

Disclosure Regulations and Procedures

November 2022



Disclosure Regulations' Approvals and Procedures

	Designation	Date	Signature
Initiated by	Senior Compliance Manager		
Review by	CEO		
Recommend by	EXE Com.		
Approval by	Board of Director		

Modifications Register

Amended No.	Section No.	Date of Revision	Details of Amendment	Date	Remarks

Retal Urban Development Company (Stamp)

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Introduction

Based on the provisions of Article (89) of the Corporate Governance Regulations issued by the Capital Market Authority (CMA) Board by virtue of Resolution No. (8-16 - 2017) dated 16/05/1438 AH corresponding to 13/02/2017 based on the Companies' Law issued by Royal Decree No. (M/3) dated 28/1/1437 AH, as amended by the CMA Board Resolution No. 1-94-2022 dated 24/1/1444 AH corresponding to 22/8/2022 AD, the Disclosure Regulations and Procedures have been prepared in accordance with the requirements of corporate governance.

The following terms and expressions shall have the standardized meanings assigned thereto, unless the context otherwise requires:

The word	Its meaning
1. Policy	The Disclosure and Transparency Regulations of Retal Urban Development Company.
2. The Company	Retal Urban Development Company (Saudi Joint Stock Company).
3. The Board	Board of Directors of Retal Urban Development Company.
4. Members	The Company's executive, non-executive, and independent Board members.
5. Executive Member	A member of the Board of Directors who is a full-time contributor to the Company's management, thus participating in its day-to-day business activities and receiving a salary from it.
6. Non-Executive Member	A member of the Board of Directors who is not a full-time contributor to the Company's management, and thus neither participates in its day-to-day business activities, nor receives a salary from it.
7. Independent Member	A non-executive board member with full independence in their position and decisions, and to whom no attributes that violate their independence shall apply.
8. Deputy Member	A member of the Company's Board of Directors assigned by the Board to follow up on the executive management affairs and the general supervision of its work.
9. Executive body	It includes the CEO, their deputies, the acting managers, and the like who are responsible for developing and implementing the company's strategic decisions.
10. The Authority	The Saudi Capital Market Authority
11. Registration and Listing Rules	The rules issued by CMA's Board of Directors
12. Tadawul / Market	Saudi Stock Exchange.

13. Shareholders' general rights	All rights related to the Company's shares in the Saudi Companies Law or the Corporate Governance Regulations issued by the CMA Board and other laws and regulations.
14. Governance	The specific provisions, policies, procedures, rules, standards, and instructions governing transactions, and relations with shareholders and stakeholders of the Company that are applied in accordance with specific standards, rules, and controls and announced publicly.
15. Stakeholders	Each person who has an interest with the Company, such as shareholders, employees, creditors, customers, suppliers, and the community as a whole.
16. Related Parties	Any person who has ties or a relationship with the Company, whether s/he is inside or outside the Company.
17. Hazards	A set of unusual factors or effects that influence a particular activity or assets whose occurrence leads to losses or damages.
18. Authorized Official	The person or department authorized by the Board of Directors to supervise all the company's advertisements and disclose them to Tadawul (in other words: the Company's representative(s)).
19. A person	Any natural or legal person who is recognised as such under the laws of KSA.
20. Employee	Any individual working for the Company under an employment contract, or a service contract, and whose services are placed at the disposal of the company or under its control.
21. Relatives	Fathers, mothers, grandparents, extending to all further relatives. Their children, extending to all further relatives. brothers and sisters, as well as half-brothers and half-sisters. Husbands and wives.

Retal Urban Development Company is committed to transparency in all its transactions, and to the accuracy and timing of disclosure of information that enables the shareholders to obtain the required information transparently and fairly. Retal is also consistently keen on disclosing all financial information and financial changes that are of interest to investors by providing consistent, accurate, and credible information in a timely manner and without delay in a manner consistent with the legal requirements and enacted regulations. The Company discloses such information regardless of the company's results, performance, or financial conditions (positively or negatively), so that all parties in the market can have equal access to such information through their disclosure on Tadawul, the local newspapers, and their websites.

