

EMIRATES DRIVING COMPANY

Governance Report Form for 2024

Company Profile

Emirates Driving Company was established in 2000 as a national public shareholding company with a part of the Abu Dhabi Government. It was established as a solution to reduce the number of traffic accidents, raise the efficiency of training and develop the skills of drivers. It has been agreed and co-operated with the Swedish National Road Safety Commission (SweRoad) in road safety and driving training services to build the foundation for an innovative and advanced driving education system.

The company developed the quality system and obtained ISO 9001-2008 certificate in 2007 and was renewed in 2010 and then renewed in 2013, 2016 and 2019. The area of the system was traffic safety and driving training services. (OHSAS 18001-2007) of the occupational health and safety system.

In 2021, and as part of achieving the company's strategic goals for the years 2021-2023, the company obtained ISO 14001:2015 certification for the environmental management system, and in 2022, the company obtained ISO 39001:2012 certification for the Road Safety Management System (RTS).

Also, in 2023 the company obtained ISO 31000:2018 certification for the Risk Management System.

Vision:

To be the leader in promoting and contributing towards safer roads in the region.

Mission:

To work efficiently and effectively towards promoting and contributing to safer roads through innovation, collaboration, investment in new technologies and smarter operating and delivery models.

Value:

- Socially Responsible
- Innovative
- Stakeholder-Inclusive
- Act with Integrity
- Results-Driven

Quality Policy:

Emirates Driving Company has implemented, reviewed and developed the quality system and worked to ensure its continued improvement in accordance with the requirements of ISO 9001-2008, to provide training services and improve road safety factors.

Executive Management Obligations:

- Provide traffic culture and leadership training for all categories of vehicles of the highest quality.
- To contribute to increasing awareness of traffic safety for all road users inside and outside the country.
- Provide an appropriate working environment to enable individuals to work together, creativity and increase productivity.
- Working to satisfy customers, providing services beyond their expectations.

Services:

- ✓ The company offers many unique services, which are unique to the country.
- ✓ The company offers theoretical traffic education courses, which include Light Vehicles, Heavy Vehicles, Heavy Buses and Motorcycles.
- ✓ In addition to practical training available for Light Vehicles, as well as to practical training for Heavy Vehicles, Heavy Buses and Motorcycle categories.
- ✓ The company provides training in several languages including Arabic, English, Urdu, Malayalam and Pashto.
- ✓ The company also provides special training for people with special needs.
- ✓ In cooperation with the Vehicles and Drivers Licensing Department, the company provided all kinds of tests to obtain the required certificates.
- ✓ For the convenience of customers, the company provides some additional services such as transportation, cafeteria, ATM, credit card payment and public and private waiting rooms for ladies.
- ✓ In the belief of the importance of spreading traffic awareness among all segments of society, EDC has prepared a plan for several training programs to serve the specialized institutions in the field of transport and communication.
- ✓ In addition to the above, the company offers courses for School Bus Drivers and Supervisors.

Human resources development:

The company believes that its employees are the basis for its success, therefore the appropriate competencies are selected to achieve its objectives and are keen to develop them continuously.

Technology and expertise:

Quality services have been provided by combining the intellectual capacities of individuals with different levels of experience and knowledge, and harnessing the best equipment, systems, and advanced equipment.

Events:

The company participates in many activities and activities such as campaigns, workshops, conferences, and seminars related to the field of awareness and traffic safety.

Company Branches:

Emirates Driving Company started in 2004 from its headquarters in the Emirate of Abu Dhabi, Musaffah to provide training services.

In 2006, the company opened its branches in Al Ain, Tarif and finally in Dalma Island. In 2015, Tarif branch moved to Madinat Zayed in Al Dhafra area. Other branches were opened in 2017 in Ghayathi.

In 2023, The company's new branch was opened in Madinat Zayed in the Al Dhafra region, which provides all the company's integrated services, including theoretical and practical training and examination.

In July 2024, the company acquired a majority stake in Excellence Premier Investment, the parent company of Dubai-based Excellence Driving Centre.

1. Statement of procedures taken to complete the Corporate Governance system during 2024, and method of implementing thereof.

From the very beginning, Emirates Driving Company (DRIVE) has been keen to implement the Ministerial Resolutions on the Corporate Governance and Institutional Discipline Standards issued by the Securities and Commodities Authority (SCA) and to cover all requirements by defining the responsibilities and duties of the Board of Directors and the Executive Management of the Company. And takes into consideration the protection of the rights of all shareholders and stakeholders through transparency and disclosure of everything that happens at the company. The company's Board of Directors represented by the Chairman, Vice-Chairman and Board members supervises and controls the continued performance of the company and how to implement the related Ministerial Resolutions:

- The company began to implement the actual application after attending the promotional offers organized by the Securities and Commodities Authority. The first steps were by calling for the Board of Directors and considering them to be independent. The balance between independent and non-independent members has been taken into account.
- All Board members are non-executive members.
- Most members are independent.
- Everyone has pledged to disclose any change that may affect their independence.
- The committees emanating from the company's Board of Directors were formed.
- The members of the Board of Directors submitted a declaration of independence, and these declarations have been sent to the Authority.
- The status of independence or non-independence and whether they are executive or non-executive was confirmed once again through the signing of the declaration of the independent member of the Board of Directors on 4th February 2025.
- Policies for the powers and responsibilities of the Board of Directors' committees have been developed.
- Clear policies have been established for the powers and responsibilities of the executive management.
- Strengthening the independence of the internal audit.
- Periodic updating of work policies and procedures in a way that supports corporate governance principles and best professional practices.
- In conclusion, the Authority was provided with all the detailed data by the Company to comply with the requirements of governance, which resulted in the granting of a letter to Emirates Securities and Commodities Authority stating that Emirates Driving Company has fulfilled all the necessary requirements to implement the resolution.
- Emirates Driving Company takes upon itself and with every effort to comply with the provisions of the Chairman of Authority's Board of Directors' Decision no. (3/Chairman) of 2020 concerning Approval of Joint Stock Companies Governance Guide & its amendments.

2. Statement of ownership and transactions of Board of Directors (Board) members and their spouses, their children in the company securities during 2024, according to the following schedule.

- The Company has issued legislation governing the transactions of the members of the Board of Directors in securities, where it is enable to deal with company's share, where the Chairman and members of the company Board of Directors and the members of the senior executive management of the company and its employees, which contributes not less than 30% of its capital, as well as subsidiaries, during the following periods:

- Before (10) Business days after the announcement of any material information that will affect the price of the stock up or down unless the events result from sudden and sudden events.

- Before (15) Days from the end of the quarterly, semi-annual or annual financial period until disclosure of the financial statements.

- Continued diligence to fully comply with the laws and the supervisory entities regulations such as authorities, markets and others.

- All members of the Board of Directors and employees of the Company should not disclose material information affecting the share price of the financial market except for the competent department, which is the Finance Department.

Ser.	Name	Position/Kinship	Owned shares as on 31/12/2024	Total Sale	Total Purchase
1	Mr. Khalifa Al Romaithi	Chairman	-	-	-
2	W/O Mr. Khalifa Al Romaithi	Wife	7,648,404	-	-
3	Mr. Mohamed Haji Al Khoori	Vice Chairman	339,864	-	-
4	Ms. Samia Bou Azza	Board member	-	-	-
5	Mr. Ahmed Al Romaithi	Board member	-	-	-
6	Mr. Mohammed Al Ameri	Board member	-	-	-

3. Board Formation:

A. Statement of the current Board formation (along with the names of both the resigned and appointed Board members) according to the following schedule:

Pursuant to the provisions of the Federal Commercial Companies Law no (2) of the year 2015 and the Chairman of Authority's Board of Directors' Decision no. (3/Chairman) of 2020 concerning Approval of Joint Stock Companies Governance Guide & its amendments, the members of the Board of Directors of Emirates Driving Company have been elected.

- 1) The Board of Directors shall manage the Company. The Articles of Association of the Company shall specify the manner of composition, the number of its members and the duration of its membership therein.
- 2) The members of the first board of directors of the company were elected by the founders. The subsequent members of the board of directors are elected for a specific period by the shareholders of the company. In the composition of the

board, the appropriate balance between executive and non-executive members and independent members was taken into consideration. So that at least one third of the members shall be independent members and the majority shall be non-executive members who shall have expertise and technical skills for the benefit of the company. In all cases, when selecting the non-executive members of the company, the member must be able to allocate sufficient time and attention to his membership, such membership is opposed to other interests.

