

Policy and Procedures for the Reporting of Violating Practices

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Approvals on the Policy and Procedures for the Reporting of Violating Practices

	Designation	Date	Signature
Initiated by	Senior Compliance Manager		
Reviewed by	Legal Director		
Reviewed by	CEO		
Recommend by	AC		
Approval by	Board of Directors		

Amendments Log

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

Real Urban Development Company (Stamp)

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Introduction

The Board of Directors of the Retail Urban Development Company and its subsidiaries (the Company) aims to comply with the rules and regulations of the Capital Markets Authority (CMA), in particular the Corporate Governance Regulations, the Registration and Listing Rules, the Companies Law issued by the Ministry of Commerce and Investment and their implementing regulations, in addition to the Company's Articles of Association.

The policies for the Reporting of Violating Practices require the reporting of all violating practices committed by or against stakeholders during their work and the exercise of their duties and responsibilities.

The objective of this policy is to ensure that the reporting is conducted early enough on any violation, serious risk, or potential misconduct to which the Company or its stakeholders may be exposed, and that the report's content is adequately addressed.

All those working for the Company must observe the rules of honesty and integrity in the performance of their responsibilities and comply with all applicable laws and regulations.

The objective of this policy is to encourage everyone working for the company to report any risk or violation and to assure them that doing so is safe, acceptable, and does not entail any liability.

Based on the provisions of Article (84) of the Corporate Governance Regulation issued by the 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 Policy of Reporting of Violating Practices was prepared based on a proposal from the audit committee to the Board of Directors in accordance with the requirements of corporate governance.

Article 1: Scope of Application

This policy shall apply to everyone who works for the Company, whether they are board members, executives, employees, volunteers, or consultants regardless of their position in the Company, and without any exception. Likewise, any stakeholder may also report on any risks or violations they might observe or learn of.

Article 2: Violating Practices

Wrong practices shall include any criminal acts, financial irregularities, breach of any legal or legislative obligations, or of internal regulatory requirements - such as policies and procedures, as well as any practices that pose a risk to public health, safety, and the environment.

Violations to be reported shall include, but not be limited to:

- 1- Illegal conduct (including bribery and corruption) or misconduct.
- 2- Financial misconduct (including allegations of false expenses, misuse of valuable items, money laundering, or support to suspicious entities).
- 3- Non-disclosure of conflict of interest situations (such as abuse of one's position in the Company to promote personal interests or to promote the interests of others above the Company's own interests).
- 4- Possibility of fraud (including loss, concealment, or destruction of official documents).
- 5- Criminal offences that were committed, are being committed, or are likely to be committed, regardless of their kind.
- 6- Failure to comply with internal control policies, regulations, and rules, or their incorrect application.
- 7- Obtainment of undue benefits or rewards from any external entity, in exchange for granting that entity unjustifiable preferential treatment.
- 8- Unlawful disclosure of confidential information.
- 9- Manipulation of accounting data.
- 10- Issuance of threats to the health and safety of employees.
- 11- Violation of the ethical and professional code of conduct.
- 12- Misuse of delegated authorities.
- 13- Concealment in relation to any of the above matters.

Article 3: Ensuring the Confidentiality of Information and Reports

The purpose of this policy is to provide the opportunity to everyone working for the company to report violations, and to ensure that they will not suffer any material or moral damage as a result of their voluntary reporting. The policy ensures that the whistleblower shall not be subjected to the possibility of losing their job, position, business, or interests with the Company, nor to any other form of punishment as a result of their reporting on any violation, provided that the violation is reported in good faith, and that the whistleblower has credible and reasonable suspicions, regardless of whether it becomes clear afterwards that they are false.

In order to protect the personal interests of the whistleblower, this policy ensures that their identity shall not be disclosed if they wish it to be so. In the same vein, every effort shall be made to maintain the secrecy and confidentiality of the whistleblower's identity, regardless of the violation they are reporting on. However, in certain cases, the identity of the whistleblower ought to be revealed, such as when any competent government entity officially requires so. Likewise,

the whistleblower must also preserve the confidentiality of the report submitted by them and not disclose the content thereof to any other employee or person. Accordingly, they must also not conduct any investigations related to the report on their own hook.

Article 4: Violation Reporting Procedures

- 1- The reports should be submitted to both the Compliance Department and the Legal Department of the Company.
- 2- It is preferable to report the violation early on in order to facilitate timely action regarding the report's content.
- 3- Although the whistleblower shall not be required to substantiate their report, they must be able to prove that they have submitted it in good faith.
- 4- The report should be submitted either orally, in accordance with the attached form, or through one of the electronic communication channels available via the following link:
.....

Article 5: The Handling of Reports

The action taken regarding any report submitted on a violation in accordance with this policy shall depend on the nature of the violation itself. This is because that action may require an informal review, internal audit, or a formal investigation. At any rate, the below steps shall be observed for the handling of any report:

- 1- Upon receiving the report, the recipient shall inform the Company's CEO if the report is not directed against the latter (in the content of the report), and the CEO shall determine whether and how an investigation should be conducted. Some reports may be resolved without the need for an investigation.
- 2- The whistleblower shall be provided with a notification of receipt of the report and a contact telephone number.
- 3- If the report is found to be unsubstantiated, no further investigation shall be conducted and this decision shall be final and irrevocable, unless additional evidence is provided in respect to the report.
- 4- However, if the report is found to be based on reasonable and justifiable information, the report shall be referred upon a recommendation by the CEO to a committee (whose formation and powers shall be defined by said CEO) to investigate the report's content and issue the appropriate recommendation.
- 5- The Committee shall submit its recommendations to the CEO for approval.

- 6- The disciplinary action resulting from the violation shall be determined according to the violation reporting policy.
- 7- In the same context, the whistleblower shall not be informed of any disciplinary or other actions that may result in breach of the confidentiality obligations thereof to another person.
- 8- If the report is filed against the CEO in person, the entity receiving the report shall refer it to the Audit Committee, which shall follow the same guidelines specified in this document.
- 9- The Company shall be committed to dealing with the reporting of any violation in a fair and appropriate manner. However, it shall not guarantee that its handling of the report's content will be consistent with the wishes of the whistleblower.

Article 6: Procedures for Approving the Reporting of Violating Practices

1. The responsibility for updating the policy shall lie with the Board of Directors.
2. The Compliance Department shall prepare the policy and submit it to the Audit Committee to make recommendations in its regard to the Board of Directors.
3. On its part, the Board of Directors shall approve the policy by its own decision.

Article 7: Responsibility of Policy Implementation

- 1- The Compliance Department shall be responsible for ensuring that this policy is implemented.
- 2- An annual report shall be submitted by the Compliance Department to the Board of Directors on the received reports and the procedures taken regarding them.
- 3- A version of this policy shall be always saved in the form of a non-editable document.

Article 8: Amendments to this Policy

The Board of Directors may approve any changes to the articles of this policy at any time it deems appropriate upon the recommendation of the Audit Committee by a decision issued by it.

Article 9: Templates

- 1- Information Template:

Whistleblower's personal information (this part may be left blank if the Whistleblower does not wish their identity to be revealed)	
Name	
Position	

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Department	
Phone Number	
E-mail	
Violator's Personal Information	
Name	
Position	
Department	
Phone Number	
E-mail	

2- Violation Details Template:

Clause	Violation Details
Nature and Type of Violation	
Date of the Violation and Date of Its Identification by the Whistleblower	
Location of Violation Occurrence	
Data or Documents Proving the Commission of the Violation	

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Names of other persons who participated in the violation, if any	
Any other information or details	
Date of submission and signature	