Based on the above, and after reviewing the Companies Law and its amendments, the Capital Market Law, its regulations and instructions, and having reviewed the Corporate Governance Regulations, their amendments, and the Company's Bylaws, the Board of Directors of the Company decided to issue these Regulation as follows:

Article 1: Disclosure and Transparency Policies and Procedures

Disclosure and transparency policies are among the most important principles of the company's governance. In this respect, the following points were taken into consideration:

1. This policy should include appropriate disclosure methods that enable shareholders and other stakeholders to access the financial information and financial changes related to the Company, as well as its performance, ownership of shares, and its general position in an integrated manner.
2. Disclosure shall be made to shareholders and investors without discrimination, in a clear and correct manner, without misrepresentation or delay, and on a regular and accurate basis, in order to enable shareholders and stakeholders to exercise their rights to the fullest extent.
3. The Company's website shall include all information required to be disclosed, and any other data or information published through other means of disclosure.
4. Reporting regulations shall be set in a manner that includes the information required to be disclosed, beside the method of its classification in terms of its nature, and the frequency of its disclosure.
5. The disclosure policies must be examined on a regular basis, along with their compliance with the best practices, and with the provisions of the Capital Market Law and its executive rules shall be verified for ensuring the implementation of these provisions.

Article 2: Definition of Disclosure and Transparency

Definition of Disclosure:

Disclosure is the process of disclosing material information (financial and non-financial) that concerns stakeholders and related parties. Disclosure is made on a periodic basis (specified financial periods) or immediately when an effective related event happens, so that the information is available at the same time to all parties in a manner that guarantees no party may exploit the information before the other ones.

Disclosure is the announcement of important information made by joint stock companies that helps investors make stock trading decisions, estimate the appropriate price, and enables the investors in a particular company to judge the merit and integrity with which it is being managed. Disclosure is considered the spirit of the stock market, a basis for its continued success and development, and a pillar of confidence in it which should attract investors to its tools.

Definition of transparency:

Transparency is defined as the process of full disclosure of the company's genuine position. Transparency requires that the company's financial statements and milestone events should reflect its actual reality in a clear, explicit, and understandable manner to all market participants. Transparency is first of all a moral

obligation that compels a company to communicate information to others in a clear, open, and timely manner without delay.

Article 3: The Purpose of Disclosure and Transparency Policy

1. Setting policies and procedures that ensure observing the principle of justice and equality to all shareholders, thus guaranteeing that no information is leaked to some investors apart from others.
2. Disseminating material information to shareholders in a timely and informed manner as soon as they emerge, in order to assist investors in making investment decisions that are based on correct and adequate information.
3. Committing to continuous disclosure and adherence to instructions from the Capital Market Authority and other competent authorities, to enhance the level of transparency and disclosure in the financial market.

Article 4: Disclosure of material information and developments

- a) The Company discloses the information in a full, clear, correct, non-misleading, and timely manner without delay, in accordance with the regulations of the CMA.
- b) The Company shall inform the Authority and the public without delay on any key developments within the framework of its activities that are not known to the general public, and that may affect its assets, liabilities, financial position, the general course of its business or its subsidiaries' business, as such developments may result in a remarkable change in the prices of listed securities, or may have a significant impact on the company's ability to meet its debt instrument obligations.

Some of the key developments that a company must disclose include, but are not limited to the following:

1. Any transaction for the purchase, sale, mortgage, or lease of an asset at a price equal to or greater than (10%) of the net assets of the Company in accordance with the latest audited initial financial statements, or audited annual financial statements, whichever emerges first.
2. Any indebtedness outside the ordinary activities of the Company in an amount equal to or more than (10%) of the Company's net assets according to the latest audited initial financial statements, or audited annual financial statements, whichever emerges first.
3. Any losses equal to or more than (10%) of the Company's net assets according to the latest audited initial financial statements, or audited annual financial statements, whichever emerges first.
4. Any significant change in the company's production environment or activities including, but not limited to, the abundance and accessibility of resources.