- 3) Prohibition of combining the position of the Chairman of the Board of Directors with the position of Director of the Company and /or the Managing Director.
- 4) Each member of the Board of Directors shall hold his position until the expiration of his term of membership or approval of his resignation by a resolution of the Board of Directors, his death or his dismissal by a resolution of the General Assembly of the Company.
- 5) If the position of a member becomes vacant, the Board of Directors may appoint a member of the vacant position, provided that the matter is submitted to the General Assembly at its first meeting to approve his appointment or appoint another, unless the Company's Articles of Association provide otherwise. The General Assembly shall be invited to meet within three months at the latest date of the vacancy in order to elect who fills the vacant positions.
- 6) The Board of Directors shall hold its meetings four times during the financial year at least, upon written invitation by the Chairman of the Board of Directors or at the written request of at least two members of the Board. The invitation shall be issued at least one week before the date specified, together with the agenda. Each Member shall have the right to add any topic which he considers necessary to be considered at the meeting.
- 7) The meeting of the Board of Directors shall be valid only with the presence of the majority of its members. Decisions of the Board of Directors shall be issued by a majority vote of the attendees and representatives of the meeting. In the case of equal votes, the side of the Chairman or whoever fulfills his position shall prevail.
- 8) Without prejudice to the foregoing, the Board of Directors may exclude the issuance of some of its decisions by passing in emergency cases, taking into consideration the following:
 - ❖ Decisions should not be passed four times a year.
 - ❖ The majority of the members of the Board of Directors agree that the situation requiring the issuance of the decision to pass is an emergency.
 - ❖ The Board of Directors shall deliver the written decision in writing for approval, accompanied by all necessary documents and documents for review.
 - ❖ The written approval of the majority of any of the resolutions of the Board of Directors issued by passing must be approved, with the need to be presented at the next meeting of the Board of Directors to be included in the minutes of its meeting.

- 9) The minutes of the meetings of the Governing Council or its committees shall record the details of the issues considered and the decisions taken, including any reservations of members or views expressed on them. All members present must be signed on draft minutes of Board meetings prior to adoption. The minutes of the meetings of the Board of Directors and its committees shall be kept by the Board of Directors' decision. In the event that a member fails to sign, his objection shall be recorded and the reasons for the objection shall be stated as soon as they appear.
- 10) If a member of the Board of Directors has a conflict of interest in a matter to be considered by the Board of Directors, and the Board of Directors decides that it is a matter of substance, it shall issue its decision in the presence of the majority of the members. A member of interest may not participate in voting on the resolution and may in extraordinary cases address such matters through committees emanating from the board of directors formed for this purpose by virtue of a decision issued by it. The opinion of the Committee shall be submitted to the Board of Directors for a decision in this regard.
- 11) The Board of Directors may, by the decision of a majority of its members, request an external advisory opinion in any matter related to the Company and at its expense.
- 12) The Board of Directors shall establish rules of procedure for corporate governance, supervision and supervision of its application, in a manner not inconsistent with the provisions of this resolution and shall be responsible for its application in accordance with its provisions, in order to ensure that there are no conflicts of interest.
- 13) The Board of Directors works on appropriate development programs for all members of the Board of Directors to develop and update their knowledge and skills and to ensure effective participation in the Board of Directors.
- 14) The Board of Directors establishes written rules regarding the transactions of the Company's Board of Directors and its employees in the securities issued by the Company, the Parent Company or its subsidiaries or sister companies.

B. Statement about the membership of the members of the board of directors in any other public joint stock companies, their positions in those companies and their positions in any other important governmental, commercial, or commercial sites

S/N	Name	Nationality	Category (Executive, Non- executive, and Independent)	Experience	Qualifications	Period served as a BOD member of the Company since his first election date	Their memberships and positions in any other joint-stock companies
1	Mr. Khalifa Abdulla Khamis Al Romaithi	Emirati	Non- executive, and Independent	<ul style="list-style-type: none"> * Executive Director of UAE Real Estates at Mubadala Investment Company "Mubadala", where he is responsible for several real estate, infrastructure, and financial assets in the United Arab Emirates. * Mr. Khalifa Al Romaithi has over 20 years of experience, including Board Member of Aldar Properties, Abu Dhabi National Takaful Company. 	<ul style="list-style-type: none"> * Bachelor's degree in Business Administration with a major in Finance from the University of Portland, USA. 	Chairman 4 years, 4 months	<ul style="list-style-type: none"> * Board Member of Abu Dhabi National Takaful Company "Takaful" (PJSC), since 2008. * Board Member of "Al Dar Properties", since 2021.
2	Mr. Mohamed Haji Abdulla Hussain Al Khoori	Emirati	Non- executive, and Independent	<ul style="list-style-type: none"> * General Director of Khalifa Bin Zayed Al Nahyan Foundation for Humanitarian Work - from 2007 to date. * Secretary General of Abu Dhabi Chess Club - from 1990 to 2017. Vice President of Al Jazeera Investment Company - from 2011 to 2018. * Director of Special Affairs at the Ministry of Presidential Affairs - from 2004 to 2007. * Director of the Private Office at the Crown Prince's Court - from 1998 to 2004. * Director of the Medical Department at the Crown Prince's Court - from 1992 to 1997. * Financial Controller at the Crown Prince's Court - from 1990 to 1991. 	<ul style="list-style-type: none"> * Bachelor's degree in Economics - University of California - 1989. 	Vice Chairman 6 years	<ul style="list-style-type: none"> * Chairman of the Board of Directors of the Emirates Reem Investment Company P.J.S.C. since 2023.

S/N	Name	Nationality	Category (Executive, Non- executive, and Independent)	Experience	Qualifications	Period served as a BOD member of the Company since his first election date	Their memberships and positions in any other joint-stock companies
3	Ms Samia Toufic Bou Azza	Lebanese	Non- executive, and Non- Independent	* Managing Director and CEO of Multiply Group - from 2003 to date.	*Bachelor's degree in Political Science and Public Administration - American University of Beirut - 2001 * Holds certificates in executive studies from Harvard Business School and the University of Cambridge in strategic intelligence and digital transformation.	Board Member 3 years	* Member of the Board of Directors of Multiply Group and TAQA, and currently a member of the Board of Directors of several companies in Switzerland, New York and Abu Dhabi and is passionate about continuous learning, wellness, and empowerment of women.
4	Mr. Ahmed Ali Al Romaithi	Emirati	Non- executive, and Independent	* CEO of Al Dhabi Capital Limited - from 2018 to date. * Chief Executive Officer of Al-Dhabi Investment Company - from 2010 to date. * CEO of the Abu Dhabi Cooperative Society - from 2008 until 2014. * Assistant Director of the Evaluation and Follow-up Department at the Abu Dhabi Investment Authority - from 1996 to 2008.	* Bachelor of Business Administration - University of Denver, "United States of America" - in 1995 * Certified Financial Analyst (CFA) - 2000	Board Member 3 years	* Member of the Board of Directors of Al-Dhabi Capital Company. * Member of the Board of Directors of Al-Dhabi Investment Company.
5	Mr. Mohammed Albraik Al Ameri	Emirati	Non- executive, and Independent	* Executive Director of the Vehicles and Drivers Licensing Sector at Abu Dhabi Mobility, from February 2024 to date. * Director of the Drivers and Vehicles Licensing Directorate at the Abu Dhabi Police General Headquarters, from February 2019 to 2024. He also held several positions in the licensing departments and divisions at the Abu Dhabi Police	* Bachelor's Degree in National and International Security – Emirates Academy for Identity and Citizenship – 2024. * Higher Diploma in Business Administration -	Board Member 3 years	*Chairman of the joint committee between the Directorate of Drivers and Vehicles Licensing and the Emirates Driving Company. - Head of the training, learning and awareness axis team - Head of the global star rating system team

S/N	Name	Nationality	Category (Executive, Non- executive, and Independent)	Experience	Qualifications	Period served as a BOD member of the Company since his first election date	Their memberships and positions in any other joint-stock companies
				General Headquarters from November 2001 until February 2019. * Previously, he held several positions in the financial and administrative management of the Abu Dhabi National Oil Company "ADNOC" from 1990 until 1996.	Higher Colleges of Technology Complex - 1996 * Diploma in Police Sciences - Police College - 1998 Office Management *Diploma - Preparation and Development Center in ADNOC Company - 1990		- Head of the joint committee for light & heavy vehicle technical test. In addition to membership in multiple committees related to licensing, excellence, and road safety.

C. Statement of the percentage of female representation in the Board for 2024

- Ms. Samia Bou Azza ran for the Board of Directors elections in 2022 and was elected to the Board of Directors, and thus the female component represents 20% of the company's Board of Directors.

D. Statement of the reasons for the absence of any female candidate for the Board membership

- Not applicable.

