatment was fair and reasonable.
2	Post-Employment Obligations	Determining the present value of the Group's future pension liabilities requires several assumptions, primarily relating to life expectancy, discount rates applied to future cash flows, inflation rates and future salary increases.	The valuation assumptions prepared by external experts and adopted by management were considered in the light of the prevailing economic indicators and the view of the external auditors and were approved as appropriate.

2. An explanation of the mechanism used for assessing the independence and effectiveness of the external audit process and the approach followed in appointing or reappointing the external auditor, and information on the length of the current audit firm's term.

   Grant Thornton, an experienced external audit firm accredited by the Ministry of Economy, was appointed as the company's external auditor for the year 2024 with the approval of the annual general assembly. There are no partners or agents affiliated with the firm's founders, its directors, or their relatives. All work performed by the external auditor is free from any conflict of interest and includes professional services related to reviewing quarterly and annual financial reports in compliance with all terms and conditions outlined in Decision No. 3 of 2020. Grant Thornton's term of appointment is one year.

3. A statement explaining the committee's recommendation regarding the appointment, reappointment or dismissal of the external auditor, and the reasons why the Board of Directors did not approve that recommendation.

   Grant Thornton is an experienced external audit firm accredited by the Ministry of Economy. The Board of Directors' approval to reappoint Grant Thornton as the external auditor for the year 2024 aligns with the recommendation of the Audit Committee.

4. The mechanism used for ensuring the independence of the external auditor when providing non-audit services.

   Grant Thornton provided only external audit services in 2023, and no special or additional services were obtained from them for the fiscal year 2024.

5. Actions taken or to be taken by the Committee to address any deficiencies or weaknesses in the event of any failures in the Internal Audit Department or risk management.

   The Audit and Risk Committee periodically assesses the adequacy of internal controls and risk management processes across all organizational functions, including, among others, an annual review of the internal audit charter, evaluation of the internal audit department's structure, approval and execution of the risk-based internal audit plan (spanning two years), and oversight of the recruitment and seniority of the department head. The committee also examines the reporting structure, audit coverage, and frequency to identify and address any deficiencies, gaps, or weaknesses noted/found within the auditable functions during the audits. Additionally, it collaborates with the Board of Directors, senior management, and the Internal Audit Department to discuss necessary corrective actions and ensure effective implementation by the relevant department heads.

6. Evidence that the committee has reviewed all reports of medium and high risks issued by the internal audit department to determine whether they arise from major failures or weaknesses in internal control, in addition to comprehensive information about the corrective remediation plan in the event of material deficiencies in the areas of risk management and internal control systems.

   Until 2019, the Audit and Risk Committee approved the annual risk-based internal audit plans. Since 2019, the Committee has been approving risk-based internal audit plans covering a two-year period. The Committee approves these plans and instructs the Head of Internal Audit to conduct special audits or investigations in specific areas, as required.

   Accordingly, the Head of Internal Audit provides the Audit and Risk Committee with monthly status updates on all ongoing and completed audits through a Monthly Activity Report, and also presents quarterly updates during the Committee's meetings, including progress on the implementation of the approved internal audit plan.

   In addition, the Committee reviews the findings of all high-risk and medium-risk internal audit reports issued by the Internal Audit Department, along with the status of agreed action plans. The Committee also directs management, through the respective department heads, to implement all audit recommendations within the agreed timelines.

7. Evidence that the Committee has reviewed all transactions executed with related parties and the resulting observations or findings and the extent of compliance with applicable laws in this regard.

   All transactions with related parties, including any material amendments to the transactions executed with the related parties, require the approval of the Audit Committee. The Committee assesses the criteria for granting approval, ensuring that related party transactions serve the best interests of the company. Additionally, it conducts a quarterly review of all approved related party transactions. Furthermore, the Committee recommends reviewing the related party policy on material related party transactions as well as the handling of related party transactions to be in line with the regulatory requirements.

B. Nominations and Remuneration Committee

- **Declaration by Chairman of the Nominations and Remuneration Committee on his Liability for the Committee's Rules of Procedure**

  Pursuant to the provisions of Article (59) of the SCA Board Chairman's Decision No. (3/RM) of 2020 concerning the Approval of Public Joint Stock Companies Governance Guide, Mr. Mohamed Ali Mussabeh Al Nuaimi, Chairman of the Committee, acknowledges his liability for the committee's rules of procedure within the company, as well as for his review of its operational mechanism and effectiveness for the year 2025

- **Names of Members of the Nominations and Remuneration Committee, and details of the tasks and responsibilities of the committee**

  The Board of Directors, elected by the General Assembly held on March 20, 2024, formed the Nominations and Remuneration Committee to ensure that the Board of Directors performs the tasks assigned to it efficiently and effectively and achieves the company's objectives, and in accordance with the requirements of the provisions of Article No. (58) of the SCA Board Chairman's Decision No. (3/RM) of 2020 concerning the Approval of Public Joint Stock Companies Governance Guide, the Nominations and Remuneration Committee consisted of four non-executive board members, three of whom are independent members, and one of them chairs the committee, as follows:

NAME	POSITION	CAPACITY
Mr. Mohamed Ali Mussabeh Al Nuaimi	Chairman	Independent
Sheikh Ahmed Omar Abdulla Al Qasimi	Member	Non-independent
Mr. Mohamed Ghobash Ahmed Al Marri	Member	Independent
Ms. Mouza Mohamed Majed Al Zaabi	Member	Indpendent

- **Nominations and Remuneration Committee's Responsibilities**

The Nominations and Remuneration Committee carries out the tasks and duties assigned to it according to the SCA Board Chairman's Decision No. (3/RM) of 2020 concerning the Approval of Public Joint Stock Companies Governance Guide, as follows:

1. Develop a policy regulating candidacy for membership of the Board of Directors and Executive Management, aimed at ensuring gender diversity within the formation and encouraging women through incentive and training benefits and programs, and providing the SCA with a copy of this policy and any amendments thereto.
2. Organize and follow up on the procedures for nominations for membership in the Board of Directors in accordance with the applicable laws and regulations and the provisions of this decision.
3. Verify that the membership requirements for board members continue to be met.
4. Ensure the independence of independent members on an ongoing basis.
5. Develop the policy for granting bonuses, benefits, incentives and salaries to board members and employees of the company, and review the same annually. The committee must ensure that the bonuses and benefits granted to the company's senior executive management are reasonable and commensurate with the company's performance.
6. Annually review the required skills requirements for membership in the Board of Directors and preparing a description of the capabilities and qualifications required for membership in the Board of Directors, including the details of the time the member is required to dedicate for performing duties of the board of directors.
7. Review the required skills requirements for membership in the Board of Directors.
8. Review the structure of the Board of Directors and make recommendations regarding the changes that can be made.
9. Determine the company's needs for competencies at the level of senior executive management and employees and the basis for their selection.
10. Develop the company's HR & Training Policy and monitor its implementation, and review it annually.
11. Any other tasks determined by the Board.

- **Nominations and Remuneration Committee's Responsibilities**

Pursuant to the provisions of Article No. (59) of the SCA Board Chairman's Decision No. (3/RM) of 2020 concerning the Approval of Public Joint Stock Companies Governance Guide, the Nominations and Remuneration Committee holds its meetings at least once a year or whenever necessary. Accordingly, the Nominations and Remuneration Committee held 5 meetings during the fiscal year ending on December 31, 2025, as shown in the following table:

MEETING NUMBER	MEETING DATE	PERSONAL ATTENDANCE OF MEMBERS	ABSENTEES
First	27/1/2025	4	-
Second	5/5/2025	4	-
Third	28/7/2025	4	-
Fourth	15/10/2025	4	-
Fifth	17/12/2025	4	-

C. Insiders Transactions Follow-up & Supervision Committee

- **Declaration by Chairman of the Insiders Transactions Follow-up & Supervision Committee**

Pursuant to the SCA Board Chairman's Decision No. (3/RM) of 2020 concerning the Approval of Public Joint Stock Companies Governance Guide, and the decision of the Board of Directors of the Company regarding the formation of a committee specialized in insiders' affairs, Mr. Fayez Khouri- Chairman of the Committee - acknowledges his liability for the committee's rules of procedure in the company and for reviewing its working mechanism and ensuring its effectiveness for the year 2025.

- Members of the Committee:

1. Legal Advisor (Chairman of the Committee)
2. Chief Financial Officer (Member)
3. Investor Relations Officer (Member)

- The Committee's tasks and responsibilities:

1. Create a special and integrated register that contains the names and data of insiders, including persons who can be considered as temporary insiders, and who are entitled or authorized to get access to the company's information before being published.
2. Monitor and supervise the transactions and ownerships of insiders, and maintain a relevant register.
3. Periodically review the records and statements of insiders, to ensure that they are continuously updated, and consult with the company's executive management regarding any updates that need to be made to these records and statements as they occur in accordance with the requirements and requirements of the company's business.
4. Submit periodic statements and reports on the insiders to Abu Dhabi Securities Market and/or the Securities and Commodities Authority.
5. Ensure the continuous updating of the list of the company's insiders on Abu Dhabi Securities Market's website, and make any updates to that list as soon as they occur.
6. Continuously communicate with the insiders and raise awareness about their trading in the company's shares and securities issued by the company, including educating them and constantly reminding them of the trading ban periods in the company's shares and securities issued by the company in accordance with the regulations and rules in force at both the Securities and Commodities Authority and the Abu Dhabi Securities Market, to ensure compliance with them and avoid committing any violations.
7. Be generally responsible for all matters specified in the Securities and Commodities Authority's guidelines and which falls under the responsibility of the Insiders Transactions Follow-up & Supervision Committee.
8. Ensure the company's compliance with all disclosure and transparency rules.
9. Prepare and adopt a model and standards to identify the insiders from among the employees and external parties.
10. Identify the material and sensitive information that can be accessed and affect the company's share price.
11. Instruct the insiders from among the employees and board members of the necessity of disclosing any transactions to the Committee.

- **Summary of the Committee's work report during the year 2025**

The Committee updated the lists of insiders with the financial market to include board members and the first and second tier of the company's senior employees, as well as some insiders from the relevant departments. It also alerted employees and board members of the necessity of adhering to the laws and regulations of trading and not to sell and/or buy during trading ban periods.

D. Executive and Investment Committee

- **Declaration by the Chairman of the Executive Committee**

  By virtue of the tasks and powers conferred upon it by the Board of Directors, Mr. Abdulaziz Abdulla AlZaabi - Chairman of the Committee - acknowledges his liability for the Committee's rules of procedure in the company and for reviewing its working mechanism and ensuring its effectiveness for the year 2025.

- Names of members of the Executive Committee, and details of the tasks and responsibilities of the committee:

NAME	POSITION
Mr. Abdulaziz Abdulla AlZaabi	Chairman
Mr. Abdulla Rashed Jassem Al Abdouli	Member
Sheikh Ahmed Omar Abdulla Al Qasimi	Member
Mr. Mohamed Ghobash Ahmed Al Marri	Member
Mr. Yaser Abdulla Mohammed Al Ahmed	Member

