

Corporate Governance

| | |
|---|-----|
| Board of Directors and Executive Management | 149 |
| Shareholders and Investors | 155 |
| Dividend Policy | 159 |
| Board of Directors and Committees | 161 |
| Remuneration Policy | 191 |
| Transactions and Contracts with Related Parties | 193 |
| Board of Directors Members' Affiliation with Competitive Entities | 197 |
| Financial Statement | 198 |
| Declarations | 201 |



Corporate Governance

Retal is fully committed to the principles of good governance, and the Board of Directors has developed a comprehensive framework of systems and policies that comply with the provisions of the Capital Market Authority (CMA). These encompass rules, regulations and standards that govern the management of the Company, safeguard the rights of our shareholders, and prioritize the interests of its customers, suppliers, employees, and other Company stakeholders. The Company has obtained approval of these policies from both the Board of Directors and the General Assembly.

Corporate Governance Compliance

The Company adheres to and implements all provisions contained in the corporate governance regulations issued by the Capital Market Authority (CMA), with the following exceptions.

| # | Article number | Paragraph number | Article text/paragraph | Reasons for non-application |
|---|----------------|------------------|---|-----------------------------|
| 1 | 67 | All | Composition of the Risk Management Committee | Guiding Article |
| 2 | 68 | All | Competencies of the Risk Management Committee | Guiding Article |
| 3 | 69 | All | Meetings of the Risk Management Committee | Guiding Article |
| 4 | 82 | All | Employee Incentives | Guiding Article |
| 5 | 92 | All | Formation of a Corporate Governance Committee | Guiding Article |



Board of *Directors*



Abdullab Al Fozan
Chairman (Non-executive)



Ali Al Fozan
Vice Chairman (Non-Executive)



Fozan Al Fozan
Member (Non-Executive)



Abdul Rahman Al-Wabel
Member (Independent)



Hani Othman BaOthman
Member (Independent)



Majed Al Nefai
Member (Independent)



Faded Al-Mojil
Member (Non-Executive)



Abdul Rahman Al Jalal
Member (Non-Executive)



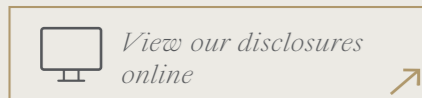
Abdullab Al-Braikan
Member (Executive)



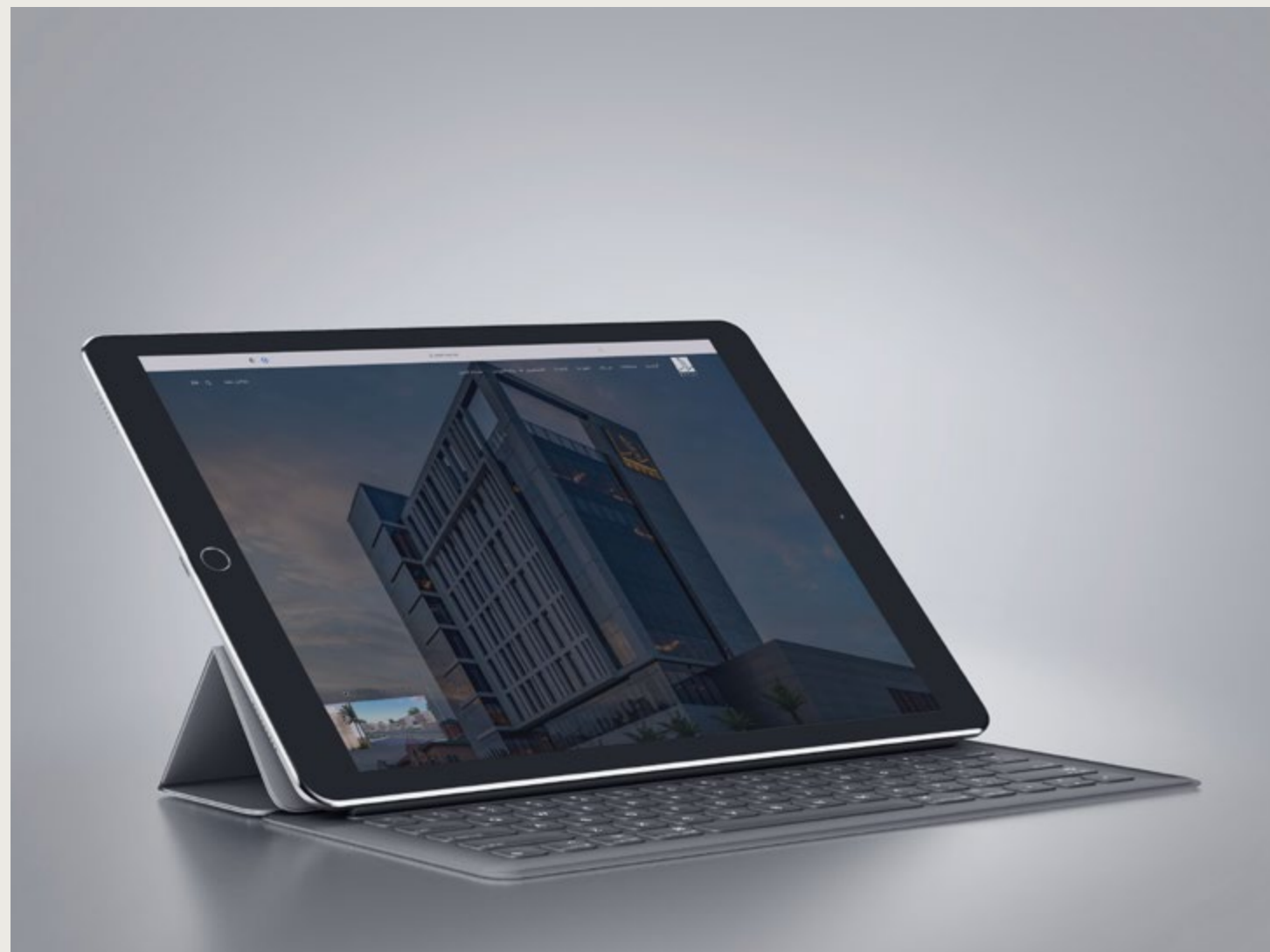
Husam Al Kaf
Secretary of the Board of Directors & Committees

Disclosures & Announcements

The Company regularly communicates important information, material developments, and financial statements through announcements and disclosures on the Saudi Stock Exchange (Tadawul), in accordance with provisions governing disclosure, transparency, and accessibility to shareholders, investors and other concerned parties.



View our disclosures online



Retal and *its Subsidiaries*

Subsidiary Information

| Name of Subsidiary | Share Capital | Company Ownership | Primary Activity | Company of Incorporation & Headquarters |
|--|---------------|-------------------|---|---|
| Nesaj Real Estate Company | 10,000,000 | 100% | Construction/Real Estate activities | Al Khobar - Kingdom of Saudi Arabia |
| Tadbeir Real Estate Company | 250,000 | 100% | Facilities' management/Real Estate activities | Al Khobar - Kingdom of Saudi Arabia |
| Building Construction Company Limited | 5,000,000 | 80% | Construction | Al Khobar - Kingdom of Saudi Arabia |
| Tadbeir Company Limited | 5,000,000 | 100% | Facilities' management | Al Khobar - Kingdom of Saudi Arabia |
| Tadbeir Environmental Services Company | 50,000 | 100% | Water, sanitation, waste management and treatment | Al Khobar - Kingdom of Saudi Arabia |

Shareholders *and Investors*

Investor Relations

Retal's governance policy ensures and safeguards the rights of shareholders and investors, promotes effective communication and dialogue with them, and complies with rules and regulations defined by relevant authorities.

Activities

Throughout the entirety of 2023, Retal directed its efforts towards the enhancement of its Investor Relations (IR) program, diligently introducing new avenues of communication. The year saw the Company develop its investor relations function by leveraging state-of-the-art technology to effectively communicate its business results. Its inaugural Earnings Release was published in the subsequent quarter, further underscoring Retal's commitment to delivering comprehensive view of its financial and operational information. In tandem with the introduction of the Company's Earnings Release, Retal initiated its inaugural mailshot—an email providing a concise overview of performance along with links to access the earnings release.

These initiatives complemented the ongoing communication efforts with research analysts and key investors through a series of targeted telephone calls and participation in several forums in Riyadh, Dubai and London. Shareholders were likewise updated about the company's performance and advancements through interviews conducted with Retal's Chief Executive and Chief Financial Officers.