E. Statement of the following:

1. The total remuneration paid to the Board members for 2023.

The General Assembly, held on 27/03/2024, recommended approving the granting of approximately 1.87% of the profits for the year 2023 as a remuneration to the members of the Board of Directors at a value of AED 5,000,000 for the financial year ended 31/12/2023, after deducting the value of reserves and depreciation.

2. The total remunerations of the Board members, which are proposed for 2024, and will be presented in the annual General Assembly meeting for approval.

The proposed remuneration for the Board of Directors for the year 2024 for the fiscal year ending on December 31st, 2024, is AED 6.25 million. This proposal is subject to approval by the shareholders during the AGM.

3. Details of the allowances for attending sessions of the committees emanating from the Board, which were received by the Board members for 2024 fiscal year.

None of the Board of Directors has been paid any fees or allowances for the attendance of the meetings of the Board of Directors or the committees emanating from it for the year 2024.

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

None of the Board members has received any allowances and additional fees for the attendance for the year 2024.

F. Number of Board meetings held during 2024 fiscal year along with their conversion dates, personal attendance times of all members, and members attending by proxy

#	Date of the meeting	Number of Attendees	Number of attendance by proxy	Names of absent members
1	28/02/2024	5 attendees	NONE	NONE
2	06/06/2024	5 attendees	NONE	Mrs. Samia Bou Azza
3	05/11/2024	5 attendees	NONE	NONE
4	23/12/2024	5 attendees	NONE	NONE

Noting that the meetings of the Board of Directors during the year 2024 were held remotely through audio-visual communication.

G. Number of the Board resolutions passed during the 2024 fiscal year, along with its meeting convention dates.

No resolutions were passed by circulation during the 2024 financial year.

4. Board's Committees

- Audit Committee:

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

Mr. Mohamed Haji Al Khoori - Chairman of the Audit Committee, acknowledges his responsibility for the committee's system in the company and for his review of its work mechanism and ensuring its effectiveness.

B. Names of the Audit Committee members and clarifying their competences and tasks assigned to them.

Members:

- ◆ **Mr. Mohamed Haji Al Khoori** - Head of the Committee
- ◆ **Mr. Ahmed Ali Al Romaithi** – Member
- ◆ **Mr. Mohammed Albraik Al Ameri** – Member

Statement of Competence and Tasks:

- 1) Develop and implement the contracting policy with the external auditor and submit a report to the Board of Directors specifying the issues that it considers important to take action and recommending the steps to be taken.
- 2) Follow up and monitor the independence of the external auditor and the extent of its objectivity and discuss the nature and scope of the audit and its effectiveness in accordance with the approved auditing standards.
- 3) Monitor the integrity of the financial statements of the company and its reports (annual, semi-annual, and quarterly) and review them as part of its normal work during the year, and should focus on the followings:
 - ❖ Any changes in accounting policies and practices.
 - ❖ To highlight the areas subject to the discretion of the Board of Directors.
 - ❖ Significant revisions resulting from the audit.
 - ❖ Presumption of business continuity.
 - ❖ Compliance with the accounting standards determined by the Commission.
 - ❖ Compliance with the rules of incorporation, disclosure and other legal requirements related to the preparation of financial reports.
- 4) Coordinate with the Board of Directors of the Company, the Executive Management and the Financial Manager or the Manager, who shall perform the same functions in the Company in the performance of its duties. The Committee shall meet with the External Auditor of the Company at least once a year.

- 5) Consider any significant and unusual items that are or should be included in such reports and accounts, with due attention being given to any matters raised by the CFO of the company, the manager with the same functions, the compliance officer, or the external auditor.
- 6) Review the financial control and internal control systems and risk management in the company.
- 7) Discuss the internal control system with the administration and ensure that it fulfills its duty to establish an effective internal control system.
- 8) To consider the results of the main investigations in the internal control matters assigned to it by the Board of Directors or at the initiative of the Committee and the approval of the Board of Directors.
- 9) Ensure that there is coordination between the internal auditor and the external auditor and ensure that the necessary resources are available to the internal audit office and to review and monitor the effectiveness of that function.
- 10) Review the financial and accounting policies and procedures of the company.
- 11) Reviewing the External Auditor's letter of work and its work plan and any material questions raised by the auditor on the executive management regarding accounting records, financial accounts or control systems, and their response and approval.
- 12) Ensure that the Board of Directors responds in a timely manner to the clarifications and material issues raised in the external auditor's letter.
- 13) Establish controls that enable employees of the Company to report any potential irregularities in financial reports, internal controls or other matters in secret and steps to conduct independent and fair investigations of such violations.
- 14) Monitor the company's compliance with the rules of professional conduct.
- 15) Ensure the application of the rules of work for the functions and powers entrusted to it by the Board of Directors.
- 16) To report to the Governing Council on the matters listed in this item.
- 17) Consideration of any other matters determined by the Board of Directors.

C. Number of meetings held by the Audit Committee during 2024 and their dates to discuss the matters related to financial statements and any matters and demonstrating the members' personal attendance times in the held meetings.

- The Committee held 5 meetings during the fiscal year 2024 according to the following dates:
- ✓ **The First meeting:** was held on 25/01/2024 - (3) members attended.
 - ✓ **The Second meeting:** was held on 20/02/2024 – (3) members attended.
 - ✓ **The Third meeting:** was held on 29/04/2024 - (3) members attended.
 - ✓ **The Fourth meeting:** was held on 18/07/2024 - (3) members attended.

- ✓ **The Fifth meeting:** was held on 24/10/2024 - (2) members attended, where **Mr. Ahmed Alromaithi** apologized for attending with an acceptable excuse.

D. Audit Committee Annual Report.

The Committee plays a key role in the governance of the Group's financial reporting, risk management, internal controls and assurance processes and the external audit. As well as our main areas of responsibility, throughout the year, the Committee paid particular attention to the changes to the Corporate Law published throughout the year.

Responsibilities and key areas of focus

Corporate and financial reporting

Monitoring the integrity of the Company's and Group's financial statements and any formal announcements relating to financial performance, and considering significant financial reporting issues, judgements and estimates. Considering the appropriateness of the accounting treatment of significant transactions, including asset acquisitions and disposals, and the viability and going concern statements. Reviewing the content of the Annual Report and preliminary announcement ahead of publication, including sustainability related disclosures and related assurance. Monitoring and responding to key changes to Corporate Governance regulations and best practice.

Fair, balances and understandable assessment

Assessing whether the Annual Report is fair, balanced and understandable.

External Audit

Oversight and remuneration of the external auditor, assessing their effectiveness and independence, and making recommendations to the Board on the appointment of, and policy for non-audit services provided by, the external auditor.

Internal Audit

Monitoring and reviewing the internal audit plan, reports on the work of the internal auditor, and reviewing its effectiveness, including its resourcing.

Risk Management and Internal Controls

Reviewing the effectiveness of the system of internal control and risk management. Reviewing the process for identification and mitigation of principal and emerging risks, key risk indicators, and challenging management actions where appropriate.

Compliance

The Audit Committee is tasked with monitoring the Compliance function with applicable laws and regulations across the Group entities. Framework and Function establishment are planned for set-up in 2025.

1. Significant matters reviewed by the committee concerning the financial statements

Significant issues considered	Outcome
Business Combination within the scope of IFRS 3	

Reviewing allocation of the purchase price to the acquired assets and liabilities.	The Committee reviewed the accounting treatment of the acquisition of Excellence Premier Investment LLC, including the application of IFRS 3 – Business Combinations. The Committee assessed the reasonableness of the purchase price allocation performed by external valuation specialists and the fair valuation of acquired assets and liabilities. In doing so, the Committee considered the key judgments and estimates applied, including any adjustments made to align the accounting policies of the newly acquired business with those of the Group. Based on this review, the Committee concluded that the business combination was appropriately accounted for in accordance with IFRS 3.
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Revenue Recognition

Reviewing the Group's revenue recognition process.	The Committee reviewed the Group's revenue recognition policies and their application, particularly in relation to training and testing services recognized over time. Given the materiality of revenue to the Group's performance and the inherent risk of overstatement, the Committee assessed the controls in place to ensure accurate and appropriate revenue recognition. The Committee also reviewed management's judgments and estimates used in applying the revenue recognition principles. Additionally, the Committee considered the findings of the external auditors regarding revenue recognition and challenged management on any identified risks or control deficiencies. Based on its review, the Committee concluded that revenue was appropriately.
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Valuation of investment property

Reviewing the Group's approach to valuing investment property	The Committee reviewed the Group's approach to valuing investment property, including the use of an independent valuer to determine fair value and the application of level 3 valuation methodologies. The Committee evaluated the key assumptions and inputs used in the valuation process, including market conditions, discount rates, and comparable transactions. The Committee also considered the classification of the building as an asset held for sale following the Board's resolution. Based on its review, the Committee was satisfied that the valuation and classification of the investment property were appropriate and in accordance with IFRS.
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UAE Corporate Tax Law