5. Any changes to the composition and senior management of the Company's Board of Directors.
6. Any changes to the Company's Bylaws, or to its Head Office.
7. Any change regarding the legal accountant.
8. Invitation for convening the General Assembly and its agenda.
9. Any dispute, including any lawsuit, arbitration, or mediation, if the amount of the dispute or the amount in question is equal to or more than (5%) of the net assets of the Company in accordance with the latest examined initial financial statements, or audited annual financial statements, whichever emerges first.
10. Any court ruling issued against the Board of Directors or any of its members, if the subject matter of the ruling relates to the work of the Board of Directors or any of its members in the Company.
11. Any increase or decrease in the Company's net assets by more than or equal to (10%) in accordance with the latest audited initial financial statements, or audited annual financial statements, whichever emerges first.
12. Any increase or decrease in the total profits of the Company that is equal to or more than (10%) in accordance with the latest audited annual financial statements.
13. Entering into a contract whose revenue is equal to or more than (5%) of the total revenues of the Company according to the latest audited annual financial statements, or the unexpected termination of that contract.
14. Any transaction between the Company and a related party, or any arrangement under which the Company and a related party invest or provide financing to any project or asset if such transaction or arrangement is equal to or greater than (1%) of the total revenue of the Company in accordance with the latest audited annual financial statements.
15. Any interruption to any of the main activities of the Company or its subsidiaries that is equal to or more than (5%) of the total revenues of the Company according to the latest audited annual financial statements.
16. The issuance of a verdict, decision, announcement or order of a court or a judicial entity with jurisdiction, whether at the first instance or on appeal, which could negatively affect the Company's exploitation of any part of its assets with a value of (5%) or more of the Company's net assets according to the latest audited initial financial statements, or audited annual financial statements, whichever emerges first.
17. Issuance of a decision by the Company or any of its subsidiaries to dissolve or liquidate it, or the occurrence of an event, or expiry of a period which requires the company to be liquidated or dissolved.
18. Submitting a liquidation proposal, issuing a liquidation order, appointing a liquidator of the company or any of its subsidiaries under the Companies Law, or initiating any proceedings under bankruptcy laws.
19. Any transaction between the Company and a related person (outside the ordinary business activity framework).

Article 5: Disclosure of Financial Information

1. The Board of Directors shall approve the Company's initial and annual financial statements, then they should be signed by an authorized member of the Board of Directors, the CEO, and the CFO prior to their publication and distribution to shareholders and others.
2. The initial and annual financial statements and the Board's report shall be submitted to the Authority once approved by the Board of Directors.
3. Using electronic applications determined by the Authority, the Company shall announce its initial and annual financial statements immediately upon their approval by the Board of Directors. Such lists may not be published to shareholders or others before they are announced in the business market.
4. The Company shall prepare its initial financial statements and examine them in accordance with the accounting and auditing standards approved by the Saudi Organization for Chartered and Professional Accountants (SOCPA) and disclose them to the public within a period not exceeding (30) days from the end of the financial period covered by those statements.
5. The Company shall prepare its annual financial statements and review them in accordance with the accounting and auditing standards approved by SOCPA, and disclose them to the public within a period not exceeding three months from the end of the annual financial period included in those statements. The Company shall disclose these annual financial statements within a period not less than (21) calendar days prior to the convention date of the Annual General Assembly of the Company.
6. The Company shall ensure that the chartered accountant reviewing the financial statements and any subsidiary company comply with the rules and regulations of SOCPA in relation to the ownership of any shares or securities of the Company or any of its subsidiaries, ensuring the independence of the legal accountant and any partner or employee active in his office.
7. The Company must disclose any proposed change regarding the increase or reduction of its capital.
8. The Company must disclose any decision to declare profits, recommend a declaration of profits, pay shares, or make other distributions to the holders of the listed security.
9. The Company shall disclose any decision not to announce profits, or a recommendation of their non-announcement, or of non-payment of dividends, any of which is expected to be announced, recommended to be announced, or paid in the ordinary course of events.
10. The Company must disclose any decision to invoke, repurchase, withdraw, redeem or offer to purchase its securities, including the total amount, the number(s), and value of such.
11. The Company must disclose any change in rights associated with any class of listed shares or convertible debt instruments.