- **Tasks and Responsibilities of the Committee:**

1. Provide support and assistance to the CEO and the executive management team.
2. Periodically review the progress of the company's projects and business in general.
3. Review and approve the applicable policies and procedures in the company and the approval and signature authorities from time to time
4. Submit timely proposals and opinions to the Board and its Chairman, which are related to the company's overall performance and major issues, if any.
5. Propose major projects and strategic investments for the company and propose participation in public offering of the company's shares, and submit the same to the Board of Directors for approval.
6. Discuss and approve financial reports and commodities in the event that the Board of Directors fails to hold a meeting at the appropriate time.
7. Ensure the implementation of corporate governance controls.
8. Review and evaluate the company's investments and approve appropriate solutions regarding them, such as choosing exit mechanisms or choosing the most appropriate investment opportunities (in amounts not exceeding AED 20 million).
9. Ensure that an appropriate classification and archiving system is in place (such as meeting minutes, committee decisions, etc.).
10. The Committee may pass urgent decisions by circulation if it is unable to hold a meeting as quickly as possible.
11. The Committee's term of office is the same term of the Board unless the Board of Directors issues a decision to the contrary.
12. The committee handles any other matters assigned to it by the Chairman of the Board or the Board of Directors or required by the interest of work, and in line with the tasks and nature of the Committee's work.
13. The committee handles any other matters determined by the Board of Directors.
14. The Committee may seek the assistance of any specialized employees or members of the Executive Management at any time to explain topics related to the work of the Committee.
15. The Board of Directors has the right to request a meeting with the Committee whenever it deems necessary.
16. The Committee must submit all its reports to the Company's Board of Directors for approval and endorsement at the first meeting held by the Board and following the last meeting of the Committee.
17. The committee holds periodic meetings or at the request of the Chairman of the Committee or the majority of its members whenever necessary.

- Meetings of the Committee during 2025

MEETING NUMBER	MEETING DATE	PERSONAL ATTENDANCE OF MEMBERS	ABSENTEES
First	20/1/2025	4	-
Second	10/4/2025	5	-
Third	13/5/2025	5	-
Fourth	1/7/2025	5	-
Fifth	18/8/2025	5	-
Sixth	17/9/2025	5	-
Seventh	16/10/2025	5	-
Eighth	16/12/2025	5	-

Z. The tasks and responsibilities of the Board of Directors carried out by a member of the Board or Executive Management based on authorization from the Board of Directors during the year 2025.

General authorization issued by the Board of Directors of RAK Properties based on the provisions of the Articles of Association of RAK Properties (the "Company") and the special authorization of the CEO No. 1773/2022 dated 26/9/2022 certified by a notary public, whereby the board unanimously decided to delegate the CEO of RAK Properties, Mr. Sameh Al-Muhtadi, to represent the company before all departments and authorities on all information and official, unofficial and private authorities and before companies, governmental institutions and private sector institutions, sign all transactions and papers necessary to complete the company's business with all governmental, non-governmental and private authorities and before banks and financial institutions. He is also authorized to represent the company and sign on its behalf in all financial, administrative, legal and judicial matters and aspects according to the decisions of the Board of Directors issued in this regard and also in purchasing shares and stakes in existing companies and those still being established, and participating in their management, making their decisions, managing all their affairs from all administrative, legal, and judicial aspects.

The Board of Directors also decided to authorize Mr. Sameh Al-Muhtadi to sign contracts that include an arbitration clause, to conclude and sign arbitration agreements with any party in the name of the company and on its behalf after the issuance of a Board of Directors' decision in this regard, to take all necessary measures in this regard, including appointing and disqualifying arbitrators and experts, making settlements, reconciliations and waivers, and to take all other measures related to arbitration that require special authorization under the law, pursuant to the stipulation of Article (25) of the company's Articles of Association, and to approve and ratify all arbitration agreements and contracts that include an arbitration clause that were previously concluded in the name of the company and on its behalf with any party, and all measures taken in this regard in light of the provisions of the company's articles of association .

H. Details of transactions made with related parties (stakeholders) during the year 2025

STATEMENT OF THE RELEVANT PARTY	THE NATURE OF THE RELATIONSHIP	TYPE OF TRANSACTION	TRANSACTION VALUE
Sheikh Ahmed bin Omar Al Qasimi	purchasing a residential unit in 2024	Commission	17860
Mohammed Musbah Al Nuaimi	Commission for selling a building	Commission	2,220,000
Yasser Abdullah Al Ahmad	Commission for selling a building	Commission	2,220,000
Mazen Mardini	Purchasing a residential unit during 2025	Purchasing a residential unit	1,202,700
Fayez Khouri	Purchasing a residential unit during 2025	Purchasing a residential unit	817,950
Emad Samaha	Purchasing a residential unit during 2025	Purchasing a residential unit	1,263,500