Plans

The Investor Relations plan for 2024 is strategically centered on both analyzing its effectiveness and identifying potential areas for improvement through comprehensive surveys and the strategic leverage of technology. The year will also see Retal open up more lines of information and communication sharing between the Company, its research analysts, and its investors and shareholders. This includes



the introduction of new communication channels and forums specifically designed to elevate the quality and frequency of disclosures, thereby advancing transparency and accountability.

- Investor perception audits to assess IR effectiveness
- Integrate analytics into quarterly mailshots for impact and engagement assessments
- Meetings with key investors after quarterly financial results
- C-Suite media interviews on business and financial programs
- Regular meetings between senior management and financial analysts
- Attendance and participation at international investment conferences and events
- Investor visits to ongoing project sites

Shareholder Registry Requests

| # | Date of Request | Type and Reason of Request |
|----|-----------------|----------------------------|
| 1 | 18/10/2023 | Corporate procedures |
| 2 | 17/10/2023 | Corporate procedures |
| 3 | 17/10/2023 | Corporate procedures |
| 4 | 4/10/2023 | Corporate procedures |
| 5 | 2/8/2023 | Corporate procedures |
| 6 | 10/7/2023 | General Assembly |
| 7 | 6/6/2023 | General Assembly |
| 8 | 24/05/2023 | Corporate procedures |
| 9 | 30/04/2023 | General Assembly |
| 10 | 6/4/2023 | Corporate procedures |
| 11 | 19/03/2023 | Corporate procedures |
| 12 | 16/02/2023 | Corporate procedures |
| 13 | 19/01/2023 | Corporate procedures |

Retal | Investors by Type

| Category | Shares | % | Number of Investors |
|--------------|-------------|--------|---------------------|
| Institutions | 415,677,795 | 83.14% | 157 |
| Individuals | 84,322,205 | 16.86% | 39,089 |
| Total | 500,000,000 | 100% | 39,246 |

Retal | Investors by Nationality

| Category | Shares | % | Number of Investors |
|---------------------|-------------|--------|---------------------|
| Saudi Investors | 488,237,405 | 97.65% | 37,146 |
| Other Nationalities | 11,762,595 | 2.35% | 2100 |
| Total | 500,000,000 | 100% | 39,246 |

Dividend Policy

Retal's policy and procedures related to announcing profits, distributing them, and determining the timeframe for their payment are defined by the Company's Dividend Policy as described below.

Statutory reserve

The statutory reserve is formed by allocating 10% of the company's net profits to the Company to cover any potential losses or bolster its capital. The Ordinary General Assembly has the authority to cease allocating this percentage of the profits when the statutory reserve reaches 30% of paid-up capital.

Agreement reserve

The Ordinary General Assembly, upon a proposal by the Board of Directors, may set aside a percentage not exceeding 10% of net profits to form an agreement reserve. Based on recommendations from the Board, it can decide to disburse these funds for the benefit of the Company, or its shareholders. Additionally, The Ordinary General Assembly may utilize retained earnings to cover the outstanding balance of the share value, or a portion thereof, provided this does not compromise the rights of the company's shareholders.

Distribution and payment of profits

In general, the Company distributes dividends to shareholders in proportion to its income, financial position, cash flows, market conditions and the general economic climate. Its distribution is also influenced by the company's expansion plans, investment strategies, and cash requirements. Profits can be distributed on an annual, semi-annual, or quarterly basis. The request to distribute dividends is initiated through a proposal put forth by the Board of Directors and requires approval from the Ordinary General Assembly, with the Board being potentially authorized to grant permission, as outlined below.

Procedures for payment of profits

- Allocate 10% of net profits to form a statutory reserve, until this reserve reaches 30% of paid-up capital
- Allocate a percentage not exceeding 10% of net profits to form an agreement reserve for specific purposes
- Distribute the remaining amount to shareholders, ensuring a minimum of 5% of paid-up capital
- Provide Board Members with an annual bonus in compliance with the Company's law

Dividend data

Dividend data for the fiscal year through December 31, 2023.

| Time Period | Dividend earnings per share | Announcement date | Eligibility date | Distribution date | Distribution method |
|---------------------|-----------------------------|-------------------|--------------------|-------------------|---------------------|
| First half of 2022 | SAR 2.0 | October 12, 2022 | September 29, 2022 | August 9, 2022 | Account transfer |
| Second half of 2022 | SAR 3.0 | May 11, 2023 | May 2, 2023 | March 1, 2023 | Account transfer |
| First half of 2023 | SAR 0.16 | August 1, 2023 | September 28, 2023 | October 10, 2023 | Account transfer |
| Second half of 2023 | SAR 0.16 | February 2, 2024 | May 5, 2024 | May 16, 2024 | Account transfer |

Total distribution in the fiscal year 2023: 32 Halala per share, representing 32% of the nominal share value

Debt instruments, contractual securities, subscription rights and compensation

There are no transferable debt instruments, contractual securities, subscription rights notes or similar rights issued or granted by the Company during the fiscal year 2023, and there is no compensation obtained by the Company.

Dividend Waiver

There is no arrangement or agreement whereby the Company's shareholder waives any rights to dividends during the financial year ending in the year ending 13 December 2023G.

Conversion and subscription rights

| # | Type | Before | After | Extraordinary Assembly |
|---|---|--------------------|-------------------|------------------------|
| 1 | 1 for 10 Stock Split (No change in share capital) | 400,000,000 shares | 40,000,000 shares | May 2, 2023 |
| 2 | Capital Increase | SAR 400,000,000 | SAR 500,000,000 | July 20, 2023 |

The amounts due from the sale of fractional shares resulting from the company's capital increase were deposited in the accounts of the eligible shareholders on August 14, 2023, where the total number of fractional shares reached 11,499 shares, and the sale of fractional shares was completed for an amount equal to SAR 104,180.94 at SAR 9.06 per share.

Board of Directors and Committees

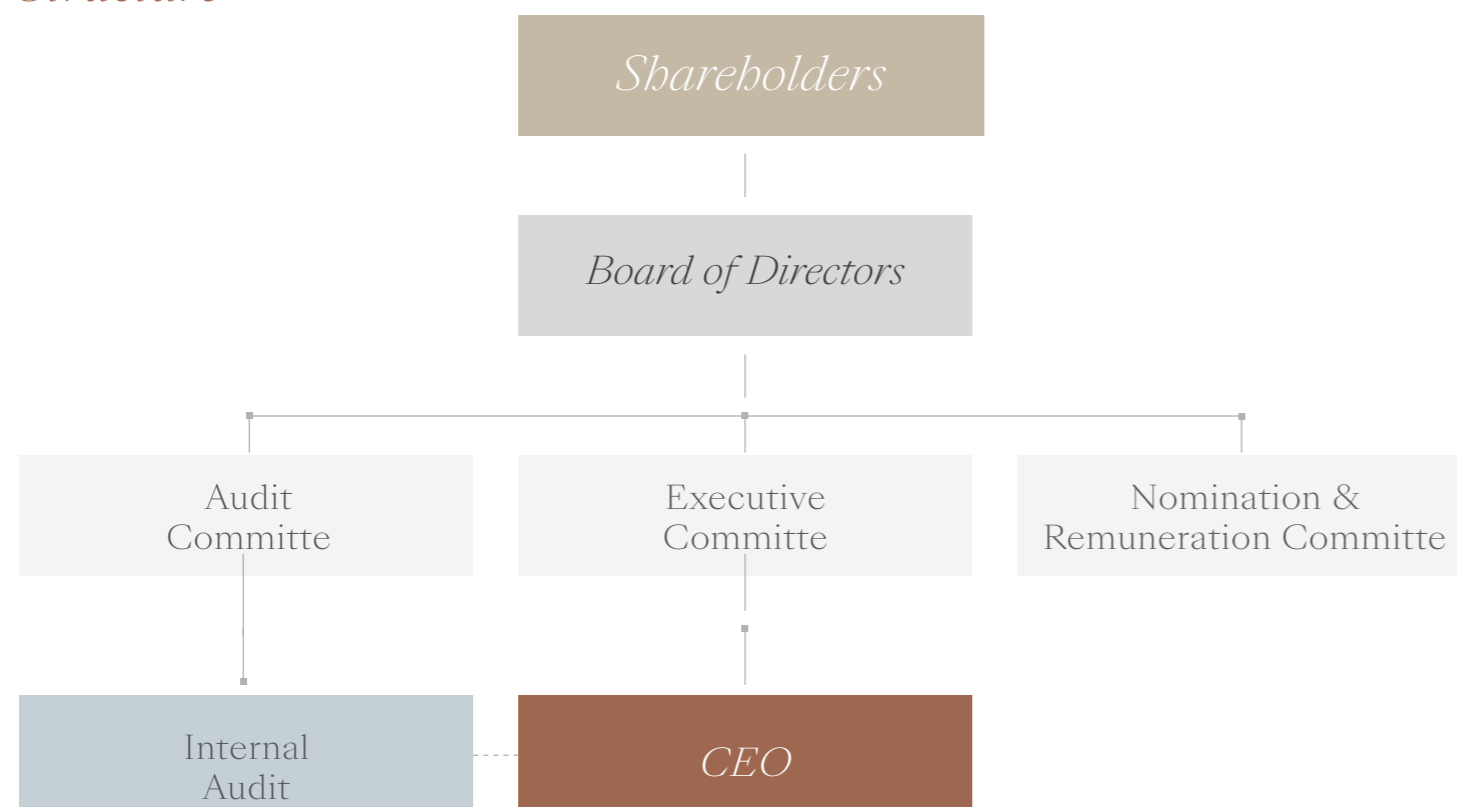
Responsibilities of the Board of Directors