Reviewing the impact of the implementation of the UAE Corporate Tax Law.	The Committee reviewed the impact of the UAE Corporate Tax Law on the Group's financial statements, particularly the application of Federal Decree-Law No. 47 of 2022. The Committee assessed management's approach to recognizing and accounting for corporate tax, including the appropriateness of tax provisions. Additionally, the Committee considered the external auditors' review of tax-related matters. Based on its review, the Committee concluded that the Group's tax accounting treatment was appropriate and in compliance with applicable financial reporting and regulatory requirements.
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Assessment of Internal Controls

The Committee has continued to seek to enhance the Group's internal control	The Committee reviewed the effectiveness of internal controls. This includes internal control testing of operating effectiveness
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environment, particularly in evolving areas such as ESG reporting and technology.

for the Group's key controls, providing an additional level of assurance. The Committee reviewed identified control exceptions and challenged management on remediation actions, where necessary. They also reviewed the internal audit report into key controls conducted in the year. Based on the evidence gathered, the Committee assessed that the key internal controls of the Group were effective as at the balance sheet date, making such a recommendation to the Board.

Risk Management

The Group's risk profile and the process by which risks are identified and assessed.

The Committee assessed the Group's risk profile, particularly the principal risks. The Committee discussed the key risks, the mitigation plans in place and the appropriate executive management responsibilities. The Committee also considered the process by which the risk profile is generated and the changes in risk definitions. Following discussion and challenge, the risk profile was approved.

Internal Audit Work

Reviewing the results of internal audit work and the audit plan.

The Committee received reports on the results of internal audit work. The Committee discussed areas where control improvement opportunities were identified and reviewed the progress in completion of agreed management actions.

The Committee reviewed the proposed 2025 internal audit plan, assessing whether the plan addressed the key areas of risk for the business units and Group. The Committee approved the plan, having discussed the scope of work and its relationship to the Group's risks.

External Audit

Reviewing the results of the external audit work, evaluating the quality of the external audit and consideration of management letter recommendations.

The Committee reviewed the planning report from EY and approved the final audit plan and fee, having given due consideration to the audit approach, materiality level and audit risks. The Committee received updates during the year on the audit process. In January 2025, the Committee reviewed the output of the external audit work that contributed to the auditor's opinion.

2. Ensuring the independence and effectiveness of the external auditor

The Committee is responsible for recommending to the Board the appointment, re-appointment, remuneration and removal of the external auditor. Ernst & Young (EY) has been appointed as the external auditor of the group for three (3) years from 2022 to 2024. A resolution to propose the re-appointment of EY was approved by shareholders at the AGM that took place on 27 March 2024.

2.1 Ensuring the independence and effectiveness of the external auditor

EY has reported to the Committee that, in its professional judgement, it is independent within the meaning of regulatory and professional requirements and the objectivity of the audit engagement partner and audit staff is not impaired.

The Audit Committee has assessed the independence of the auditor by considering, amongst other things, the length of tenure of the audit firm and the audit partner, the value of non-audit fees provided by the external auditor, and the relationship with the auditor. It also considers the external auditors' own assessment of its independence. The Committee is satisfied that EY meets the required standard of independence to safeguard the objectivity and integrity of the audit.

An annual assessment is undertaken of the auditor's effectiveness through a structured questionnaire and input from all businesses and Group functions covering all aspects of the audit process. The Audit Committee members also participate in this assessment, which evaluates audit planning, execution, communications and reporting. The Committee reviewed the measures taken by EY to support audit quality, including their significant focus on robust challenge and appropriate skepticism in respect of management's assumptions. The evaluation of the external audit concluded that the external auditor was independent, objective and effective in the delivery of the audit.

2.2 Conclusions of the Audit Committee for 2024

The Committee has satisfied itself that the external auditor's independence was not impaired. The Committee held meetings with the external auditor regularly throughout the year.

2.3 Audit Committee recommendation on the selection of the External Auditor

During the last three (3) years, EY has been appointed as external auditor based on the audit committee recommendation along with the approval of the Board, by the shareholders at general meetings, without any concerns on the re-appointment of the external auditor.

2.4 Non-audit work carried out by the external auditor

The Group has not taken any non-audit services from the external auditor during the tenure of its appointment

3. Risk Management

3.1 Responsibility

Risk management is the responsibility of the Board and is integral to the achievement of the Group's objectives. The Board establishes the system of risk management and maintains the system of internal control to manage risk within the Group. The robust process of identifying and evaluating the principal and emerging risks was in place during 2024 and up to the date of this report. The Group's system of risk management and internal control is monitored by the Audit Committee under delegation from the Board.

The Board confirms that it has completed a robust assessment of the Company's emerging and principal risks.

3.2 Awareness

The system of risk management is designed to ensure awareness of risks that threaten the achievement of objectives. The controls that mitigate those risks are identified so that assurance can be provided on the effectiveness of those controls. We seek to embed a culture of risk awareness into the development of our strategic and operational objectives.

3.3 Assessment

The process for identification and assessment of the principal risks combines a top-down and bottom-up approach. At the operations level, a process to identify risks that prevent the achievement of objectives is undertaken. Detailed analysis of the material risks is performed to ensure management understanding of the risk and controls that reduce likelihood of occurrence and impact should the risk materialize. These operational risk profiles contribute to the assessment of risks at the business level. Executive management at each business assesses risks that threaten achievement of the business objectives and the status of controls, or actions, that mitigate those risks. At the Group level, risks are identified through assessment of global factors affecting the industry and the Group specifically, as well as the risks arising from the business assessments. Consideration is given to the views and interests of EDC stakeholders. Materiality of risk is determined through assessment of the various impacts that may arise and likelihood of occurrence. An exception relates to those risks deemed catastrophic in nature, where the focus of assessment is on impact and status of internal controls, given the very low likelihood of occurrence. When considering the impact of any risk, we assess safety, environmental, financial, legal or regulatory, social and reputational consequences.

3.4 Reporting

Regular reports on the status of risks and controls are presented to executive management teams throughout the year. The Audit Committee reviews the reports on the overall EDC risk profile on two occasions during the year and conducts in depth reviews of specific risks during its meetings over the course of the year. The Audit Committee reviews that oversight process on an annual basis.

3.5 Risk management and the system of internal control

Controls either reduce the likelihood or impact of any risk, while the identification of material controls – i.e. those controls that have the most influence in mitigating a risk – is an important input for audit planning.

The system of internal control operates on a collaborative 'three lines' approach, with operating management owning and managing risks and controls on a day-to-day basis, and business or functional management fulfilling a second line role through frequent oversight of implementation of controls, and providing complementary expertise, support and challenge relating to the management of risk.

In determining its opinion that the internal financial controls and internal control and risk management environment was effective during 2024 the Audit Committee considered the following factors:

- The results of internal audit work, including the response of management to completion of actions arising from audit work
- The key risk areas of judgement and estimation uncertainty within financial reporting and mitigating actions taken by management
- The output of risk management work
- The output of external audit work and other assurance providers
- Issues identified by management or reported through whistleblowing arrangements, and the results of investigations into allegations of breaches of our values and business principles.

3.6 Reviewing the effectiveness of the system of risk management and internal control

The Board, through the Audit Committee, fulfils its responsibility in reviewing the effectiveness of the system of risk management and internal control through review of reports submitted over the course of the year covering the risk management process, adequacy of the internal control environment, in-depth reviews of specific risks and the results of external audit work. In addition to that, the audit committee has reviewed all the high and medium risk reports issued by the internal audit office during the year 2024 and noted that no major failures were highlighted in the internal controls or risk management process.

4. Internal Audit

4.1 Role of the Internal Audit

The role of internal audit is to act as an independent and objective assurance function, designed to improve the effectiveness of the governance, risk management and internal controls framework in mitigating the key risks of the Group. The Group has an internal audit team that conducted internal audits during the financial year and attended all Committee meetings to present their audit findings alongside the status of management actions.

A centrally managed internal audit office serves as the third line of defense, reviewing the design and operating effectiveness of the internal control framework, which includes the work performed by the first- and second-lines management teams. External assurance providers sit outside the three lines' roles but provide additional assurance to satisfy legislative and regulatory expectations, or requests from management or the Board to complement internal sources of assurance.

Internal audit operated in all the Group's managed businesses in 2024, reporting its work to executive management and the Audit Committee on a regular basis. The internal audit department's mandate and annual audit coverage plans were approved by the Audit Committee.