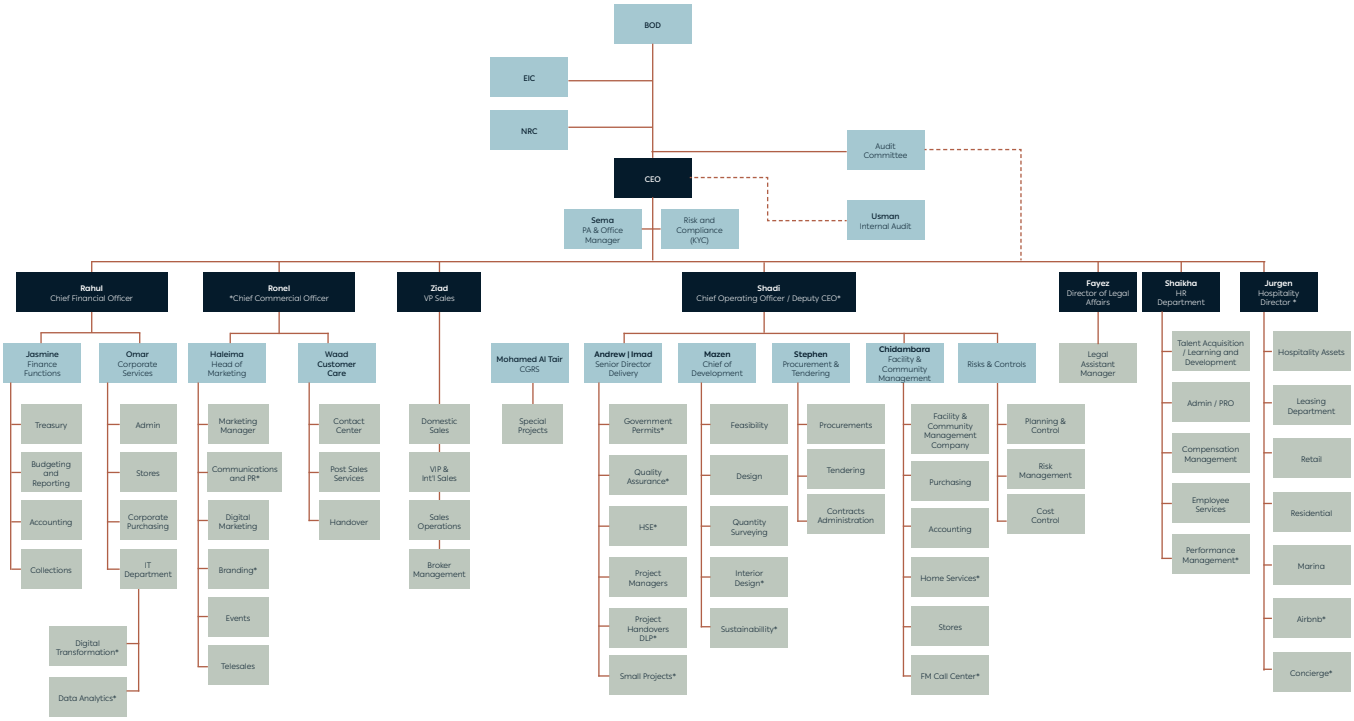
FIFTH: BOARD OF DIRECTORS EVALUATION

According to the decision of the Chairman of the Board of Directors of the SCA No. (3/R.M) of 2020 regarding the approval of the Governance Guide for Public Joint Stock Companies. It stipulates that the Board of Directors shall conduct an evaluation annually, for its performance and the performance of its members and committees, to identify ways to enhance its effectiveness, and to ensure that it is subject to evaluation at least once a year, through the Nominations and Remuneration Committee or by the Chairman of the Board of Directors. It is also permissible, if necessary, to seek assistance from independent consultants to assist the Board of Directors in conducting the evaluation. The Board of Directors is also committed to inviting an independent professional body every third year to conduct an evaluation of the Board of Directors, its members and its committees.

A special policy and procedures have also been formulated to evaluate the performance of the Board of Directors and its members based on the decision of the Chairman of the Board of Directors of the Authority No. 3/ر of 2020 in addition to the laws and regulations applicable in the country. Accordingly, the competent authority responsible for supervising the implementation of the Board of Directors' evaluation policy for the year 2025 will be either through the Chairman of the Board of Directors of the company or through the Nominations and Remuneration Committee.

SIXTH: COMPANY'S ORGANIZATIONAL STRUCTURE

RAK Properties has been keen to develop and implement an efficient and effective organizational structure at the level of the company's various departments and sections, to ensure a high level of coordination and administrative interaction. As shown below, the company's organizational structure approved by the company's Board of Directors is as follows:



- **Detailed statement with the names of senior executives in the company**

The table below shows the appointment dates of the Executive Management members and their current positions according to the company's organizational structure, and the salaries and bonuses granted for the year 2025:

POSITION	DATE OF APPOINT-MENT	TOTAL SALARIES AND ALLOWANCES PAID FOR THE YEAR 2025 AED	TOTAL BONUSES PAID FOR 2025 AED	ANY OTHER CASH/ IN-KIND BONUSES FOR THE YEAR 2025 OR DUE IN THE FUTURE
Chief Executive Officer	August 2022	4,743,120	To be Presented to the Nominations and Remuneration Committee	-
Chief Financial Officer	November 2023	1,567,052	To be Presented to the Nominations and Remuneration Committee	-
Head of Corporate Services	August 2017	1,315,450	To be Presented to the Nominations and Remuneration Committee	
Head of Legal Affairs	June 2025	651,272	To be Presented to the Nominations and Remuneration Committee	-
Chief Operations Officer	April 2025	1,444,588	To be Presented to the Nominations and Remuneration Committee	-

POSITION	DATE OF APPOINTMENT	TOTAL SALARIES AND AL-LOWANCES PAID FOR THE YEAR 2024 AED	TOTAL BONUSES PAID FOR 2024 AED	ANY OTHER CASH/ IN-KIND BONUSES FOR THE YEAR 2024 OR DUE IN THE FUTURE
Head of Marketing	October 2025	268,539	To be Presented to the Nominations and Remuneration Committee	-
Head of Development	January 2025	1,320,371	To be Presented to the Nominations and Remuneration Committee	-
Head of Government Communications and Special Projects	February 2008	1,356,990	To be Presented to the Nominations and Remuneration Committee	-
Head of Sales	November 2022	3,338,247	To be Presented to the Nominations and Remuneration Committee	-

SEVENTH: EXTERNAL AUDITOR

- **External Auditor Contracting Policy**

In accordance with the decision of the Chairman of the Board of Directors of SCA No. (3/R.M) of 2020 regarding the approval of the Governance Guide for Public Joint Stock Companies and the Company's Articles of Association, the Board of Directors of the Company has committed to the policy of selecting the external auditor by nominating him before the General Assembly. Then, Executive Management, at the request of the Audit Committee, provides offers from auditing companies to examine them and meet with the nominated applicant external auditors, discuss their offers, and nominate whomever it deems appropriate based on competence, reputation and experience. Also based on a recommendation by the Audit Committee, the Board nominates the external auditor, and the appointment and determination of his fees are based on a decision of the General Assembly.

In the event that the Board of Directors does not approve the nomination of the Audit Committee regarding the selection, appointment, resignation or removal of the external auditor, the Board of Directors shall write a statement in the governance report explaining the recommendations of the Audit Committee and the reasons for not adopting it.