The Board of Directors is responsible for guaranteeing the application of governance laws to guarantee the rights of employees, shareholders, investors and other stakeholders by ensuring integrity, accuracy, adherence to best practices, and the adoption of the most effective control and compliance laws.

Governance Implementation Rate

The governance implementation rate for the year 2023AD is 95%.

Corporate Governance Structure



General Assemblies

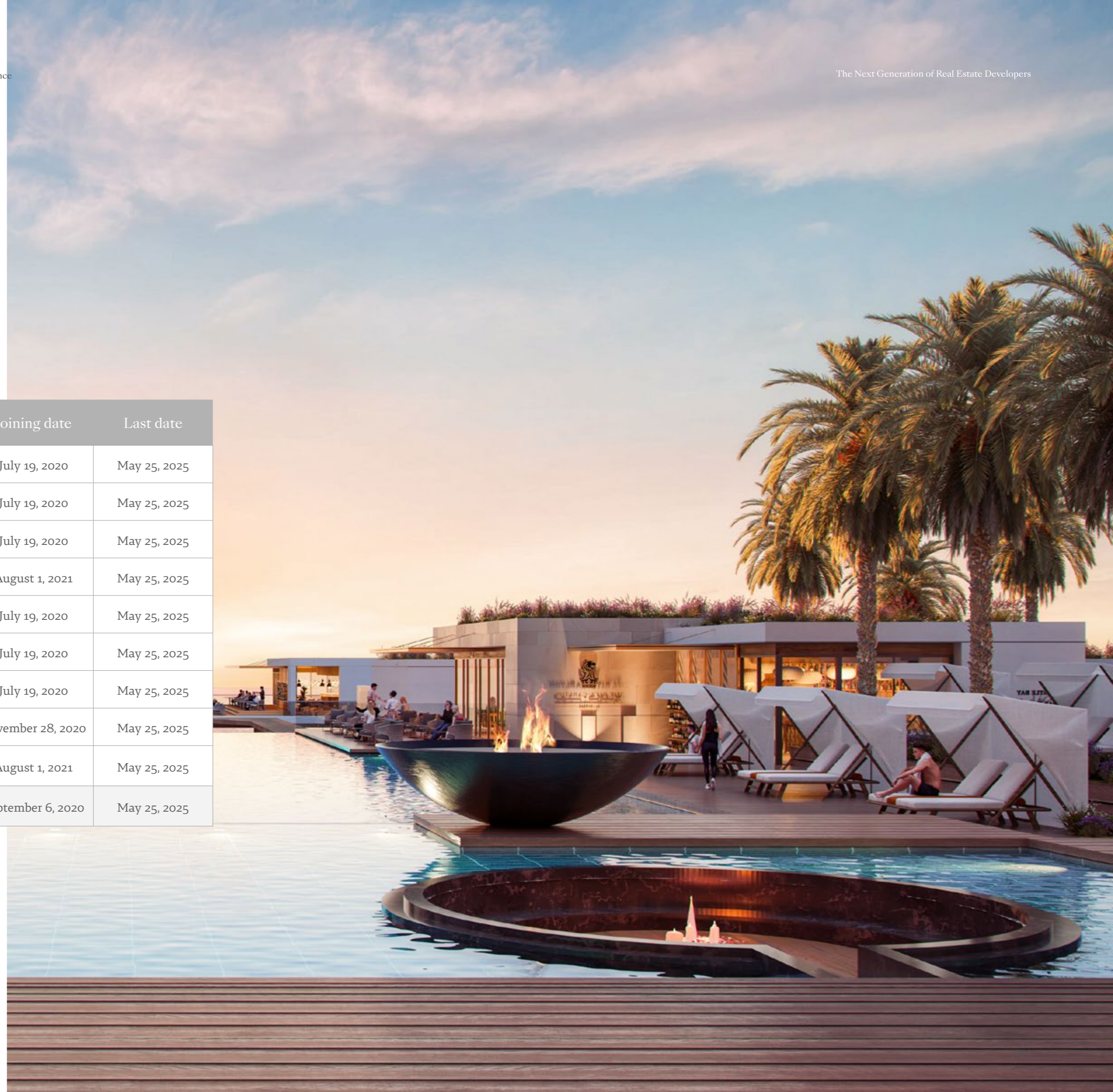
A total of three General Assembly meetings were held during the fiscal year ended on December 31, 2023 with attendance by Board Members as dated and detailed below.

| Board Member | Extraordinary General Assembly | Ordinary General Assembly | Ordinary General Assembly |
|-------------------------------|--------------------------------|---------------------------|---------------------------|
| | May 2, 2023 | June 22, 2023 | July 20, 2023 |
| Abdullah Abdullatif Al Fozan | ✓ | ✓ | ✓ |
| Ali Abdullatif Al Fozan | ✓ | - | ✓ |
| Abdulrahman Ibrahim Al Jalal | ✓ | ✓ | ✓ |
| Abdulrahman Abdullah Al Wabel | ✓ | ✓ | ✓ |
| Abdullah Faisal Al Braikan | ✓ | ✓ | ✓ |
| Fahad Abdulrhman Al Mojel | - | ✓ | ✓ |
| Fozan Mohammed Al Fozan | ✓ | ✓ | ✓ |
| Majed Aedh Al Nefae | ✓ | ✓ | ✓ |
| Hani Othman Ba Othman | - | - | ✓ |

Board of Directors

Composition and Tenure

| # | Name | Position | Joining date | Last date |
|---|--------------------------------|---------------------------------------|-------------------|--------------|
| 1 | Abdullah Abdullatif Al Fozan | Chairman (Non-executive) | July 19, 2020 | May 25, 2025 |
| 2 | Ali Abdullatif Al Fozan | Vice Chairman (Non-executive) | July 19, 2020 | May 25, 2025 |
| 3 | Abdulrahman Ibrahim Al Jalal | Board Member (Non-executive) | July 19, 2020 | May 25, 2025 |
| 4 | Abdulrahman Abdullah Al Wabel | Board Member (Independent) | August 1, 2021 | May 25, 2025 |
| 5 | Abdullah Faisal Al Braikan | Board Member (Executive) | July 19, 2020 | May 25, 2025 |
| 6 | Fahad Abdulrhman Al Mojel | Board Member (Non-executive) | July 19, 2020 | May 25, 2025 |
| 7 | Fozan Mohammed Al Fozan | Board Member (Non-executive) | July 19, 2020 | May 25, 2025 |
| 8 | Majed Aedh Al Nefae | Board Member (Independent) | November 28, 2020 | May 25, 2025 |
| 9 | Hani Othman BaOthman Ba Othman | Board Member (Independent) | August 1, 2021 | May 25, 2025 |
| | Husam Mohammed Al Kaf | Secretary of the Board and Committees | September 6, 2020 | May 25, 2025 |



Responsibilities of the Board of Directors

Responsibilities

- The Board of Directors, as the representative body of all shareholders, is obligated to exercise due care and loyalty in the management of the company, with the overarching goal of preserving its interests, fostering its development, and maximizing its value.
- The responsibility for the functioning of the Company lies with its Board of Directors, even when it delegates certain competencies to committees, bodies, or individuals. It is imperative that the Board of Directors refrain from issuing general or indefinite authorizations in any circumstance.
- Within the scope of its authority, the Board of Directors may grant authorization to one or more of its members, committees, or other entities to carry out specific tasks or duties,
- The Board of Directors is mandated to organize its activities effectively and allocate adequate time to fulfill the tasks and responsibilities entrusted to it. This includes preparation for Board and committee meetings, as well as ensuring proper coordination, documentation, and maintenance of meeting minutes.
- An annual assessment shall be conducted by the Board of Directors to evaluate the degree to which the independence of independent Board members has been upheld and ensure that no relationships or circumstances exist, or may arise, which could compromise the independence of any Board member.