The scope of internal audit work covers the broad spectrum of risk to which the Group is exposed. The audit of controls associated with major operating and technical risks was undertaken by utilizing external technical experts as well as relevant internal experts from the Technical and Operations functions, the results of which were shared with the Audit Committee.

Throughout the year, the Committee reviewed, proposed amendments to, and approved the annual internal audit plan, ensuring its alignment with the Group's principal risks. Additionally, the Committee evaluated, refined, and approved the three-year internal audit plan covering FY2024 to FY2026, along with accompanying risk assessment report.

In addition to that, the audit committee has reviewed all the high and medium risk reports issued by the internal audit office during the year 2024 and noted that no major failures were highlighted.

In accordance with the approved internal audit plan for 2024, the internal audit team successfully conducted multiple audits, encompassing financial, operational and IT general control assessments. While no significant control deficiencies were identified, several opportunities for process and control enhancements were recommended. Where necessary, follow-up audits have been scheduled to monitor the implementation of these improvements and ensure continued effectiveness.

4.2 Reviewing the effectiveness of internal audit

The Committee conducts regular assessments of the internal audit office by reviewing reports on the progress of the internal audit plan, addressing emerging, and performing an annual effectiveness review. Additionally, the Committee monitors the resources of the internal audit office to ensure that it possesses the requisite and experience to fulfill its responsibilities effectively.

As part of its oversight, the Committee met with the Head of Internal Audit on four occasions during 2024 in the absence of management, reinforcing the independence and objectivity of the internal audit office.

The Committee's annual effectiveness review of the internal auditor provider encompassed an evaluation of whether the objectives outlined in the internal audit charter have been achieved, an assessment of the quality of audit work performed, and a review of the skills and competencies of the internal audit team. Based on those evaluations, the Committee determined that the internal audit team effectively discharged its responsibilities throughout the year.

5. Related Party Transactions

5.1 Regulations

- As per Article (152) of Federal Law No. (32) of 2021 "Acts Prohibited on the Relevant Parties", in the event that the company concludes transactions with related parties, the Chairman must provide SCA with all the data and information of the related party, details of the transaction, the nature and the benefit of the related party in the transaction, and any other data, information or documents requested by SCA with a written confirmation that the transaction with the related party is fair, reasonable and in the interest of the shareholders of the company.
- As per Article (36) of SCA Resolution No. (03/R.M) of 2020, the company is obligated to provide the documents of related party transactions, the nature and size of those transactions, the details of each transaction, and to inform the shareholders at the General Assembly.

5.2 Review of Related Party Transactions by the Audit Committee

The audit committee periodically reviews the related party transactions and ensures that these transactions were conducted as per the regulations and internal policies and procedures of the group.

5.3 Disclosure of Related Party Transactions

The Audit Committee has reviewed the related party transactions carried out during the financial year to ensure they are conducted on an arm's length basis and in the ordinary course of business. The committee has also examined the adequacy of disclosures made in accordance with applicable accounting standards and regulatory requirements. Full details of related party transactions have been disclosed in the financial statements as part of the notes to the accounts.

- Nomination and Remuneration Committee:

- A. The Nomination and Remuneration Committee Chairman's acknowledgement of his responsibility for the Committee system at the Company, his review of its work mechanism and ensuring its effectiveness.

Mr. Ahmed Ali Al Romaithi - Chairman of the Nomination and Remuneration Committee acknowledges his responsibility for the committee system in the company and for his review of its work mechanism and ensuring its effectiveness.

B. Names of the Nomination and Remuneration Committee members and clarifying their competences and tasks assigned to them.

Members:

- ◆ **Mr. Ahmed Ali Al Romaithi** - Head of the Committee
- ◆ **Ms. Samia Toufic Bou Azza** – Member
- ◆ **Mr. Mohammed Al Ameri** – Member

Statement of Competence and Tasks:

- 1- Establishing a policy for candidacy for membership of the Board of Directors and executive management, aiming at taking into account the diversification of the genders within the formation and encouraging women through benefits and incentive and training programs, and providing the Authority with a copy of this policy and any amendments thereto.
- 2- Organizing and following up the procedures for nomination for membership of the Board of Directors in accordance with the laws and regulations in force and the provisions of this resolution.
- 3- Verify the continued availability of membership conditions for members of the Board of Directors on an annual basis.
- 4- Ensuring the independence of independent members on an ongoing basis.
- 5- If it becomes evident to the committee that one of the members has lost the conditions of independence, it must present the matter to the board in order to notify the member by a letter registered at his fixed address in the company of the justifications for losing his independence, and the member must respond to the board of directors within fifteen days from the date of his notification, and the board of directors shall issue A decision to consider the member independent or non-independent in the first meeting following the response of the member or the expiration of the period referred to in the previous paragraph without a response.
- 6- Subject to the text of Article (145) of the Companies Law, if the decision of the Board of Directors does not lead to the absence of reasons or justifications for independence from the member affecting the minimum percentage that must be available from its independent members, the Board of Directors shall appoint an independent member to replace this member if he submits The latter resigns due to lack of independence from him, and in the event that the member refuses to resign, the Board of Directors must present the matter to the General Assembly to take a decision approving the appointment of another member to replace him or to open the door for candidacy to elect a new member.
- 7- Preparing the policy for granting rewards, benefits, incentives and salaries for the members of the company's board of directors and its employees, and

reviewing them annually, and the committee must verify that the rewards and benefits granted to the higher executive management are reasonable and in proportion to the company's performance, these policies incorporate financial, operational, social, and environmental performance metrics to promote sustainable growth

- 8- Ensure that rewards and bonuses, including options and other deferred bonuses, and benefits offered to senior executive management are linked to the company's performance in the medium and long term.
- 9- 9 - Annual review of the required needs of appropriate skills for membership of the Board of Directors and the preparation of a description of the capabilities and qualifications required for membership of the Board of Directors, including determining the time that the member must devote to the work of the Board of Directors.
- 10- Reviewing the structure of the Board of Directors and making recommendations regarding the changes that can be made.
- 11- Determining the company's needs for competencies at the level of senior executive management and employees and the basis for their selection.
- 12- Preparing the company's human resources and training policy, monitoring its implementation, and reviewing it annually.
- 13- Any other issues determined by the Board of Directors.

C. Statement of the number and dates of the meetings held by the Nomination and Remuneration Committee during the year 2024, stating the frequency of attendance in person by all the members of the committee.

- The Nomination and Remuneration Committee held 3 meetings during the year 2024 according to the following dates:
 - ✓ **The First meeting:** was held on 01/02/2024 - (3) members attended.
 - ✓ **The Second meeting:** was held on 11/03/2024 - (3) members attended.
 - ✓ **The Third meeting:** was held on 05/09/2024 - (2) members attended, where **Mr. Mohamed Al Ameri** apologized for attending with an acceptable excuse.
 - **The Supervision and Follow-up Committee of insiders' transactions.**
 - The Audit Committee is currently performing the duties and powers of this committee.
 - **Any other committee (s) approved by the Board.**
- Strategy & Sustainability Committee:**

A. Acknowledgment by the Chairman of the Strategy Committee of his responsibility for the committee system in the company and for his review of the mechanism of its work and to ensure its effectiveness.

Ms. Samia Toufic Bou Azza - Chairman of the Strategy & Sustainability Committee acknowledges his responsibility for the committee system in the company and for his review of its work mechanism and ensuring its effectiveness.

B. Names of the Strategy & Sustainability Committee members and clarifying their competences and tasks assigned to them.

Members:

- ◆ **Ms. Samia Toufic Bou Azza** - Head of the Committee
- ◆ **Mr. Khalifa Abdulla Al Romaithi** – Member
- ◆ **Mr. Mohamed Haji Al Khoori** – Member

Statement of Competence and Tasks:

- 1- Supervising the company's projects and operations.
- 2- Developing the company's strategic directions and business plan and reviewing them periodically.
- 3- Laying down the optimal capital structure for the company and a plan for owning and disposing of assets and submitting them to the Board of Directors for approval.
- 4- Approving the purchase of any new assets or disposing of existing assets and submitting them to the Board of Directors for approval.
- 5- Approving borrowing operations from banks or any other confiscation of financing and submitting them to the Board of Directors for approval.
- 6- Approving the terms of loans or credit facilities granted to the company and the accompanying guarantees, whether in the form of mortgages on the company's assets or other guarantees and submitting them to the Board of Directors for approval.
- 7- Supervising the work of the executive management of the Emirates Driving Company and its subsidiary, sister and allied companies.
- 8- Reviewing the financial performance and operating operations of the company with members of the executive management and issuing the necessary directives in this regard.
- 9- Ensure that the decisions of the Board of Directors are properly implemented.
- 10- Studying the CEO's proposals regarding the company's business and business plan and issuing recommendations regarding them for approval by the Board of Directors.
- 11- Supervising the investment of the company's funds and issuing directives regarding them.
- 12- Act as the main link between the Board of Directors and the Executive Management to ensure the proper functioning of work and to achieve effective communication between the Board of Directors and the Executive Management.
- 13- Follow-up and monitoring of general performance in comparison to the set goals.
- 14- Ensure the alignment of the departments' work with common goals.
- 15- Carrying out any other tasks or functions specified or assigned by the Board of Directors.