Article 6: Disclosure in the Board of Directors Report

The Company shall provide the Authority and announce to the shareholders within a period not exceeding three months from the end of the annual financial period with a report issued by the Board of Directors that includes a presentation of its operations during the last fiscal year, and all factors affecting the Company's business, which the investor needs to be aware of in order to assess the Company's assets, liabilities, and financial position.

The Board's report shall include the following:

1. Information to be disclosed under the Corporate Governance Regulations and the provisions of these Regulations that were implemented or not, and the reasons for such actions.
2. The names of the members of the Board of Directors, the members of the committees, the executive management, along with their current and previous qualifications and experience.
3. The names of companies inside or outside the Kingdom where Company's board members are also members of their current or previous boards, or are/were their directors.
4. Formation of the Board of Directors and classification of its members as follows: Executive Board Member - Non-Executive Director - Independent Board Member.
5. The procedures taken by the Board of Directors to brief its members - especially the non-executives - of the shareholders' suggestions and comments regarding the company and its performance.
6. A brief description of the committees' mandates and tasks, such as the Audit Committee, the Nomination and Remuneration Committee, also listing the names of the committees, their chairmen and members, the number of their meetings and their dates, and the members' attendance data to each meeting.
7. Where applicable, listing the means by which the Board of Directors has evaluated its performance, along with the performance of its committees and members, and naming the third party which carried out the evaluation and its relationship with the Company, if any.
8. Disclosure of the remunerations of Board of Directors and Executive Management members as stipulated in the Corporate Governance Regulations.
9. Any penalty, sanction, precautionary measure or reserve constraint imposed on the Company by the Authority or any supervisory, regulatory, or judicial authority, indicating the reasons for the violation, the entity responsible for it, the means of handling it, and means to avoid its recurrence in the future.
10. Results of the annual review of the effectiveness of the Company's internal control procedures, in addition to the Audit Committee's opinion on the adequacy of the Company's internal control system.
11. The Audit Committee's recommendation on the need to appoint an internal auditor in the company if s/he does not exist.
12. Recommendations of the Audit Committee that are inconsistent with the decisions of the Board of Directors, or which the Board has refused to adopt regarding the appointment or dismissal of the

Company's auditor, determination of their fees, evaluation of their performance, appointment of the internal auditor, justifications for such recommendations, or the reasons for not adopting them.

13. Details of the Company's social contributions, if any.
14. A statement of the dates of the general assemblies of shareholders held during the last fiscal year, and the names of the Board members who attended these assemblies.
15. A description of the main types of activity of the company and its subsidiaries. If two or more types of activity are described, a statement of each activity and its impact on the size of the company's business and its contribution to the results shall be attached.
16. A description of the company's important plans and decisions (including the company's structural changes, expansion of its business, or cessation of its operations) and future expectations regarding the Company's business.
17. Information on any risks the Company is facing (whether operational, financial, or market-related) and the risk management and control policy applied regarding them.
18. A summary in the form of a schedule or a chart of the Company's assets, liabilities and business results for the last five fiscal years or since incorporation, whichever is shorter.
19. Geographic analysis of the total revenues of the company and its subsidiaries.
20. Clarification of any key differences in the operational results from the results of the previous year, or from any expectations announced by the Company.
21. Clarification on any discrepancies from the accounting standards approved by SOCPA.
22. The name and capital of each subsidiary company, along with the Company's ownership percentage in it, its main activity, its main country of operations, and the country of its establishment.
23. Details of shares and debt instruments issued for each subsidiary.
24. A description of the Company's policy regarding the distribution of dividends.
25. A description of any interest in the class of voting shares belonging to persons (other than members of the Company's Board of Directors, senior executives and their relatives) who have informed the Company of those rights, and any changes to those rights during the last fiscal year.
26. A description of any interest, contractual securities and subscription rights belonging to the Company's Board members, senior executives and their relatives, whether the shares or debt instruments of the Company or any of its subsidiaries, along with any change to that interest or rights during the last financial year.
27. Information related to any loans of the Company (whether payable on request or otherwise), disclosure of the total indebtedness of the Company and its subsidiaries and any amounts paid by the Company to reimburse the loans during the year, the amount of the loan's asset, the name of the loaner entity, its duration, and its remaining amount. In the absence of loans of the Company, it shall submit an acknowledgment thereof.