Functions

Within the framework of the authorities prescribed for the General Assembly in the Companies Law and its executive regulations, as well as the Company's Articles of Association, the Board of Directors holds the broadest powers in managing the company and directing its affairs to achieve its objectives. The duties and competencies of the Board of Directors include:

1. Formulating plans, policies, strategies, and primary objectives of the company, overseeing their implementation, and periodically reviewing them, ensuring the availability of necessary human and financial resources for their achievement. This encompasses:
 - Developing, reviewing and directing the comprehensive strategy of the Company, its business plans and its risk management policies and procedures,.
 - Determining the optimal capital structure of the company, its financial strategies, objectives, and approving various types of budgets.
 - Supervising the major capital expenditures of the Company, as well as the acquisition and disposal of assets.
 - Establishing performance goals, monitoring implementation, and overall performance in the company.
 - Periodically reviewing the organizational and functional structures within the Company for approval.
 - Ensuring the availability of necessary human and financial resources to achieve the Company's objectives and major plans..
2. Developing systems and controls for internal oversight and general supervision, including:
 - Developing a written policy for addressing actual and potential conflicts of interest for members of the Board of Directors, executive management, and shareholders. This includes misuse of Company assets and facilities, and

misconduct resulting from dealings with related parties.

- Ensuring the integrity of financial and accounting systems, including systems related to the preparation of financial reports.
 - Ensuring the implementation of appropriate control systems for leadership and risk management by outlining a general perspective on the risks facing the Company, establishing a corporate risk management culture, and transparently communicating it with stakeholders and relevant parties associated with the Company.
 - Conducting an annual review of the effectiveness of internal control procedures in the Company.
 - Preparing clear and specific policies, standards, and procedures for membership in the Board of Directors and putting them into effect after their approval by the General Assembly.
 - Developing written policies that regulate the relationship with stakeholders in accordance with the provisions of these Regulations.
 - Developing policies and procedures that ensure the Company's compliance with laws and regulations and its commitment to disclose material information to shareholders and stakeholders. Additionally, verifying the compliance of the executive management with these policies and procedures.
 - Supervising the Company's financial management, cash flows, and financial and credit relations with others.
3. Propose to the Extraordinary General Assembly what it deems appropriate regarding:
 - Increase or decrease the Company's capital.
 - Dissolution of the Company before the period specified in the Company's articles of association or the determination of its continuation.
 4. Propose to the Ordinary General Assembly what it deems appropriate regarding the following:
 - Using the Company's contractual reserve if formed by the non-ordinary general assembly and not allocating it for a specific purpose.
 - Formation of additional reserves or financial provisions for the Company.
 - The method of distributing the Company's net profits.
 - Prepare the Company's interim and annual financial statements and approve them before publication.
 - Prepare and approve the report of the Board of Directors before its publication.
 - Ensure the accuracy and integrity of the data and information to be disclosed in accordance with the applicable disclosure and transparency policies and systems.
 - Establishing effective communication channels that allow shareholders to be informed on a continuous and periodic basis about the various aspects of the Company's activities and any material developments.
 - Forming specialized committees emanating from it by decisions specifying the duration of the committee, its powers and responsibilities, and how the Council controls it. This includes the nomination of members, determining their tasks, rights, and duties, and evaluating the performance and work of these committees and their members.
 - Determine the types of remuneration granted to the Company's employees, such as fixed bonuses, performance-related bonuses, and bonuses in the form of shares, in a manner that does not conflict with the regulatory controls and procedures issued in implementation of the Companies Law for listed Saudi joint stock companies
 - Setting the values and standards that govern the work in the Company.

Board Members' Profiles



Mr. Abdullah Abdullatif Al Fozan

Chairman of the Board of Directors (Non-executive)
Chairman of Executive Committee

Qualification

Bachelor of Accounting from King Saud University in Riyadh, 1989.

Experience

Brings more than 30 years of experience in economics and business administration.

Previous Executive Positions

- Manager of Ascend Advanced Healthcare Solutions Company (Limited Liability Company).
- Manager of Arabian View Trading Company Limited (Limited Liability Company).

Current Executive Positions

- Manager of Khobar Lakes Real Estate Development Company (Limited Liability Company).
- Manager of Shomoul Commercial Complex Company (Limited Liability Company).
- Manager of Azdan Al Sharq Trading Company Limited (Limited Liability Company).
- Manager of Atheel Holding Company (Limited Liability Company).
- Manager of Atheel Arabia Services Company (Limited Liability Company).
- Manager of Safinat Arabia Contracting Company (Limited Liability Company).
- Manager of Autism Educational Endowment Services Company (Limited Liability Company).
- Manager of Gulf Elixir Contracting Company (Limited Liability Company).
- Manager of Al Fozan Investment Company Limited (Limited Liability Company).
- Manager of Masarat Investment Company (Limited Liability Company).
- Manager of Sumou Arabia Trading Company Limited (Limited Liability Company).

Current Memberships

- Chairman of Retal Urban Development Company (Listed Joint Stock Company).
- Chairman of Executive Committee of Retal Urban Development Company (Listed Joint Stock Company).
- Chairman of Bawan Holding Company (Listed Joint Stock Company).
- Chairman of Al Fozan Holding Company (Closed Joint Stock Company).
- Chairman of Dhahran International Exhibitions Company (Closed Joint Stock Company).
- Vice Chairman of Saudi Tharwa Company (Closed Joint Stock Company).
- Managing Director of Abdullatif and Mohammed Al Fozan Holding Company (Closed Joint Stock Company).
- Managing Director of Maali Holding Company (Closed Joint Stock Company).
- Managing Director of Ajwad Holding Company (Closed Joint Stock Company).
- Managing Director of Al Maali Holding Company (Closed Joint Stock Company).
- Managing Director of Zawaya Holding Company (Closed Joint Stock Company).
- Enterprises (affiliated with the Ministry of Commerce).
- Chairman of Rafah Gulf Company Limited (Limited Liability Company).
- Chairman of Maali Al Khaleej Trading Company (Limited Liability Company).
- Chairman of Ajdan Real Estate Development Company (Limited Liability Company).
- Chairman of Remal Alkhobar Real Estate Company (Limited Liability Company).
- Chairman of Midad Holding Company (Limited Liability Company).
- Vice Chairman of Shomoul Holding Company (Limited Liability Company).
- Board Member of Supply and Projects Company (Limited Liability Company).
- Board Member of Gulf Riyadhah Company Limited (Limited Liability Company).
- Board Member of Madar Building Materials Company Limited (Limited Liability Company).
- Board Member of The National Center for Family
- Board Member of Jeddah Central Development Company (Closed Joint Stock Company).

Previous Memberships

- Chairman of United Electronics Company "Extra" (Listed Joint Stock Company).
- Vice Chairman of Aloula Real Estate Development Company (Closed Joint Stock Company).
- Board Member of Arab Paper Manufacturing Company (Closed Joint Stock Company).
- Chairman of United Household Supplies Company (Limited Liability Company).
- Chairman of Arnon Plastics Industries Company Limited (Limited Liability Company).
- Board Member of Madar Hardware Company (Limited Liability Company).
- Board Member of Enjaz Projects Company Limited (Limited Liability Company).
- Board Member of Madar Electrical Materials Company (Limited Liability Company).
- Board Member of United Transformers Electric Company (Limited Liability Company).
- Board Member of United Transformers Electric Company (Limited Liability Company).
- Board Member of Digital and Electronic Solutions Development Company (Limited Liability Company).
- Board Member of Nesaj Residential Compound Real Estate Company (Limited liability Company).
- Board Member of Amjal Real Estate Development Company (Limited Liability Company).
- Board Member of Amwal Al Khaleej Commercial Investment Company (Limited Liability Company).



Mr. Ali Abdullatif Al Fozan

Vice Chairman of the Board (Non-executive)

Qualification

Diploma in financial studies from the Institute of Public in Dammam, 1986.

Experience

Brings more than 30 years of experience in economics and business administration.

Previous Executive Positions

Manager of Al Fozan Development Company (Limited Liability Company).