C. Statement of the number and dates of the meetings held by the Strategy Committee during the year 2024, stating the frequency of attendance in person by all the members of the committee.

- The Strategy Committee held 6 meetings during the year 2024 according to the following dates:
 - ✓ **The First meeting:** was held on 03/04/2024 - (3) members attended.
 - ✓ **The Second meeting:** was held on 28/05/2024 - (3) members attended.
 - ✓ **The Third meeting:** was held on 18/07/2024 - (3) members attended.
 - ✓ **The Fourth meeting:** was held on 29/08/2024 - (2) members attended, where **Ms. Samia Bou Azza** apologized for attending with an acceptable excuse.
 - ✓ **The Fifth meeting:** was held on 29/10/2024 - (2) members attended, where **Ms. Samia Bou Azza** apologized for attending with an acceptable excuse.
 - ✓ **The Sixth meeting:** was held on 17/12/2024 - (3) members attended.

H. Statement of Board duties and powers exercised by Board members or the executive management members during 2024 based on an authorization from the Board, specifying the duration and validity of the authorization according to the following schedule:

The functions and terms of reference of the executive management and delegated by the Board of Directors to the Chief Executive Officer - **Mr. Khaled Al Shemeili** based on POA valid until 07/05/2025, are as follows:

- ✓ General responsibility for the management of Emirates Driving Company and its projects.
- ✓ The responsibility of implementing the plans aimed at developing the performance of Emirates Company for the coming years.
- ✓ Develop current and future policies and strategies that will enhance the prosperity and development of Emirates Driving Company.
- ✓ Appointing the company's employees and workers, contracting with them, determining their wages and paying them, supervising and debating the progress of their work, signing their work contracts and terminating their services.
- ✓ Payment of maximum financial payments (AED 1,000,000) jointly with the CFO, and employee salaries up to 6 million dirhams.
- ✓ Representing the company in front of all official and non-official bodies, including, but not limited to: the Ministry of Justice, the Federal Authority for Identity and Citizenship, the UAE Ministry of Interior - Administration Citizenship, the Drivers and Vehicles Licensing Department, all Government Departments, Institutions and Authorities in the country, and all public and private shareholding companies.
- ✓ Approving non-financial bank transactions (ex: activating bank accounts / requesting check books / bank accounts disclosure request).

- ✓ Renewal of fixed deposits and investing surplus funds in new fixed deposits with the highest profitability rates.
- The Chief Executive Officer carries out his duties and responsibilities through a number of experienced and highly qualified executives who are considered as a pillar of the company's executive and administrative work.

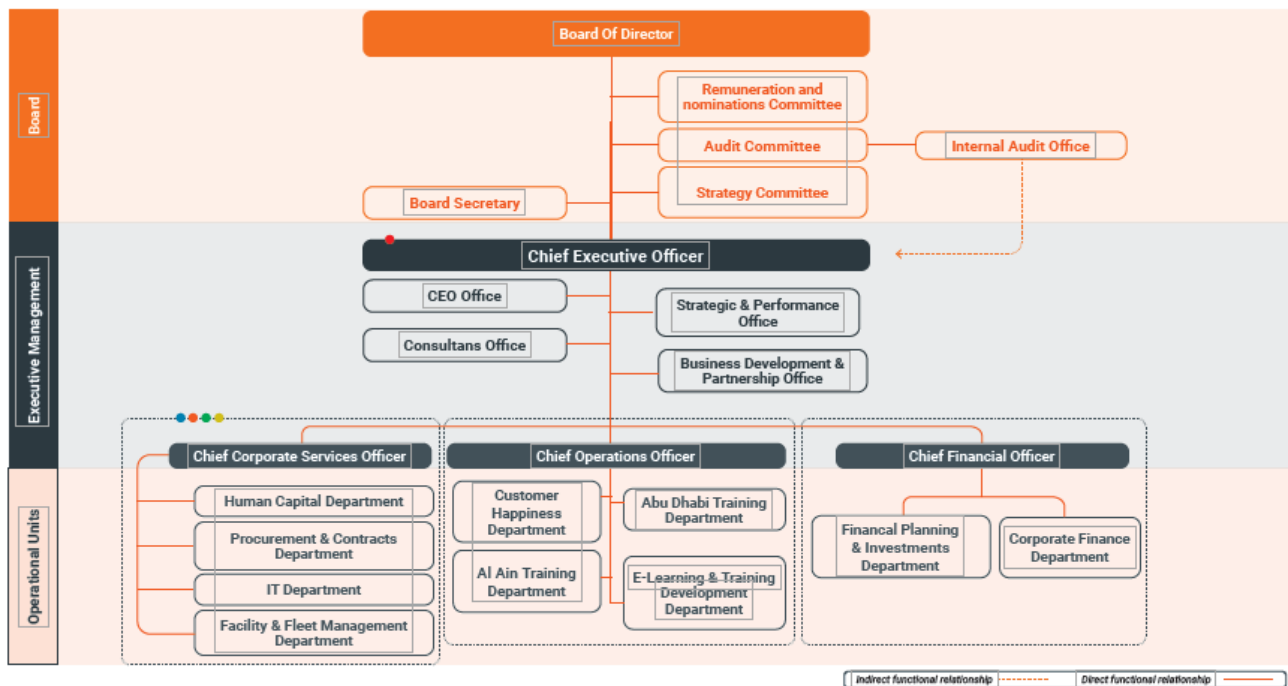
I. Statement of the details of transactions made with the related parties (Stakeholders) during 2024, provided that it shall include the following:

#	Statement of the related party	Clarify the nature of relationship	Dealing Type	Dealings Volume
1	Multiply Group	Major Shareholders	Fees for management services	AED 972k
2	Al Dhabi Capital Limited	Major Shareholders	Fees for managing the company's stock portfolio	AED 1,621k
3	Viola	Sister Company	Marketing Services	AED 12k
4	Purple Printing	Same Group	Marketing Services	AED 33k
5	Cyber Gate Defense	Same Group	IT	AED 425k
6	Provis Property Management	Same Group	Service Charge	AED 1,183k
7	Emircom	Same Group	IT	AED 3,354k

5. Board of Directors Evaluation:

A specific policy and procedure have been developed to evaluate the performance of the Board of Directors and its committees. The Chairman of the Board, with the assistance of the Board Secretary, evaluates each member of the Board. These evaluations are then maintained under the custody of the Board Secretary.

6. The complete organizational structure of the Company, which shall clarify managing director, the general and / or CEO, the deputy general manager and the managers working in the company such as the Financial Manager.



- A detailed statement of the senior executives in the first and second grade according to the company's organizational structure, their jobs and dates of their appointment, along with a statement of the total salaries and bonuses paid to them, according to the following schedule:

S/N	Position	Date of Appointment	Total Salaries and Allowances paid in 2024 (AED)	Total Bonuses paid in 2024 (AED)	Any other Cash/in-kind benefits for 2024 or payable in the future
1	Chief Executive Officer	29/05/2004	2,392 K	-	-
2	Chief Financial Officer	06/05/2024	784 K	-	-
3	Acting Chief Corporate Services Officer	13/09/2020	553 K	-	-
4	Chief Operations Officer	Currently vacant			
5	Internal Audit Manager	07/09/2016	429 K	-	-
6	Legal Advisor	22/10/2018	390 K	-	-
7	Business Development & Partnership Manager	05/09/2021	651 K	-	-
8	Strategy Manager	Currently vacant			
9	PMO Manager	12/05/2023	370 K		

Note: The report will be updated after the approval of the executive management bonus

7. External Auditor:

A. Submit an overview of the company auditor to shareholders.

➤ About the Company's auditor for shareholders

The external auditor of Emirates Driving Company is Ernst Young (EY). It is a well-known global auditing and financial consultancy firm and one of the four largest audit offices in the world. They were contracted in 2022 to carry out auditing work and make quarterly and final financial reports.

➤ Selection mechanism of external auditor:

The external auditor is selected through the annual general assembly where the external auditor is nominated by the Board of Directors on the recommendation of the Audit Committee.