28. A description of the categories and numbers of any convertible debt instruments and any contractual securities, right of subscription memoranda or similar rights issued or granted by the Company during the financial year, indicating any compensation obtained by the Company in return thereof.
29. A description of any rights transferred or subscribed under convertible debt instruments, contractual securities, right of subscription memoranda, or similar rights issued or granted by the Company.
30. A description of any recovery, purchase or cancellation by the Company of any recoverable debt instruments, and the value of the remaining securities, distinguishing between listed securities purchased by the Company and those purchased by its subsidiaries.
31. The number of Board meetings held during the last financial year, the dates of these meeting, and the attendance record of each meeting indicating the names of the attendees.
32. The number, dates, and reasons for the company's requests for shareholders' register.
33. A description of any transaction between the Company and a related party.
34. Information related to any works or contracts to which the Company is a party, or in which a member of the Company's Board of Directors or its senior executives or any person related to any of them had an interest, including the names of those concerned with the works or contracts, the nature, terms, duration and amount of such works or contracts. Meanwhile, if there are no such works or contracts, the Company shall provide an acknowledgment thereof.
35. A statement of any arrangement or agreement whereby a member of the Board of Directors or a senior executive waived any remuneration.
36. A statement of any arrangement or agreement whereby a shareholder of the Company waived any rights of profit.
37. A statement of the value of the regular payments paid and due to the payment of any Zakat, taxes, fees or any other dues that have not been paid until the end of the annual financial period, with a brief description of these payments and of their reasons.
38. A statement of the value of any investments or reserves established for the benefit of the Company's employees.
39. Declarations of the following:
 - a) that the account records were properly prepared,
 - b) that the internal control system has been properly established and effectively implemented,
 - c) and that there is no significant doubt about the Company's ability to continue its activity.
40. If the auditor's report contains reservations to the annual financial statements, the report of the Board of Directors shall explain those reservations, their reasons and any information relating thereto.
41. If the Board of Directors recommends changing the auditor before the end of the period for which they are appointed, the report shall include this, along with the reasons for recommending the change.

Article 7: Disclosure of Directors and Senior Executives

1. The Board of Directors shall regulate the disclosures of each of its members and members of the Executive Management, taking into account the following:
 - a) Developing and periodically updating a record of the disclosures of Board members and senior management.
 - b) Providing access to the register to the company's shareholders without demanding any payment.
2. Information that Board members and senior executives must disclose include, for example:
 - a) When a member of the Board of Directors or a senior executive of the Company becomes an owner, or has an interest, equity or convertible debt instrument of the Company.
 - b) In the event of an increase or decrease in the ownership or interest of any of the Company's Board members or senior executives by (5%) or more of the shares or convertible debt instruments owned by the Company, or (1%) or more of the Company's convertible debt shares or instruments, whichever is lower. This is unless the increase or decrease is a result of issuing a capitalization, increasing the Company's capital to acquire a company or purchase an asset, or reduce the Company's capital.

Article 8: Disclosure of Rewards

The Board of Directors shall disclose the remuneration in accordance with the following:

1. Disclosing the remuneration policy and determining the remuneration of the Board members and the Company's executive management.
2. Disclosing accurately, transparently and in detail in the Board of Directors' report on the remuneration granted to the members of the Board of Directors and the Executive Management, directly or indirectly, without concealment or misrepresentation, whether the remunerations were in the shape of monetary amounts, benefits, or privileges of whatever nature and name. If the benefits are shares in the Company, the input value of the shares shall have the market value at the due date.
3. Clarifying the relationship between the rewards granted and the applicable remuneration policy, and indicating any material deviation from this policy.
4. Indicating the necessary details regarding the remuneration and compensation paid to the following separately:
 - a) Board members.
 - b) Five senior executives, including the CEO and CFO.
 - c) Committee members.