Current Memberships

- Vice Chairman of Retal Urban Development Company (Listed Joint Stock Company).
- Board Member of Abdullatif and Mohammed Al Fozan Holding Company (Closed Joint Stock Company).
- Board Member of Al Fozan Holding Company (Closed Joint Stock Company)..
- Board Member of Maali Holding Company (Closed Joint Stock Company).
- Board Member of Ajwad Holding Company (Closed Joint Stock Company).
- Board Member of Abdullatif and Mohammed Al Fozan Holding Company (Closed Joint Stock Company).
- Board Member of Zawaya Holding Company (Closed Joint Stock Company).
- Chairman of Madar Hardware Company (Limited Liability Company).
- Chairman of Madar Hardware Company (Limited Liability Company).
- Chairman of Madar Electrical Materials Company (Limited Liability Company).
- Chairman of Gulf Riyadh Company Limited (Limited Liability Company).
- Board Member of Supply and Projects Company (Limited Liability Company).



Mr. Abdul Rahman Ibrahim Al-Jalal

Board Member (Non-executive)
Member of Nominations and Remunerations Committee NRC
Member of Audit Committee
Member of Executive Committee

Qualification

- Bachelor's degree in accounting from King Saud University in 1996.
- Master's degree in Business Administration from the University of Bahrain College in 2016.

Experience

- Brings more than 20 years of practical experience in the energy, petrochemicals and services sectors in private and semi-governmental companies and civil society institutions.

Current Executive Positions

CEO – Dhahran International Exhibitions Company (Closed Joint Stock Company).

Current Memberships

- Executive Vice President for Financial Affairs and Shared Services of National Gas and Industrialization Company (listed Joint Stock Company).
- Assistant Secretary General for Subscribers and Business Development Sector of Asharqia Chamber (non-profit Authority).
- Assistant Secretary General for Subscriber Services of Asharqia Chamber (non-profit Authority).
- Assistant Secretary General for Administrative Services of Asharqia Chamber (non-profit Authority).

- Head of Finance, Budget and Reports Department of Advanced Petrochemical Company (Listed Joint Stock Company).
- Head of Fixed Assets Department of Advanced Petrochemical Company (Listed Joint Stock Company).
- Senior Accountant of Saudi Electricity Company (Listed Joint Stock Company).
- Accountant of King Fahd University of Petroleum and Minerals (Governmental).

Previous Memberships

- Board Member of Retal Urban Development Company (Listed Joint Stock Company).
- Member of Nominations and Remunerations Committee of Retal Urban Development Company (Listed Joint Stock Company).
- Member of Audit Committee of Retal Urban Development Company (Listed Joint Stock Company).
- Member of Executive Committee of Retal Urban Development Company (Listed Joint Stock Company).
- Board Member of Saudi Reinsurance Company of Saudi Re (Listed Joint Stock Company).
- Board Member of Nesaj Residential Compound Real Estate Company (Limited liability Company).
- Chairman of Tadbeir Company Limited (Limited Liability Company).
- Board Member of Building Construction Company Limited (Limited Liability Company).
- Board member of Naba Alsaha Medical Services Co (Listed joint stock company).



Mr. Hani Othman BaOthman Othman

Board Member (Independent)
Chairman of Nominations and Remunerations Committee NRC

Qualification

- Bachelor's in mechanical engineering from the University of Reading in UK, 1995.
- Master's in business administration from the University of London in UK, 2001.

Experience

Brings more than 20 years of experience in investments.

Previous Executive Positions

- Managing Director and CEO of Sidra Capital (Closed Joint Stock Company).
- Investment Manager of SEDCO Holding Company (Holding Company).
- CEO of Aayan Arabia Holding Company (Holding Company).
- Investments Manager of Islamic Corporation for the Development of the Private Sector (A development financial institution affiliated with the Islamic Development Bank Group).

Current Memberships

- Board Member of Retail Urban Development Company (Listed Joint Stock Company).
- Chairman of Sidra Capital Company (Closed Joint Stock Company).
- Chairman of Nominations and Remunerations Committee of Retail Urban Development Company (Listed Joint Stock Company).
- Chairman of Inox Financials (Closed Joint Stock Company) of Geneva.

Previous Memberships

- Board Member of Emaar Company, King Abdullah Economic City (Closed Joint Stock Company).
- Board Member of Al-Khozama Management Company (Closed Joint Stock Company)



Mr. Abdul Rahman Abdullah Al-Wabel

Board Member (Independent)
Chairman of Audit Committee

Qualification

Bachelor's degree in law from King Saud University in Riyadh, 1989.

Experience

Brings more than 30 years of experience in economics and business administration.

Current Executive Positions

Secretary General of Asharqia Chamber (non-profit authority).

Previous Executive Positions

- Assistant Secretary General for Subscriber Services of Asharqia Chamber (non-profit Authority)..
- Legal advisor of Asharqia Chamber (non-profit Authority)..
- Director of the Legal Department of Asharqia Chamber (non-profit Authority).
- Legal advisor of National Commercial Bank SNB (Listed Joint Stock Company).

Current Memberships

- Board Member of Retail Urban Development Company (Listed joint stock company).
- Board Member of Dhahran International Exhibitions Company (Closed joint stock company).
- Chairman of the Audit Committee for Retail Urban Development Company (Listed Joint Stock Company).



Mr. Fahed Abdulrhman Al-Mojil

Board Member (Non-executive)
Member of Nominations and Remunerations Committee NRC

Qualification

- Bachelor's in industrial management from King Fahd University of Petroleum and Minerals in Dhahran, 1991.
- Certification in Financial Analysis and Risk Management from Saudi Monetary Agency, 1994.
- Certification in Islamic Banking from Bahrain Institute for Banking and Financial Studies, 1997.

Experience

Brings more than 30 years of experience in the fields of real estate development, investments and business management.

Previous Executive Positions

- Operations Manager of National Metal Manufacturing & Casting Company (Listed Joint Stock Company).
- Executive Vice President of Shamil Bank of Bahrain (Listed Joint Stock Company).
- Credit and Risk Management Officer of Arab National Bank (Listed Joint Stock Company).
- General Manager of Gulf Real Estate Development Company (Closed Joint Stock Company).

Previous Memberships

- Board Member of Retail Urban Development Company (Listed Joint Stock Company).
- Member of Nominations and Remunerations Committee of Retail Urban Development Company (Listed Joint Stock Company).
- Vice Chairman of Saudi Real Estate Company (Listed Joint Stock Company).

Current Memberships

- Board Member of Retail Urban Development Company (Listed Joint Stock Company).
- Member of Nominations and Remunerations Committee of Retail Urban Development Company (Listed Joint Stock Company).
- Vice Chairman of Saudi Real Estate Company (Listed Joint Stock Company).
- Board Member of Al Khumasia Company for Feed and Animal Production (Closed Joint Stock Company).
- Board Member of Bloom Investment Company (Closed Joint Stock Company).
- Board Member of RUA Al Madinah Holding (Closed Joint Stock Company).
- Board Member of Saudi Tharwa Company (Closed Joint Stock Company).



Mr. Fozan Muhammad Al Fozan

Board Member (Non-executive)

Qualification

Bachelor's degree in accounting from King Saud University in Riyadh, 1993.

Experience

Brings more than 25 years of experience in economics and business administration.

Current Executive Positions

Managing Director of Bawan Holding Company (Listed Joint Stock Company).

Current Memberships

- Board Member of Retail Urban Development Company (Listed Joint Stock Company).
- Board Member of United Electronics Company "Extra" (Listed Joint Stock Company).
- Chairman of BLOM INVEST Company (Closed Joint Stock Company).
- Chairman of United Financial Services Company (Closed Joint Stock Company).
- Board Member of Al Fozan Holding Company (Closed Joint Stock Company).
- Board Member of Abdullatif and Mohammed Al Fozan Holding Company (Closed Joint Stock Company).
- Board Member of Al Yamamah Steel Industries Company Limited (Closed Joint Stock Company).
- Chairman of Al Mada Holding Company (Limited Liability Company).

- Chairman of Amjal Real Estate Development Company (Limited Liability Company).
- Board Member of Madar Building Materials Company Limited (Limited Liability Company).
- Chairman of Dorra Central for Real Estate Development (Limited Liability Company).



Mr. Majed Aedh Al-Nefie

Board Member (Independent)

Qualification

Bachelor of Accounting from Umm AloffQura University in Makkah, 1998.

