

**Policy, Standards and Procedures for Membership in  
The Board of Directors of Emaar the Economic City Company**

## 1. Introduction

The policy, standards and procedures for membership in the Board of Directors of Emaar the Economic City (the "Company") aim to establish fair and transparent standards for the nomination and election of members of the Board of Directors of the Company, in accordance with the related requirements of the regulations.

This policy has been prepared in implementation of the provisions of Paragraph (3) of Article Twenty-Two of the Corporate Governance Regulations of the Capital Market Authority pursuant to Resolution No. (2-16-2017) dated 16/5/1438 AH, which states that the Board of Directors' duties "The Board" and responsibilities to prepare clear and specific policies, standards, and procedures for the board members, in a way that does not contradict the mandatory provisions of the Governance Regulations, and to put them into effect after being approved by the Assembly.

These policies, standards and procedures for membership in the Company Board are based on the Companies Regulation Governance and the company's bylaws.

This policy applies to each member of the Board and to the Board of Directors as a whole

## 2. Procedures for membership in the company's Board of directors:

The Remuneration and Nominations Committee coordinates with the executive management of the company to announce the opening of candidacy for membership of the Board of the Company in accordance with the Companies Law, the Governance Regulations, and the instructions of the Capital Market Authority.

Each shareholder has the right to nominate himself or another person or more for board membership, within the limits of his ownership percentage in the capital.

Whoever wishes to nominate himself for the membership of the Board of the Company must announce his desire by notification to the management of the company in accordance with the periods and dates stipulated in the applicable laws, regulations, circulars and decisions. This notification must include an introduction to the candidate in terms of his resume, qualifications, and practical experience. Also, fill in the relevant forms issued by the Capital Market Authority or any other governmental or regulatory agency.

Whoever wishes to nominate himself for membership of the Board shall disclose to the Board and the General Assembly any cases of conflict Interests that include:

- 2.1. The existence of a direct or indirect interest in the business and contracts that are made for the account of the company whose Board of directors he wishes to run for.
- 2.2. His participation in a business that would compete with the company, or compete with one of its branches in the activity it is engaged in.
- 2.3. A candidate who has previously held membership in the board of a joint-stock company must state the number and date of boards of companies whose membership he assumed.
- 2.4. The candidate who previously held the membership of the company's board must attach to the nomination notification a statement from the company's management about the last session in which he assumed the membership of the Board including the following information:
  - 2.4.1. The number of Boards meetings that took place during each year of the session.
  - 2.4.2. The number of meetings attended by the member himself and the percentage of his attendance to all meetings.
  - 2.4.3. The permanent committees in which the member participated, the number of meetings held by each of those committees during each year of the session, the number of meetings he attended, and the percentage of his attendance to the total number of meetings.
  - 2.4.4. The status of membership must be clarified, i.e. whether the member is an executive member, a non-executive member, or an independent member.

- 2.4.5. The nature of membership must be clarified, i.e. whether the member is a candidate in his personal capacity or is a representative of a person.

The Remuneration and Nominations Committee, in coordination with the Executive Management of the Company, provides the Capital Market Authority with the CVs of the Company's Board membership candidates according to the form of the CV of the candidate for the membership of the Board of Directors, a joint-stock Company listed on the Saudi Stock Exchange (Tadawul), in addition to any copies of the nomination notifications and their attachments. The Remuneration and Nominations Committee responds to any comments received from the competent authorities about any candidate. Voting in the General Assembly is limited to those who have nominated themselves in accordance with the aforementioned policies, standards and procedures.

### **3. Policies and criteria for nomination and membership in the company's Board of directors:**

Nomination to the membership of the Board of Directors of the company and membership of the Board is subject to the following controls:

- 3.1. The candidate for membership of the Board shall not have been previously convicted of a crime involving moral turpitude or dishonesty, and shall not be insolvent or bankrupt, or become unfit for Board membership in accordance with any system or instructions in force in the Kingdom.
- 3.2. A member of the Board shall not occupy more than five joint-stock companies listed in the financial market at the same time.
- 3.3. The candidate should not be a government employee.
- 3.4. The candidate should be of professional competence with the necessary experience, knowledge, skill and independence, that enables him to carry out his duties efficiently and competently.
- 3.5. The candidate has the ability to lead: competent to leadership skills that qualify him to grant powers that lead to encouraging performance, applying best practices in the field of effective management, and adhering to professional values and ethics.
- 3.6. The candidate should be competent: by having the appropriate academic qualifications, professional skills, and personality. And the level of training and practical experience related to the company's current and future activities, management, economy, or accounting, law or governance, as well as a desire to learn and train.
- 3.7. The candidate has the ability to direct, by having technical, leadership, and administrative capabilities, and speed in decision making, understanding technical requirements related to workflow, and being able to direct strategically, planning and a clear future vision.
- 3.8. The candidate should have financial knowledge: by being able to read and understand financial data and reports.
- 3.9. The candidate enjoys health fitness: that he has no health impediment that hinders him from exercising his duties and specializations, and that he has the necessary personal and professional ingredients to perform his duties effectively.
- 3.10. The candidate should have the ability to communicate effectively and think strategically.
- 3.11. The candidate for membership of the Board should be committed to the principles of honesty, trustworthiness, loyalty, care and concern for the Company's and shareholders and prioritizing them over his personal interest, and the honesty is that the relationship of the Board member with the Company is an honest professional relationship and disclosure to the Company of any influential information before executing any deal or contract with the company or one of its subsidiaries, while Loyalty is achieved in avoiding dealings that involve conflicts of interest,

while verifying the fairness of dealings and taking into account the provisions related to conflicts of interest contained in the Corporate Governance Regulations. As for care and attention, it is in performing the duties and responsibilities stipulated in the Companies Law, the Capital Market Law, and the Company's Bylaws. and other related regulations.

- 3.12. Taking into account diversity in academic qualifications and practical experience, and giving priority in the candidacy to the needs required of the appropriate skills for Board membership.
- 3.13. The number of independent members shall not be less than two or one-third of the members of the Board, whichever is greater.
- 3.14. An independent member must enjoy complete independence in his position and decisions, and none of the symptoms of independence stipulated in Article 20 of the Governance Regulations shall not apply to him.
- 3.15. That the member of the Board represents all shareholders, and that he is committed to what serves the interest of the company in general and not what achieves the interests of the group he represents or that voted to appoint him in the Board.
- 3.16. Membership of a Board member ends with his resignation, death, or dismissal by a decision of the General Assembly, or his conviction in any crime against honor and trust, or his bankruptcy or insolvency, or if he becomes unfit for membership of the Board in accordance with any laws, regulations, or instructions in force in the Kingdom.

#### **4. Cases of termination of membership:**

1. Board membership ends with the end of its term or with the expiry of the member's validity in accordance with the opinion of a law or instructions in force in the Kingdom. Nevertheless, the Ordinary General Assembly may at any time dismiss all or some of the members of the Board of Directors, without prejudice to the right of the dismissed member towards the company to claim compensation if the dismissal occurred, for an unacceptable reason or at an inappropriate time, a member of the Board of Directors may retire, provided that this is at an appropriate time, otherwise he will be liable to the company for the damages resulting from his retirement.
2. A Board member must resign before the end of his term in the Board if:
  1. Loss of his eligibility to serve as a board member.
  2. His inability to carry out his duties, or his inability to allocate the time or effort required to perform his responsibilities in the Board.
  3. The General Assembly refused to renew the license granted in case of conflict of interest under Articles 71 and 72 of the Companies Law and Article 46 of the Corporate Governance Regulations.

#### **5. The vacant position in the Board:**

If the position of one of the members of the Board of Directors becomes vacant, the Board may appoint a temporary member in the vacant position, and the Ministry of Commerce and Investment and the Capital Market Authority must be notified of that within five working days from the date of appointment and that some of the appointment is made to the Ordinary General Assembly at its first meeting, and the new member completes the term Advance payment.

If the necessary conditions for the meeting of the Board of Directors are not met due to a decrease in the number of its members below the minimum stipulated in the Companies Law or this Law, the rest of the members must call the General Assembly to convene within sixty days to elect the necessary number of members.

#### **6. Final Provisions (Publication and Amendment):**

The provisions of this policy shall be implemented and shall be adhered to by the company as of the date of its approval by the general assembly of shareholders. It must also be published on the company's website to enable shareholders, the general public and stakeholders to view it.

The content of these policy is reviewed as needed based on a recommendation from the Board, provided that these amendments are submitted to the General Assembly of Shareholders for approval at its nearest meeting.