- **About the company's auditor**

Grant Thornton is one of the external auditing firms with extensive experience in the field of auditing and accredited by the Ministry of Economy. Grant Thornton has been appointed as the company's external auditor for the year 2024 with the approval of the Annual General Assembly. It is an external auditor independent from the company and the board of directors and is not a partner or agent of anyone of the company's founders or a member of its board of directors or a relative of it. All work performed by the external auditor is free of any conflict of interest, and their services include all professional services related to reviewing quarterly and annual financial reports in accordance with, and in application of, all the terms and conditions of the external auditor pursuant to Decision No. 3 of 2020.

- **External auditor fees and costs during the year 2024**

Audit office name	Grant Thornton
Partner Auditor Name	**Mr. Osama Bakri**
Number of years he spent as an external auditor for the company	3 years
Number of years the partner auditor has been auditing the company's accounts	2 years and 9 months
Total Audit Fees for the year 2025 (AED)	435,000 dirhams
Details and nature of other services provided	295,000 dirhams
Details and nature of other services provided	2024 ICOFR Management Assessment in accordance with the previous SCA regulation 2024 Special Purpose Financial Statements in accordance with CT filing requirements
Statement of other services provided by an external auditor other than the company's auditor during the year 2025	-

- **External auditor's reservations on the interim or annual financial statements for the year 2025**

There are no reservations by the external auditor regarding the interim or annual financial statements for the year 2025.

EIGHTH: INTERNAL AUDIT CHARTER

Purpose and Mission

The purpose of the internal audit function (IAF) is to strengthen RAK Properties' (RAKP's) ability to create, protect, and sustain value by providing the Board of Directors (BOD) and management with independent, risk-based, and objective assurance, advice, insight, and foresight.
The internal audit function enhances RAKP's:

1. Successful achievement of its objectives.
2. Governance, risk management, and control processes.
3. Decision-making and oversight.
4. Reputation and credibility with its stakeholders.
5. Ability to serve the public interest.

RAKP's internal audit function is most effective when:

1. Internal auditing is performed by competent professionals in conformance with IIA's Global Internal Audit Standards, which are set in public interest.
2. The internal audit function is independently positioned with direct accountability to the Audit & Risk Committee (ARC) of the Board.
3. Internal auditors are free from undue influence and committed to making objective assessments.

Commitment to Adhere to the GIAS & Relevant Regulatory requirements

RAKP's internal audit function will adhere to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework (IPPF), which are the Global Internal Audit Standards (GIAS) and Topical Requirements. Head of Internal Audit Department (HIAD) will report annually to the Audit & Risk Committee (ARC) and Senior Management regarding the internal audit function's conformance with the Standards, which will be assessed through a quality assurance and improvement program (QAIP) as defined in the Internal Audit Manual.

Mandate

3.1 Authority

The internal audit function's authority is created by its direct reporting relationship to the ARC of the Board. Such authority allows for unrestricted access to the ARC.

The ARC authorizes the Internal Audit Function to:

1. Have full and unrestricted access to all functions, data, records, information, physical property, and personnel pertinent to carrying out internal audit responsibilities. Internal auditors are accountable for confidentiality and safeguarding records and information.
2. Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques, and issue communications to accomplish the function's objectives.
3. Obtain assistance from the necessary personnel of RAKP and other specialized services from within or outside RAKP to complete internal audit services.

3.2 Independence, Organizational Position, and Reporting Relationships

The HIAD will be positioned at a level in the organization that enables internal audit services and responsibilities to be performed without interference from management, thereby establishing the independence of the internal audit function. HIAD will report functionally to the ARC and administratively (for example, day-to-day operations) to the CEO. This positioning provides the organizational authority and status to bring matters directly to senior management and escalate matters to the ARC, when necessary, without interference and supports the internal auditors' ability to maintain objectivity.

HIAD will confirm to the ARC, at least annually, the organizational independence of the internal audit function. If the governance structure does not support organizational independence, the HIAD will document the characteristics of the governance structure limiting independence and any safeguards employed to achieve the principle of independence. HIAD will disclose to the ARC any interference internal auditors encounter related to the scope, performance, or communication of internal audit work and results. The disclosure will include communicating the implications of such interference on the internal audit function's effectiveness and ability to fulfill its mandate.

3.3 Changes to the Mandate and Charter

Circumstances may justify a follow-up discussion between the HIAD, ARC, and senior management on the internal audit mandate or other aspects of the internal audit charter. Such circumstances may include but are not limited to:

1. A significant change in the Global Internal Audit Standards.
2. A significant reorganization within the RAKP.
3. Significant changes in the HIAD, ARC, and / or senior management.
4. Significant changes to the RAKP's strategies, objectives, risk profile, or the environment in which the organization operates.
5. New laws or regulations that may affect the nature and/or scope of internal audit services.

ARC of the Board Oversight

To establish, maintain, and ensure that RAKP's internal audit function has sufficient authority to fulfill its duties, the ARC will:

1. Discuss with the HIAD and senior management / CEO the appropriate authority, role, responsibilities, scope, and services (assurance and / or advisory) of the internal audit function.
2. Ensure HIAD has unrestricted access to and communicates and interacts directly with the ARC, including in private meetings without senior management present.
3. Discuss with the HIAD and senior management other topics that should be included in the internal audit charter.
4. Participate in discussions with the HIAD and senior management about the "essential conditions," described in the GIAS, which establish the foundation that enables an effective internal audit function.
5. 5Approve the internal audit function's charter, which includes the internal audit mandate and the scope and types of internal audit services.