Experience

Brings more than 20 years of experience in travel and tourism

Previous Executive Positions

- CEO of Seera Holding Company (Listed Joint Stock Company).
- CEO of Seera Holidays Company (Limited Liability Company).
- CEO of Seera Hospitality Company (Limited Liability Company).
- CEO of Seera Hotel Company) (Limited Liability Company).
- CEO of Mothmera Real Estate Development and Investment Company (Limited Liability Company).
- CEO of Discover Saudi Company (Limited Liability Company).
- CEO of Riyadh Front Company (Limited Liability Company).
- CEO of Mawasem Company for Umrah Services). Limited Liability Company).
- CEO of Sheraton Makkah Company (Limited Liability Company).

Current Memberships

- Board Member of Retail Urban Development Company (Listed Joint Stock Company).
- Board Member of Seera Holding Group (Listed Joint Stock Company).

Previous Memberships

- Chairman of Mawasem Investment Company (Limited Liability Company).
- Chairman of Lumi Rental Company (Listed Joint Stock Company).
- Chairman of Almosafer Travel and Tourism Company (Closed Joint Stock Company).



Mr. Abdullah Faisal Al-Braikan

Board Member (Executive)

Member of Executive Committee

Qualification

Bachelor's degree in architectural engineering from King Faisal University in Dammam, 2006.

Experience

Brings more than 15 years of experience in real estate development and business management.

Current Executive Positions

- CEO – Retail Urban Development Company (Listed Joint Stock Company).

Previous Executive Positions

Projects Manager - Abdullatif and Mohammed Al Fozan Company (Closed Joint Stock Company).

Previous Memberships

- Executive Council for Young Businessmen in the Eastern Region (government organization).
- Housing and Urban Development Committee of Asharqia Chamber (non-profit Authority).

Current Memberships

- Board Member of Retail Urban Development Company (Listed Joint Stock Company).
- Board Member – Jeddah Central Development Company (Closed Joint Stock Company).
- Chairman of the Investment & Finance Committee – Jeddah Central Development Company (Closed Joint Stock Company).
- Executive Committee – Jeddah Central Development Company (Closed Joint Stock Company).
- Board Member of Saudi Tharwa Company (Closed Joint Stock Company).
- Board Member of Tadbeir Company Limited (Limited Liability Company).
- Chairman of Tadbeir Real Estate Company (Limited Liability Company).
- Chairman of Nesaj Urban Development Company (Limited Liability Company).
- Chairman of Building Construction Company Limited (Limited Liability Company). Chairman of Nesaj Residential Compound Real Estate Company (Limited Liability Company).
- Chairman of United Wasm Real Estate Valuation Company (Limited Liability Company).
- Chairman of Mimar Emirates and ARAC Engineering Consultants Company (Limited Liability Company).
- Chairman of ARAC Engineering Consultancy Company (Limited Liability Company).
- Board Member of Remal AlKhubar Real Estate Company (Limited Liability Company).
- Board Member of The Saudi Charitable Association for Promoting Organ Donations "Ethar" (Charitable organization).
- Al Fozan Community Service Initiatives (Charitable organization).
- Development Housing Committee (Emirate of Eastern Province).



Husam Mohammed Al Kaf

Secretary of the Board and Committees

Qualification

- Bachelor of Marketing and Production Management from the University of Science and Technology in Yemen, 2010.
- Certificate of Compliance Professional (CCP) from the International Compliance and Anti Money Laundering Institute (UK), in 2018.
- Accredited Certificate in Corporate Governance from Business Intelligence Training Center, 2023.

Experience

Brings more than 14 years of experience in secretariat of boards and committees.

Current Executive Positions

- Board Secretary of Retal Urban Development Company (Listed Joint Stock Company).
- Executive Committee Secretary of Retal Urban Development Company (Listed Joint Stock Company).
- Nominations and Remunerations Committee Secretary of Retal Urban Development Company (Listed Joint Stock Company).
- Board Secretary of Building Construction Company Limited (Limited Liability Company).
- Board Secretary of Nesaj Urban Development Company (Limited Liability Company).
- Board Secretary of Tadbeir Company Limited (Limited Liability Company).

- Board Secretary of Tadbeir Real Estate Company (Limited Liability Company).
- Board Secretary of Mimar Emirates and ARAC Engineering Consultants Company (Limited Liability Company).

Previous Executive Positions

- Board & Committees Secretary of Baitek Real Estate Company (Limited Liability Company).
- Executive Secretary of Professional Eye Establishment.

Board Meetings

Four Board meetings were convened during the fiscal year ended on December 31, 2023 with attendance by Board Members recorded and detailed as follows.

| Participant | 1 st Meeting 19 March | 2 nd Meeting 18 June | 3 rd Meeting 17 September | 4 th Meeting 19 December |
|--------------------------------|-------------------------------------|------------------------------------|---|--|
| Abdullah Abdul Latif Al Fozan | ✓ | ✓ | ✓ | ✓ |
| Ali Abdul Latif Al Fozan | ✓ | ✓ | ✓ | ✓ |
| Majid Ayed Al-Nafi'i | ✓ | ✓ | ✓ | ✓ |
| Hani Othman BaOthman Othman | ✓ | ✓ | ✓ | ✓ |
| Abdul Rahman Abdullah Al-Wabel | ✓ | ✓ | ✓ | ✓ |
| Fozan Muhammad Al Fozan | ✓ | ✓ | ✓ | ✓ |
| Fahed Abdul Rahman Al Mojil | ✓ | ✓ | ✓ | ✓ |
| Abdullah Faisal Al-Braikan | ✓ | ✓ | ✓ | ✓ |
| Abdul Rahman Ibrahim Al Jalal | ✓ | ✓ | ✓ | ✓ |

Evaluating the Board's Performance

Evaluating the Board's performance is conducted based on recommendations from the Nominations and Remuneration Committee. The process involves selecting the Board of Directors' standards, procedures, and establishing the necessary mechanisms for evaluating its performance, as well as the performance of the council committees.

This comprehensive evaluation aims to measure competence, as it encompasses the tasks and responsibilities of the members of the Board of Directors and Board Committees, It aims to identify strengths and weaknesses and make suggestions for actions to be taken in line with the Company's interests. The results are analyzed and evaluated by the Governance Department under the supervision of the Nominations and Remuneration Committee before being submitted to the Board of Directors.

Board Committee

Composition and tenure

| Committee | Name | Position | Joining date | Last date |
|---|--------------------------------|--|-------------------|--------------|
| Audit Committee | Abdul Rahman Abdullah Al-Wabel | Chairman (Independent) | August 1, 2021 | May 25, 2025 |
| | Jassim Shaheen Al-Rumaihi | Member (Non-executive) | May 31, 2021 | May 25, 2025 |
| | Abdul Rahman Ibrahim Jalal | Member (Independent) | May 31, 2021 | May 25, 2025 |
| | Muhammad Irfan Khokhar | Member (Non-executive) | July 19, 2020 | May 25, 2025 |
| Nominations and Remunerations Committee | Hany Othman Saeed Othman | Chairman (Independent) | August 29, 2021 | May 25, 2025 |
| | Fahed Abdul Rahman Al Mojil | Member (Non-executive) | December 3, 2020 | May 25, 2025 |
| | Abdul Rahman Ibrahim Jalal | Member (Non-executive) | December 3, 2020 | May 25, 2025 |
| | Muhammad Abdulaziz Al- Aqeel | Member (Non-executive, from outside the Board) | December 3, 2020 | May 25, 2025 |
| Executive Committee | Abdullah Abdul Latif Al Fozan | Chairman (Non-executive) | December 3, 2020 | May 25, 2025 |
| | Abdul Rahman Ibrahim Jalal | Member (Executive) | December 3, 2020 | May 25, 2025 |
| | Abdullah Faisal Al-Braikan | Member (Non-executive) | December 3, 2020 | May 25, 2025 |
| | Muhammad Abdulaziz Al- Aqeel | Member (Non-executive, from outside the Board) | August 15, 2021 | May 25, 2025 |
| | Abdul Latif Ali Al Fozan | Member (Non-executive, from outside the Board) | February 20, 2022 | May 25, 2025 |

Board Committee Members' Profiles (Members from outside the Board)



Dr. Jassim Shaheen Hamad Al-Rumaihi

Vice Chairman of Audit Committee

Qualification

- Bachelor's degree in accounting from King Saud University (Saudi Arabia), 1984.
- Master's degree in accounting from the University of Missouri Kansas City (US), 1989.
- PHD in accounting from the University of Dundee (UK), 1997.
- Certified Project Management Trainer - International Association of Project Managers (UK) in 2017.
- Certified Strategic Planning Trainer - Center for Simplified Strategic Planning (US) in 2017 .
- Certificate of Fundamentals of Risk Management – Institute of Risk Management in (London) in 2018 .
- Certificate in Enterprise Risk Management Fundamentals Overview - North Carolina State University, USA in 2018.
- Certified Corporate Governance (CCGO) - London School of Business and Finance (UK) in 2018 .
- Certificate in Board of Directors Program - International Finance Corporation (World Bank Group) in 2018.