➤ Functions of the External Auditor:

The functions of the External Auditor are as follows:

- 1- Conduct annual audit.
- 2- Quarterly review (March, June and September).
- 3- Preparation and adoption of financial statements within the specified time frame:
 - ✚ Three months from the end of the year, for the final audit.
 - ✚ Forty-five days from the end of the quarter audited, for the quarterly audit.
- 4- Submit audited financial statements in Arabic and English.

B. Statement of fees and costs for the audit or services provided by the external auditor, according to the following schedule:

The audit fee for the year 2024 is AED 349,275. In 2024, EY did not have any professional services other than auditing. We would like to emphasize that the auditor does not engage in any other activities that are inconsistent with its independence and neutrality.

Name of the audit office and partner auditor	Ernst Young (Parent Company)	Ernst Young (Tabieah Company)
Audit partner name	Ahmed Al Dali	Ahmed Al Dali
Number of years he served as the company external auditor	Three Year	Three Year
Number of years audit partner served as the company external auditor	Three Year	Three Year
Total audit fees for 2024 in (AED)	AED 289,275	AED 60,000
Fees and costs of the other private services other than auditing of the financial statements for 2024 (AED)	NONE	NONE

Details and nature of the other services	NONE	NONE
Statement of other services that an external auditor other than other than the Company accounts auditor provided during 2024.	<p>Auditor name: Grant Thornton <u>Details of service provided:</u> Due Diligence for Excellence Acquisition</p> <p>Auditor name: PWC <u>Details of service provided:</u> Risk Assessment & IA Plan Inter Control over Financial Reporting (ICFR)</p> <p>Auditor name: BDO <u>Details of service provided:</u> External Audit on EMC</p>	

C. Statement clarifying the reservations that the company auditor included in the interim and financial statements for 2024 and in case of the absence of any reservations, this matter must be mentioned explicitly.

- There are no reservations made by the Company's auditor in the interim and annual financial statements for 2024.

8. Internal Control System:

A. Acknowledgement by the Board of its responsibility for the Company internal control system, review of its work mechanism and ensuring its effectiveness.

- ◆ The internal control department of the company carries out its work in accordance with the provisions of Articles (66-67-68) of the Ministerial Resolution No. (3 /Chairman) for the year 2020 and its amendments, where the Internal Control Department has sufficient independence to carry out its functions and functionally follow the Audit Committee emanating from the Board of Directors.
- ◆ The Board of Directors acknowledges its full responsibility for the internal control system, its follow-up, review and effectiveness.
- ◆ The Internal Audit Charter has been adopted by the Audit Committee, which defines the nature, purpose and scope of the internal audit activity and authorizes the Internal Audit Manager the authority necessary to achieve these objectives.
- ◆ The Internal Audit Charter regulates the functions and responsibilities of the Internal Control Department, determines the mechanism of work and the internal control function and contributes to the achievement of the objectives and objectives of the Company.

The Internal Oversight Department reports to the Board of Directors through the Audit Committee, allowing it to operate independently and objectively.

Its role is to create a strong internal control environment by ensuring the following:

- Compatibility of information and data.
- Adherence to policies, plans, procedures and laws.
- The extent to which operations and activities are appropriate to specific objectives and to verify their applicability.
- Emphasis on preventive control to avoid undesirable events.

B. Name of the department director, his qualifications, and date of appointment.

The Internal Oversight Department (IOSA) is headed by **Mr. Sufyan Arif**, who was appointed on 07/09/2016. He holds a Certified Internal Auditor (CIA), Certified as UAE Certified Public Accountant (UAECA) and a member of the British Association of Certified Public Accountants (ACCA). Besides, he has around sixteen years of internal audit experience.

C. Name of the compliance officer, his qualifications, and date of appointment.

Mr. Wojciech Worek has been approved for appointment as the Company's Compliance Officer and began his duties on February 3, 2025. He holds two master's degrees: one in Finance and one in Law.

D. How the Internal Control Department dealt with any major problems at the Company of those that were disclosed in the annual reports and accounts (in case of the absence of major problems, it must be mentioned that the Company did not face any problems).

The Internal Audit Manager reports to the Audit Committee on these problems. These problems are discussed at the first meeting of the Audit Committee with the information of the senior management of the Company. The Internal Audit Manager also monitors the implementation of proposed solutions and procedures. Note that during 2024, the Company did not face any problems requiring the intervention of its Audit Committee.

E. Number of reports issued by the Internal Control Department to the Company's Board of Directors.

The Internal Control Department issued nine reports during 2024.

9. Details of the violations committed during 2024, explaining their causes, how to address them and avoid their recurrence in the future.

In the fiscal year 2024, the company did not commit any fundamental violations that affect the company's work or activity, to comply with and abide by the laws and regulations in force in the country, and the policies and procedures followed in the company are based on these laws.

10. Statement of the cash and in-kind contributions made by the Company during 2024 in developing the local community and preserving the environment.

Corporate Social Responsibility (CSR)

Our company focuses on creating positive change in the communities in which we operate by aligning with social and environmental needs. Through strategic partnerships and targeted initiatives, our social responsibility efforts demonstrate our commitment to making a tangible impact, supporting sustainable development, and fostering a better future for all.

CSR Framework

We have developed a CSR framework to guide our community engagement efforts, ensuring alignment with our organizational strategy and core sustainability priorities. This framework also amplifies our positive impact on society by addressing key CSR topics through structured programs and initiatives.

These partnerships have played a pivotal role in defining our direction and methodologies:

- Abu Dhabi Police and the Integrated Transport Centre: Collaborations to enhance road safety and participation in the Traffic Safety Education Committee.
- Emirates Red Crescent: A strategic partner for charitable initiatives and donations.
- Ma'an Authority: A primary partner in our CSR-related activities.
- United Nations Global Compact: A key participant for submitting progress reports according to the Compact's ten principles.

Building on our CSR policy, this framework is anchored by three pillars and eight objectives. These pillars provide clear guidance for our programs, ensuring alignment with the core themes of the Sustainable Development Goals and reinforcing our commitment to making a genuine societal impact.

Community investments in 2024:

	Total Amount in AED	Main contribution (please describe briefly)
2024	AED 50,000 AED 300,000 AED 5,000	* Emirates Red Crescent * DriftX * Winter Football Sponsoring

In-Kind Contributions in 2024:

Our commitment to community support is reflected in the time and effort our team devoted to volunteer initiatives. In 2024, we recorded a total of 139 volunteer hours dedicated to various causes that align with our values. Key activities included tree planting on World Environment Day, amounting to 20 hours, providing specialized training sessions on child safety in vehicles totaling 96 hours, and allocating 23 hours to other community support initiatives with tangible impact.

11. General Information:

A. Statement of the company share price in the market (closing price, highest price, lowest price) at the end of each month during the fiscal year 2024.

- The maximum and minimum price of Emirates Driving Company's share during the 12 months of 2024 was as follows:

MONTH	Opening Price	Highest Price	Lowest Price	Closing Price
January	39.70	42.00	2.82	3.04
February	3.01	3.34	2.92	3.14
March	3.15	3.17	3.04	3.12
April	3.12	3.21	2.90	2.97
May	2.95	3.03	2.77	2.90
June	2.90	2.90	2.59	2.73

July	2.71	2.82	2.35	2.79
August	2.78	2.92	2.60	2.81
September	2.81	2.82	2.64	2.81
October	2.81	2.88	2.69	2.88
November	2.87	2.88	2.71	2.80
December	2.80	2.81	2.69	2.80

B. Statement of the Company comparative performance with the general market index and sector index to which the Company belongs during 2024.

- The opening price of the company's shares reached AED 39.70 (before share split & increase capital) as of 01/01/2024 and closed at AED 2.80 as at 31/12/2024 with a decrease of 15.41%.
- The following chart shows the movement of the company's shares during 2024 compared to the general market index and the service sector index.



C. Statement of the shareholders ownership distribution as on 31/12/2024 (individuals, companies, governments) classified as follows: local, Gulf, Arab and foreign.