6. Review the internal audit charter annually with the HIAD to consider changes affecting the organization, such as the employment of a new HIAD or changes in the type, severity, and interdependencies of risks to the organization; and approve the internal audit charter annually.
7. Approve the risk-based internal audit plan.
8. Provide input to the internal audit function's human resources administration and budgets.
9. Review the internal audit function expenses.
10. Provide input to senior management on the appointment and removal of the HIAD, ensuring adequate competencies and qualifications and conformance with the GIAS.
11. Approve the remuneration of the HIAD.
12. Review and provide input to senior management on HIAD's performance.
13. Receive communications from HIAD about the internal audit function including its performance relative to its plan.
14. Ensure a quality assurance and improvement program (QAIP) has been established and review the results annually.
15. Make appropriate inquiries of senior management and the HIAD to determine whether scope or resource limitations are inappropriate.

HIAD Roles and Responsibilities

Ethics and Professionalism

HIAD will ensure that internal auditors:

1. Conform with the Global Internal Audit Standards (GIAS), including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality.
2. Understand, respect, meet, and contribute to the legitimate and ethical expectations of the organization and be able to recognize conduct that is contrary to those expectations.
3. Encourage and promote an ethics-based culture in the organization.
4. Report organizational behavior that is inconsistent with the organization's ethical expectations, as described in applicable policies and procedures.

Objectivity

HIAD will ensure that the internal audit function remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication. If the HIAD determines that objectivity may be impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively such that they believe in their work product, do not compromise quality, and do not subordinate their judgment on audit matters to others, either in fact or appearance.

Internal auditors will have no direct operational responsibility or authority over any of the activities they review. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, or engage in other activities that may impair their judgment, including:

1. Assessing specific operations for which they had responsibility within the previous year.
2. Performing operational duties for RAKP or its affiliates.
3. Initiating or approving transactions external to the internal audit function.
4. Directing the activities of any RAKP employee that is not employed by the internal audit function, except to the extent that such employees have been appropriately assigned to internal audit teams or to assist internal auditors.

Internal auditors will:

1. Disclose impairments of independence or objectivity, in fact or appearance, to appropriate parties and at least annually, such as the HIAD, ARC, management, or others.
2. Exhibit professional objectivity in gathering, evaluating, and communicating information.
3. Make balanced assessments of all available and relevant facts and circumstances.
4. Take necessary precautions to avoid conflicts of interest, bias, and undue influence.

Managing the Internal Audit Function

HIAD has the responsibility to:

1. Annually or once in 2 years (as directed by the ARC), develop a risk-based internal audit plan that considers the input of the ARC and senior management. Discuss the plan with the ARC and senior management and submit the plan to the ARC for review and approval.
2. Communicate the impact of resource limitations on the internal audit plan to the ARC and senior management.
3. Review and adjust the internal audit plan, as necessary, in response to changes in RAKP's business, risks, operations, programs, systems, and controls.
4. Communicate with the ARC and senior management if there are significant interim changes to the internal audit plan.
5. Ensure internal audit engagements are performed, documented, and communicated in accordance with the Global Internal Audit Standards and laws and/or regulations.
6. Follow up on engagement findings and confirm the implementation of recommendations or action plans and communicate the results of internal audit services to the ARC and senior management annually or bi-annually and for each engagement as appropriate.
7. Ensure the internal audit function collectively possesses or obtains the knowledge, skills, and other competencies and qualifications needed to meet the requirements of the Global Internal Audit Standards and fulfill the internal audit mandate.
8. Identify and consider trends and emerging issues that could impact RAKP and communicate to the ARC and senior management as appropriate.
9. Consider emerging trends and successful practices in internal auditing.
10. Establish and ensure adherence to methodologies designed to guide the internal audit function.
11. Ensure adherence to RAKP's relevant policies and procedures unless such policies and procedures conflict with the internal audit charter or GIAS. Any such conflicts will be resolved or documented and communicated to the ARC and CEO / senior management.
12. Coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services. If the HIAD cannot achieve an appropriate level of coordination, the issue must be communicated to senior management and if necessary escalated to the ARC.

Communication with the ARC and Senior Management

HIAD will report annually to the ARC and senior management regarding:

1. The internal audit function's mandate.
2. The internal audit plan and performance are relative to its plan.
3. Internal audit budget.
4. Significant revisions to the internal audit plan and budget.
5. Potential impairments to independence, including relevant disclosures as applicable.
6. Results from the quality assurance and improvement program, which include the internal audit function's conformance with The IIA's Global Internal Audit Standards and action plans to address the internal audit function's deficiencies and opportunities for improvement.
7. Significant risk exposures and control issues, including fraud risks, governance issues, and other areas of focus for the ARC that could interfere with the achievement of RAKP's strategic objectives.
8. Results of assurance and advisory services.
9. Resource requirements.
10. Management's responses to risk that the internal audit function determines may be unacceptable or acceptance of a risk that is beyond RAKP's risk appetite.

Quality Assurance and Improvement Program (QAIP)

HIAD will develop, implement, and maintain a quality assurance and improvement program (QAIP) that covers all aspects of the internal audit function. The program will include external and internal assessments of the internal audit function's conformance with the Global Internal Audit Standards, as well as performance measurement to assess the internal audit function's progress toward the achievement of its objectives and promotion of continuous improvement. The program also will assess, if applicable, compliance with laws and / or regulations relevant to internal auditing. Also, if applicable, the assessment will include plans to address the internal audit function's deficiencies and opportunities for improvement.

Annually, HIAD will communicate with the ARC and CEO about the internal audit function's quality assurance and improvement program, including the results of internal assessments (ongoing monitoring and periodic self-assessments) and external assessments. External assessments will be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the RAKP; qualifications must include at least one assessor holding an active Certified Internal Auditor® credential.

Scope and Types of Internal Audit Services

The scope of internal audit services covers the entire breadth of the organization, including all RAKP's activities, assets, and personnel. The scope of internal audit activities also encompasses but is not limited to objective examinations of evidence to provide independent assurance and advisory services to the ARC and management on the adequacy and effectiveness of governance, risk management, and control processes for RAKP.