Article 9: Periods of Prohibition of Trading

1. Members of the Board of Directors or senior executives, or any person related to any of them, may not deal with any securities of the Company during the following periods:
 - a) within 15 calendar days prior to the end of the financial year's quarter until the announcement date of the initial financial statements after their examination by the Company, and,
 - b) within thirty (30) calendar days prior to the end of the financial year until the date of the announcement of the initial financial statements after their examination, or prior to the Company's audited annual financial statements.

The prohibition referred to in the preceding paragraph shall exclude the exercise and sale of the right to subscribe for and sell priority rights, and upon the resignation of the Board member or any senior executive of the Company during any of the aforementioned prohibition periods, and such a period (where applicable) shall apply to that member, or the resigning Chief Executive and any person related to any of them.

2. The following persons with their designations; the Chairman and members of the Board of Directors, committees emanating from the Board of Directors, the Audit Committee, directors of departments and heads of departments, all employees and others, external auditors, consultants, are prohibited from the following:
 - a) That any of them discloses internal information which affects the market price of the stock at a certain time to any other person, while knowing or should be knowing that this other person may trade the security related to the disclosed internal information.
 - b) It is prohibited for any uninformed person to disclose to any other person any information obtained from inside the company from another person who is directly or indirectly informed, while knowing or should be knowing that the person to whom the disclosure is made may trade the security related to the disclosed internal information.
 - c) An informed person is prohibited from trading in the Company's shares on the basis of internal or external information.
 - d) It is prohibited for a person who is not aware of internal information - based on internal information s/he obtained from an informed person inside the company - to trade in the Company's shares while knowing, or should be knowing, that the information must be kept internally.
3. Any person within the Company, whether employee or stakeholder, is prohibited from making a verbal or written declaration on an incorrect statement relating to a key fact, and from not making a statement s/he

is required to declare under the Company's bylaws, executive regulations, market rules, or the depository center, if the declaration or negligence of declaration of that statement by the person was made with the intention of influencing the price and value of the stock in the market.

4. Any person in the Company is prohibited from directly or indirectly promoting an incorrect statement or information relating to a key fact, with the aim of influencing the price or value of the shares, or any other purpose involving manipulation.
5. Board members are prohibited from trading in the Company's shares when they receive information on any significant events or decisions that may affect the prices of the Company's shares. In all cases, the Company's Board of Directors, senior executives or any person related to any of them may not deal in any securities of the Company during the periods announced by the Capital Market Authority.
6. The Board Member shall notify the Company and the CMA at the end of the trading day in which any of the cases set out in the R&R Rules (the notification of ownership of large shares of the shares)
7. All of the Company's advertisements on Tadawul website or any means of advertising or statements to the visual, print, and audio media will be published after their presentation and approval by the competent authority within the Company.

Article 10: Information Disclosure Procedures

1. Disclosure shall be made on the Capital Market website (Tadawul) and the Company's website or local newspapers in a precise, sufficient and clear manner, with no ambiguity or misinformation, in accordance with the approved controls.
2. Important developments and financial information shall be reported and announced within a suitable period that enables the Company to publish the announcement on Tadawul website prior to at least two hours from the beginning of the trading period and following the developments, or following the meeting of the Company's Board of Directors or any of its committees, which will discuss the subject to be announced.
3. If any significant developments occur in less than two hours from the beginning of the trading period or during the trading period, the concerned sides must wait until the end of the trading period and then publish an announcement on Tadawul website while taking all necessary precautions to ensure that the news does not leak those developments before publishing the announcement.

Article 11: Final Provisions

1. The Company shall abide by the registration and listing rules and governance rules and provide the Authority without delay with all information, clarifications, books, records and forms required by the Authority, which shall be complete, clear, correct and not misleading.
2. No amendment, addition or cancellation of the provisions of this Policy shall be made except through the Board of Directors.
3. This Policy shall be implemented as of the date of its approval by the Board of Directors.