#	Shareholder Category	Percentage of shares owned			
		Individuals	Companies	Government	Total
1	Local	20.13%	68.85%	-	88.98%
2	Arabian	0.16%	0.81%	-	0.97%
3	Foreigner	0.11%	9.94%	-	10.05%
	Total	20.40%	79.60%	-	100%

D. Statement of shareholders owning 5% or more of the Company's capital as on 31/12/2024 according to the following schedule:

#	Shareholder	Sector	Number of Shares	Percentage
1	Spranza	Company	395,511,660	36.71%
2	Multiply Group pjsc	Company	121,101,876	11.24%
3	Al Dhahi Capital Limited	Company	70,104,600	6.51%
4	Al Dhahi Investment	Company	61,834,104	5.74%
5	Cert Foundation LLC	Company	53,871,840	5%
6	Al Nahda Investment LLC	Company	53,871,840	5%

E. Statement of how shareholders are distributed according to the volume of property as on 31/12/2024 according to the following schedule:

S/N	Share(s) Owned	Number of Shareholders	Number of Share Held	Percentage of the Shares Held of the Capital
1	Less than 50,000	585	4,951,375	0.46%
2	From 50,000 to less than 500,000	260	39,872,186	3.70%
3	From 500,000 to less than 5,000,000	74	92,647,616	8.60%
4	More than 5,000,000	20	939,965,623	87.24%

F. Statement of measures taken regarding the controls of investor relationships and an indication of the following:-

In implementation of the provisions of Article 51 of the **Chairman of Authority's Board of Directors' Decision no. (3/Chairman) of 2020 concerning Approval of Joint Stock Companies Governance Guide & its amendments**, the company has created a special page for investor relations on the company's website so that all special financial reports are available on this page. The company and all the disclosures made by the company and this page has been continuously updated, and a manager for investor relations and data has been appointed as follows:

◆ **Name and contact details of the Investors' Relations Officer:**

✚ Contact Officer: **Ahmed Firas Almasri**
 ✚ Direct number: **+971-2-5027209**
 ✚ Phone number: **+971-50-1310908**
 ✚ Email: aalmasri@edcad.ae

◆ **The link of investor relationships page on the Company website:**
<http://www.edcad.ae/Investors>

G. Statement of the special decisions presented to the General Assembly held in 2024 and the procedures taken in their regard.

In the General Assembly Meeting held on January 9, 2024

The Board of Directors' proposal to split the Company's shares and increase the share capital was presented. Unanimous approval was given to the following:

1. **Approval of the stock split** by reducing the nominal value of each share to fifty (50) fils, instead of the current nominal value of one (1) dirham. Accordingly, the total number of issued shares constituting the Company's paid-up capital becomes 179,572,800 shares instead of the current 89,786,400 shares.
2. **Approval of capitalizing** part of the retained earnings in the amount of AED 448,932,000 to increase the Company's share capital, making it AED 538,718,400 after the increase. This amount shall be divided into 1,077,436,800 shares with a nominal value of 50 fils each, fully paid. As a result, 897,864,000 new shares will be issued in exchange for the capital increase, derived from capitalizing the above-mentioned amount out of the retained earnings. These newly issued shares shall be distributed to shareholders pro rata to their holdings in the Company's capital on the date of issuance of those shares.
3. **Approval of amending Article (6)** of the Company's Articles of Association to reflect the new nominal value and the increased number of shares, in accordance with the revised wording published on the Abu Dhabi Securities Exchange (ADX) website (www.adx.ae), subject to obtaining the necessary approvals from the competent authorities.

Issued Capital

The Company's share capital was set at **AED 538,718,400** (Five Hundred Thirty-Eight Million, Seven Hundred Eighteen Thousand, Four Hundred Dirhams) divided into **1,077,436,800** (One Billion, Seventy-Seven Million, Four Hundred Thirty-Six Thousand, Eight Hundred) shares, each with a nominal value of 50 fils, fully paid. All shares are cash shares, and all belong to the same class with equal rights and obligations.

All necessary measures related to the above decisions were taken, the approvals of the competent authorities were obtained, and the amendments were published in the Official Gazette.

In the General Assembly Meeting held on March 27, 2024

A special resolution regarding the approval of the related party's offer to purchase Emirates Driving Company's stake in Sawaeed Holding was presented.

However, a binding offer was received from **ESG Capital Holding LLC** to purchase the Company's 10.58% stake in Sawaeed Holding. Note that ESG Capital Holding is a *Related Party* (as it is affiliated with International Holding Company IHC).

ESG Capital Holding's offer amounts to **AED 28,570,588** to buy the Company's stake in Sawaeed Holding.

In accordance with the requirements of the Securities and Commodities Authority (SCA), the Company followed the due process outlined in the Public Joint Stock Companies Corporate Governance Guide regarding related-party transactions. **CROWE** was appointed as an independent valuer for this transaction.

Upon receiving the independent valuer's report from CROWE, it was noted that—based on the **Discounted Cash Flow (DCF)** method—the value of Sawaeed Holding ranges between **AED 19.66 million** and **AED 24.29 million**. The DCF approach was adopted because it provides a forward-looking valuation that focuses on future cash flows and incorporates risk adjustments and the time value of money, thereby offering valuable insights into the potential profitability of the investment.

Subsequently, **99.628%** of shareholders approved and ratified the special resolution to accept the related party offer to purchase Emirates Driving Company's stake in Sawaeed Holding. All necessary steps to implement this resolution have since been completed.

H. Rapporteur of the Board meetings.

- The name of the reporter of the meetings of the Board of Directors: **Mr. Saeed Taye**
- Date of appointment: 17/06/2007
- Qualifications and experience: Bachelor's degree in Economics and Accounting, and the rapporteur has experience in administrative, financial, accounting and corporate governance businesses.
- Statement of his duties during the year: The Board of Directors' meetings rapporteur undertakes all administrative work related to the Board of Directors, from documenting Board meetings, preparing minutes, organizing a record of board disclosures and any other work assigned to it by the Board of Directors.

I. Detailed statement of major events and important disclosures that the Company encountered during 2024.

Emirates Driving Company has acquired a 51% stake in Excellence Premier Investment LLC, the parent company of Excellence Driving Center. This move aligns with the Company's strategy and ongoing efforts to achieve significant expansion and enhance its premium services.

Established in 2020, Excellence Driving Center aims to provide comprehensive driver education in Dubai through a wide network of more than 20 strategic locations across the emirate. The center quickly emerged as one of Dubai's leading driving schools, thanks to its customer-centric approach and state-of-the-art facilities. Following the success of its driving center, Excellence Premier Investment expanded its service offerings to include delivery, limousine services, and automotive workshop operations, demonstrating a strong commitment to providing an exceptional customer experience.

J. A statement of the transactions that the company has made with related parties during the year 2024, which are equal to 5% or more of the company's capital.

The General Assembly approved the offer from ESG Capital Holding LLC (ESG CAPITAL HOLDING LLC) to purchase the Company's stake in Sawaeed Holding for AED 28,570,588.

ESG Capital Holding is considered a related party, as it is part of the International Holding Company (IHC) group.

K. Statement of the Emiratization percentage in the Company at the end of 2022, 2023, 2024.

- The percentage of citizens working in the company according the years below:
 - ❖ In 2022: 8.1%
 - ❖ In 2023: 8.1%
 - ❖ In 2024: 7.3%

L. Statement of the innovative projects and initiatives started by the Company, or which were being developed during 2024.

In 2024, we were honored to host the second Innovation Labs event under the theme “Future Mobility: Where to Next?”

During this event, participants from both the public and private sectors engaged in interactive discussions to explore potential challenges, solutions, and opportunities that may arise in the coming year. A total of 27 individuals attended, including 13 external experts.

In the discussion session, attendees were divided into specialized groups focusing on operations, training, and regulations. Together, they generated 46 ideas. A voting process was then conducted to select the top three ideas in each category, which included concepts such as generating electricity from alternative sources like vehicle motion, establishing a centralized research and development hub among various organizations, and designating specific areas and lanes for conventional vehicles.

MSCI AAA Rating

The Company received the highest AAA rating for Environmental, Social, and Governance (ESG) standards from MSCI in March 2024, with a score of 9.7 out of 10—making it the top-rated entity in the consumer services sector at the time and placing it in the top 9% of the sector. This achievement underscores Emirates Driving Company’s commitment to effectively managing ESG-related risks and opportunities, thereby creating value for all stakeholders.

The AAA rating highlights our progress across key areas, weighted as follows:

- **Social Impact (62%):** Focuses on our performance in product safety and quality, human capital development, and data privacy and security.
- **Governance (33%):** Evaluates our governance framework to ensure accountability and transparency in all operations, emphasizing corporate governance and ethical conduct.
- **Climate (5%):** Reflects our commitment to climate action and innovative initiatives aimed at reducing emissions and advancing toward carbon neutrality.

Science Based Targets initiative (SBTi)

In 2024, our carbon neutrality goals were officially approved by the Science Based Targets initiative (SBTi), marking a significant milestone in the Company’s history. We are now actively adopting these approved targets and integrating them into our sustainability strategy.

Signature of the Board
Chairman



Date: 25/02/2025

Signature of the Audit
Committee Chairman



Date: 25/02/2025

Signature of the
Nomination and
Remuneration
Committee Chairman



Date: 25/02/2025

Signature of the Internal
Control Department
Director



Date: 25/02/2025