The nature and scope of advisory services may be agreed with the party requesting the service, provided the internal audit function does not assume management responsibility. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during advisory engagements. These opportunities will be communicated to the appropriate level of management.

Internal audit engagements may include evaluating whether:

1. Risks relating to the achievement of RAKP's strategic objectives are appropriately identified and managed.
2. The actions of RAKP's officers, directors, management, employees, and contractors or other relevant parties comply with RAKP's policies, procedures, and applicable laws, regulations, and governance standards.
3. The results of operations and programs are consistent with established goals and objectives.
4. Operations and programs are being carried out effectively, efficiently, ethically, and equitably.
5. Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact RAKP.
6. The integrity of information and the means used to identify, measure, analyze, classify, and report such information is reliable.
7. Resources and assets are acquired economically, used efficiently and sustainably, and protected adequately.

Based on the above, the Board of Directors acknowledges its responsibility for the Company's internal audit system, which has sufficient power to apply governance rules in all of the Company's activities and achieve transparency, accountability and justice.

- **Name and qualifications of the Director of Internal Audit Department**

Mr. Usman Zishan holds a Bachelor's Degree in Commerce (2002) and brings over 18 years of extensive professional experience in internal auditing, governance, risk management, and internal controls. Throughout his career, he has been actively involved in developing and executing risk-based internal audit plans, evaluating the effectiveness of internal control systems, strengthening governance frameworks, and providing value-added recommendations to senior management and audit committees.

In addition to his internal audit expertise, he also possesses three years of practical experience in accounting, gained while working in Dubai. This accounting background has further strengthened his financial analysis, reporting, and control assessment capabilities, enabling him to provide comprehensive assurance and advisory services aligned with organizational objectives and best practices.

- **Compliance Officer's Name and Qualifications**

It was decided to appoint Ms. Duaa Masoud Al-Mahri as Compliance Officer for the fiscal year 2025. She holds a bachelor's degree in public relations and advertising from the United Arab Emirates University in 2018 and has previous experience spanning 4 years in the field of compliance.

- **Number of reports issued by the Internal Audit Department to the Company's Board of Directors**

During the year 2025, the Internal Audit Department submitted 17 audit reports to the audit and risk committee of the Board covering operational, financial, compliance, and governance matters.

NINTH: VIOLATIONS DURING THE YEAR 2025

The company was keen to adhere to federal and local laws, ministerial decisions, laws and decisions issued by authorities and markets, and the governance of the Board of Directors in all its dealings, and achieved justice with all those dealing with it, which is consistent with the company's distinguished reputation. Also, during the year 2025, the company did not commit any violations.

TENTH: THE COMPANY'S CONTRIBUTIONS TO COMMUNITY DEVELOPMENT AND ENVIRONMENTAL PRESERVATION.

The community has solid privacy and a lofty goal in the company's strategies. It is a national responsibility that establishes the basic foundations for the tasks entrusted to everyone. Since the company is an integral part of the surrounding community and works with all sincerity and belonging to consolidate effective community partnerships, the company supports community activity of all kinds with a package of voluntary contributions, according to the laws and regulations followed in the country. It works to ensure that all its employees are an active and influential part of society. In implementation of Federal Law No. (2) of 2015 on commercial companies as amended regarding voluntary contributions, which allowed companies to pay voluntary contributions, cash contributions were provided during the year 2025 as follows:

Shaml Association for Popular Arts and Theater	15,000
Ras Al Khaimah Charity Association	500,000
Ajr Humanitarian Foundation	500,000
TOTAL	**1,015,000**

ELEVENTH: GENERAL INFORMATION

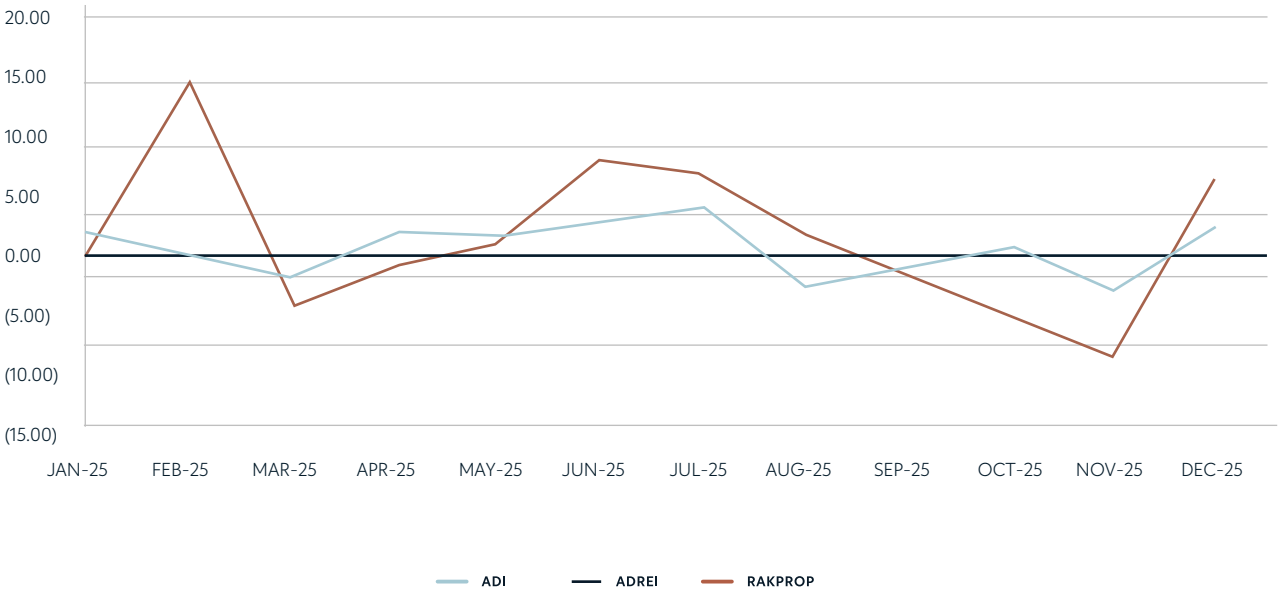
- **Trading movement and price of the company's share in the Abu Dhabi Securities Market (Closing price/ High price/ Low price) during the fiscal year 2025**