Experience

- Brings more than 30 years of academic and scientific experience in accounting, leadership, corporate governance, organization building, and business excellence.

Current Executive Positions

Financial Administrative Consultant (Self-Employed).

Previous Executive Positions

- Regional Director of Arab Open University Branch (Private University).
- Chief Executive Officer of Razan Knowledge Company (Holding Company).
- Head of Organizational Development & Administration – Razan Knowledge Company (Holding Company).
- Chief Executive Officer of Saudi Consolidated Contracting Company (Closed Shareholding).
- Head of Financial & Administrative Affairs of Faisal Al Qahtani & Sons Trading & Contracting Co. (LLC).
- Head of Accounting and Management Information Systems Department of King Fahd University of Petroleum and Minerals (Public University).

Current Memberships

- Vice Chairman of the Audit Committee of Retal Urban Development Company (Closed Joint Stock Company).
- Chairman of the Audit Committee of Knowledge Economic City (Listed Joint Stock Company).
- Board Member of Musharaka REIT Fund (Closed Joint Stock Company).
- Board Member of Musharaka IPO Fund (Closed Joint Stock Company).
- Member of the Audit Committee of Eastern Cement Company (Listed Joint Stock Company).
- Member of the Audit Committee of Alujain Holding Company (Listed Joint Stock Company).
- Member of the Audit Committee of United Electronics Company "eXtra" (Listed Joint Stock Company).
- Member of the Audit Committee of Al Rajhi Brothers Company (closed shareholding).
- Member of the Audit Committee of AlofAhsa Health Cluster (closed contribution). Member of the Audit Committee of Panda Company (closed shareholding).
- Member of the Audit Committee of Group Five Saudi Pipes Company (Closed Joint Stock Company).
- Member of the Board of Directors and Chairman of the Audit Committee of Bin Yamani Investment Group Company (Closed Joint Stock Company).
- Chairman of the Audit Committee of Raya Finance Company (Closed Joint Stock Company).



Mr. Muhammad Irfan Khokhar Abdul Alghafoor
Member of Audit Committee

Qualification

- Certified Financial Advisor at the Institute of Financial Advisors in 2005.
- Certified Internal Auditor at the Institute of Internal Auditors in America in 2006.
- Fellow of Chartered and Certified Accountant from the Association of Chartered Certified Accountants in the UK in 2010.
- Master's in Business Administration from Oxford Brookes University in the United Kingdom in 2020.

Experience

- Brings more than 20 years of practical experience in auditing, accounting, and managing subsidiaries.

Current Executive Positions

Chief Financial Officer of Al Fozan Holding Group (Closed Joint Stock Company).

Previous Executive Positions

Audit Officer at Deloitte & Touche (LLC).

Current Memberships

- Member of the Audit Committee of Retal Urban Development Company (Listed Joint Stock Company).
- Member of the Audit Committee of First Real Estate Development Company (Closed Joint Stock Company)
- Member of the Audit Committee of Khobar Lakes Real Estate Development Company (Limited Liability Company)
- Member of the Audit Committee of Ajdan Real Estate Development Company (Limited Liability Company)
- Member of the Audit Committee of Tarabot Investment and Development Company (Closed Joint Stock Company)



Mr. Mohammad Abdulaziz Al-Aqeel
NRC and Executive Committee Member

Qualification

Bachelor's degree in industrial engineering from King Fahad University of Petroleum and Minerals in Dhahran, 1992.

Experience

Brings more than 20 years of practical experience in auditing, accounting, and managing subsidiaries.

Previous Executive Positions

- Chief Operations Officer of Al Fozan Holding Company (Closed Joint Stock Company)..
- Head of Finance, Budget and Reports Department of Advanced Petrochemical Company (Listed Joint Stock Company).

Current Memberships

- Member of Nomination and remuneration committee for Retal Urban Development Company (Listed Joint Stock Company).
- Member of Executive Committee of Retal Urban Development Company (Listed Joint Stock Company).
- Chairman of Aloula Real Estate Development Company (Closed Joint Stock Company).
- Board Member of Ertiqa Association (Charitable organization).
- Board Member of Midad Holding Company (Limited Liability Company).

Previous Memberships

- Board Member of AloFarabi Petrochemical Company (Closed Joint Stock Company)..
- Member of Audit Committee of AloFarabi Petrochemical Company (Closed Joint Stock Company).
- Board Member of Al Badia Cement Company (Listed Joint Stock Company), Syrian Arab Republic.
- Chairman of Audit Committee of Al Badia Cement Company (Listed Joint Stock Company), Syrian Arab Republic.
- Board Member of Amwal International Investments Company (Listed Joint Stock Company).
- Board Member of Arnon Plastic Industries Company (Limited Liability Company).
- Board Member of United Cable Factory Company (Listed Joint Stock Company).
- Board Member of Bawan Wooden Industries Company (Limited Liability Company).
- Board Member of Gulf Union Insurance Company (Listed Joint Stock Company).



Mr. Abdullatif Ali Abdullatif Al Fozan

Executive Committee Member

Qualification

Bachelor of Arts, Double Major Economics, Employment Relations from University of Toronto in Canada, 2012.

Experience

Brings more than 10 years of experience in investments management and corporate finance.

Current Memberships

- Chief Operating Officer of Al Fozan Holding Company (Closed Joint Stock Company).
- Managing Director of Ascend Advanced Healthcare Solutions Company (Limited Liability Company).

Previous Executive Positions

- Corporate Investment Director of Al Fozan Holding Company (Closed Joint Stock Company).
- Business Development Manager of Al Fozan Holding Company (Closed Joint Stock Company).
- Consultant of Manager & Acquisition, Transaction Advisory Services of Ernst & Young (Dubai).
- Corporate Relationship Manager of Banque Saudi Fransi (Listed Joint Stock Company).
- Credit Analyst of Banque Saudi Fransi (Listed Joint Stock Company).

Current Memberships

- Member of the Executive Committee of Retail Urban Development Company (Listed Joint Stock Company).
- Board Member of Al Fozan Holding Company (Closed Joint Stock Company).
- Member of the Investment Committee of Al Fozan Holding Company (Closed Joint Stock Company).
- Board Member of United Company for Financing Services "Tas'heel" (Closed Joint Stock Company).

- Member of the Executive Committee of United Company for Financing Services "Tas'heel" (Closed Joint Stock Company).
- Board Member of Ascend Advanced Healthcare Solutions Company (Limited Liability Company).
- Board Member of Alpha Capital (Closed Joint Stock Company).
- Chairman of the Executive & Investment Committees of Alpha Capital (Closed Joint Stock Company).
- Board Member of wThe National Company for Glass Industries (Listed Joint Stock Company).
- Chairman of the Remuneration, Nomination & Compensation Committee of The National Company for Glass Industries (Listed Joint Stock Company).
- Board Member of United Homeware Company "Nice" (Limited Liability Company).
- Chairman of Audit Committee of United Homeware Company "Nice" (Limited Liability Company).
- Board Member of Ajdan Real Estate Development Company (Limited Liability Company).
- Member of Executive Committee of Ajdan Real Estate Development Company (Limited Liability Company).
- Board Member of Nesaj Residential Compound Real Estate Company (Limited liability Company).
- Board Member of Averroes Capital (Closed Joint Stock Company). of London
- Board Member of Saudi Reinsurance Company of Saudi Re (Listed Joint Stock Company).
- Member of the Executive Committee of Saudi Reinsurance Company of Saudi Re (Listed Joint Stock Company).

Audit Committee

The Audit Committee is primarily responsible for overseeing the Company's operations, particularly in terms of financial aspects, auditing, and verifying the integrity and fairness of financial reports, statements, and internal control systems. The Committee also submits periodic reports and recommendations to the Board of Directors. It performs its duties based on its charter in accordance with the relevant regulations of the updated Corporate Governance regulations issued by the Capital Market Authority. The updated charter of the Audit Committee was approved by the General Assembly on July 20, 2023, and the period of membership in the Committee is the same as the period of membership in the Board of Directors.