MONTH	HIGH PRICE (AED)	LOWEST PRICE (AED)	CLOSING PRICE (AED)	TRADING VOLUME (AED)	TRADING VALUE (AED)
January	1.250	1.200	1.210	12,374,824	15,216,628.09
February	1.360	1.330	1.350	4,085,706	5,499,148.11
March	1.380	1.340	1.340	986,204	1,340,457.34
April	1.300	1.260	1.270	14,469,710	18,467,878.22

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MONTH	HIGH PRICE (AED)	LOWEST PRICE (AED)	CLOSING PRICE (AED)	TRADING VOLUME (AED)	TRADING VALUE (AED)
May	1.310	1.280	1.310	4,984,463	6,501,104.34
June	1.500	1.410	1.440	91,888,130	133,765,407.75
July	1.580	1.540	1.540	17,912,084	27,902,705.12
August	1.600	1.580	1.580	11,751,259.46	7,392,368
September	1.500	1.460	1.480	7,061,803	10,464,327.21
October	1.430	1.400	1.410	2,842,142	4,012,946.23
November	1.300	1.280	1.280	3,310,744	4,269,680.04
December	1.350	1.320	1.350	1,997,371	2,668,384.42

- RAK Properties' share with the general market index and the industrial sector index during the year 2024S



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- **Distribution of the company's shareholders' ownership as of 31 December 2025**

SHAREHOLDER / INVESTOR	INDIVIDUALS		COMPANIES		GOVERNMENT		TOTAL	
	NUMBER OF SHARES	RATIO	NUMBER OF SHARES	RATIO	NUMBER OF SHARES	RATIO	NUMBER OF SHARES	RATIO
Local	675,942,682.00	22.53%	585,829,507.00	19.53%	1,025,057,905	34.17%	2,286,830,094	
Arab	125,800,305.00	4.19%	74,641,556.00	2.49%	-	-	200,441,861	
Gulf	91,509,610.00	3.05%	1,036,861.00	0.03%	-	-	92,546,471	
Foreign	42,934,832.00	1.43%	377,246,742.00	12.57%	-	-	285,343,131	
TOTAL	**893,252,597**	**31.2**	**1,038754,666**	**34.62%**	**1,025,057,905**	**34.17%**	**3,000,000,000**	**100%**

- **Shareholders who own (5%) or more of the company's capital as of 31 December 2025**

S/N	SHAREHOLDER'S NAME	NUMBER OF SHARES OWNED	PERCENTAGE OF SHARES OWNED FROM CAPITAL
1.	RAK Government	1,025,057,905	% 34.17
2.	United Al Saqer Group LLC	225,847,307	7.53%

- **Distribution of shareholders according to ownership size as of 31 December 2025**

S	STOCK (SHARE) OWNERSHIP	NUMBER OF SHAREHOLDERS	NUMBER OF SHARES OWNED	PERCENTAGE OF CAPITAL
1.	Less than 50,000	12,094	109,767,393	3.66 %
2.	50,000 to less than 500,000	1,005	161,618,687	5.39%
3.	500,000 to less than 5,000,000	347	511,947,607	17.06%
4.	More than 5,000,000	70	2,206,666,313	73.56%
5.	Equals 5,000,000	2	10,000,000	0.33 %

- **Actions taken regarding investor relations controls:Investor Relations Officer Name:** Mr. Abdullah Shukri Al Akhdar/ Investor Relations Officer, who can be contacted via email at ir@rakproperties.ae. Also, the electronic link to the investor relations page on the company's website contains a special page for investor relations according to the following link: **https://www.rakproperties.ae/investor-hub/**

- **Special resolutions presented at the Annual General Assembly:** in its meeting held on 11 March 2025, the General Assembly approved the following:
  1. To provide voluntary contributions for community service purposes worth AED 1.2 million, taking into account the provisions of the Commercial Companies Law, and authorizing the Board of Directors to determine the entities to which these amounts will be allocated.

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- **Meetings Secretary and Date of Appointment:** Board of Directors' Meetings' rapporteur/ Mr. Majed Abdulla - Secretary of the Board of Directors, appointed since 2023.
- **Key events during the year 2025:**
  - There were no key events during the year 2025.

- **Transactions made by the company during the year 2025 that are equal to 5% or more of the company's capital:**
  According to the decision of the Chairman of the Board of Directors of SCA No. (3/R.M) of 2020 regarding the Governance Guide for Public Joint Stock Companies, which defined a "transaction" as an event that affects the assets of a public joint stock company listed on the market, its liabilities, or its net value from transactions, contracts, or agreements concluded by the company, and any other transactions determined by the SCA from time to time by decisions, instructions, or circulars issued by it, and based on the stipulation of the decision, there are no deals or transactions concluded by the company during the year 2025 that affected its assets, liabilities, or net value.

- **The percentage of localization in the company:**
  The company attaches great importance to localization and considers it one of its responsibilities. The table below shows the localization percentage as follows:

YEAR	POSITION
2023	18%
2024	21%
2025	22%

- **Innovative projects and initiatives which the company has carried out or is being developed during the year 2025**

There are no innovative projects or initiatives undertaken by the company or being developed during the year 2025.

H.E Abdulaziz Abdulla Al Zaabi
Chairman of the Board of Directors

Mr. Mohamed Ali Mussbeh Al Nuaimi
Chairman of the Audit & Risk Committee
Chairman of the Nominations & Remuneration Committee

Mr. Usman Zishan
Head of Internal Control Department