Remit and Responsibilities

The Committee exercised all the duties entrusted to it and submitted periodic reports to the Board. The duties of the Committee according to the relevant regulations and bylaws are as follows:

- » Overseeing the Company's operations and verifying the policies and procedures that ensure the integrity and fairness of financial reports, statements, and internal control systems.
- » Presenting and evaluating the performance indicators of Financial Management.
- » Ensuring that all departments operate in accordance with the policies approved by the Board.
- » Reviewing the policies and procedures developed by the Management.
- » Reviewing what is submitted to it by the CEO in its field of competence and submitting recommendations to the Board.
- » Studying the topics referred to the Committee by the General Assembly or the Board or those delegated to the Committee.
- » Any other duties delegated to it by the board.
- » The Committee submits its periodic reports and recommendations, orally or in writing, to the Board.

The Committee has carried out the following responsibilities in each area of work that falls under its scope:

Financial Reports

- » Studying and discussing the Company's preliminary and annual financial statements before submitting them to the Board of Directors and expressing its opinion and recommendations on them to verify their fairness, justice, and transparency.
- » Expressing a technical opinion, if requested, on whether the Board of Directors' report and the Company's financial statements are fair, balanced, clear, and provide the information that allows Shareholders and Investors to assess the Company's financial position, performance, business model, and strategy.
- » Studying any important or unusual issues included in the financial statements.

- » Investigating in detail any issues raised by the Company's CFO, the person in charge of his duties, the Company's Compliance Officer, or the Auditors.
- » Verifying the accounting estimates used in the Company and expressing an opinion and recommendation to the Board of Directors in this regard.
- » Studying the accounting policies followed by the Company and expressing an opinion and recommendation to the Board of Directors in this regard.

Internal Audit

Studying and reviewing the internal control, financial, and risk management systems in the Company.

- » Studying Internal Audit reports and monitoring the implementation of corrective actions for the observations included therein.
- » Supervising and overseeing the performance and activities of the Internal Audit Department in the Company to ensure the availability of the necessary resources and its effectiveness in performing the tasks and duties entrusted to it.
- » Ensuring the independence of Internal Audit Activity and enabling it to perform its work effectively.

External Auditor

- » Recommending to the Board the nomination, dismissal, and determination of fees of External Auditors, and evaluating their performance after verifying their independency, reviewing the scope of their work, and the terms of their engagement.
- » Verifying the independency, objectivity, and fairness of the External Auditors, and the effectiveness of the audit work, considering the relevant rules and standards.
- » Reviewing the Company's audit plan and work, verifying that it does not provide technical or administrative work that falls outside the scope of the audit work, and expressing its views on this matter.

- » Responding to the inquiries of the Company's Auditors.
- » Studying the External Auditors' report and its observations on the financial statements and following up on what has been taken regarding them.

Compliance Assurance

- » Reviewing the results of the reports of the regulatory authorities and verifying that the Company has taken the necessary measures in this regard.
- » Ensuring the Company's compliance with the relevant regulations, bylaws, policies, and instructions.
- » Reviewing the contracts and transactions that the Company proposes to enter into with related parties and submitting its views on this matter to the Board.
- » Raising any issues that it deems necessary to take action on to the Board and making recommendations on the actions to be taken.

The Committee also ensured that there is a mechanism in place that allows employees of the Company to submit their observations on any irregularities in financial reports or else confidentially, and to verify the application of this mechanism by conducting an independent investigation that corresponds to the size of the error or irregularity and adopting appropriate follow-up procedures.

Meetings

According to the Company's Governance Manual and the Audit Committee Charter approved by the General Assembly of Shareholders, the Audit Committee holds its meetings at the invitation of its Chairman. The Committee held five meetings during 2023, as shown and detailed below.

| Name | Audit committee membership status | Number of meetings in 2023: 5 | | | | |
|--|-----------------------------------|-------------------------------|--------|--------|-------|-------|
| | | 28 Feb | 17 May | 31 Jul | 1 Oct | 1 Nov |
| Mr. Abdul Rahman Abdullah Saleh Al-Wabel | Chairman of the Committee | ✓ | ✓ | ✓ | ✓ | ✓ |
| Dr. Jassim Shaheen Hamad Al-Rumaihi | Vice Chairman of the Committee | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mr. Abdulrahman Ibrahim Abdulrahman Al-Jalal | Member | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mr. Mohammad Irfan Khokhar Abd Alghafoor | Member | ✓ | ✓ | ✓ | ✓ | ✓ |

Annual Review of Internal Controls

The Board of Directors of Retail Urban Development Company is keen on continuously applying the best governance practices in accordance with the relevant regulations and bylaws issued, to ensure the preservation of the interests of Shareholders, Customers, Suppliers, Employees, and all parties dealing with the Company. This is done through the application of policies, procedures, mechanisms, and systems that support the application of those practices, the financial and accounting report with integrity, justice, and transparency, and the internal control environment in all its operations in its various departments and following up and verifying its efficiency and effectiveness with the need to improve it regularly as required according to the development of the Company's business and its size and change of emerging risks related to the Company's activity, to support the achievement of the Company's goals and strategy and maximize its revenues, which is reflected positively on the Company's profits and the profitability of its shares.

Among the most important efforts of the Board in this regard, for example, and not limited to, during the year 2023, recommending to the General Assembly the approval of the updated Charter of the Audit Committee, and approving the policies of the Compliance and Risk Management Departments.

The Board of Directors also oversees the Internal Audit Department through the Audit Committee, which submitted quarterly reports to the Board of Directors, including an assessment of the internal control system for the business processes that were reviewed according to the annual risk-based plan approved by the Board, and the recommendations of the Internal Audit Department, and the procedures that were agreed upon or taken by each department to deal with the audit observations, and clarifying the updates on the status of the implementation of those corrective actions and the extent of the departments' response in this regard.

An annual written report is also submitted to the Audit Committee and then endorsed to the Board of Directors, which clarifies the Internal Audit Activities that it carried out during the fiscal year compared to the approved plan and clarifies the reasons for any deviation from that plan, if any.

Based on what the Audit Committee has done and the duties and responsibilities mentioned above that the Committee has carried out during the year 2023, and its review of the reports of the Internal Audit Department, the Executive Management, and discussing the External Auditors on a quarterly and annual basis, it did not find any material def-

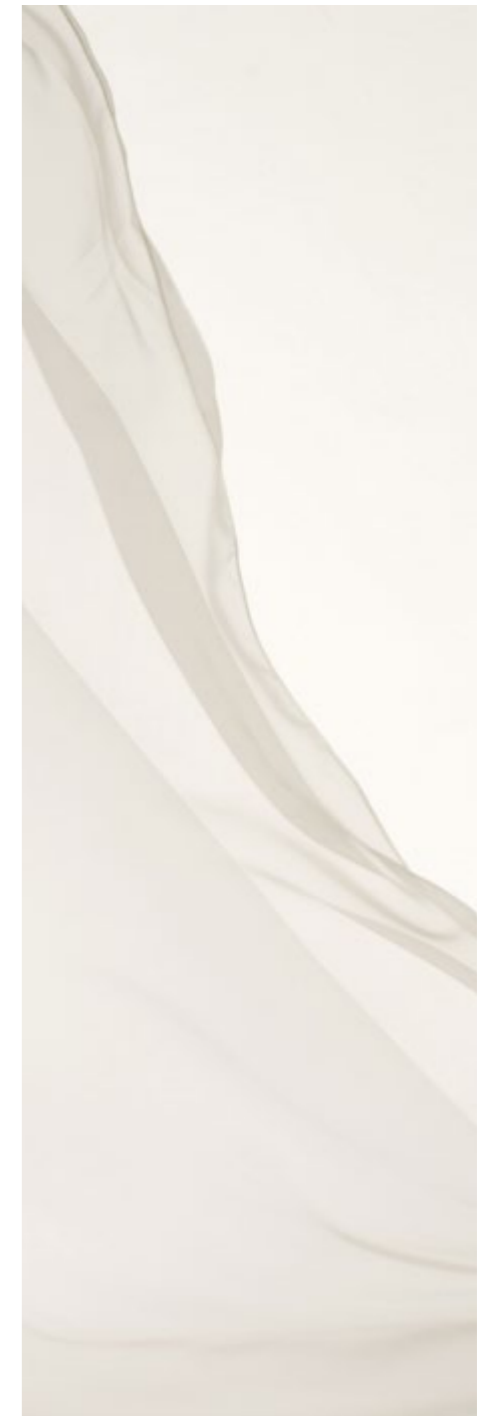
-iciencies or weaknesses in the internal control environment, or any observations that corrective actions were not taken and their implementation was not followed up in a timely manner. This enables the Committee to express its opinion that there is reasonable assurance about the adequacy and effectiveness of the Company's internal financial systems for the fiscal year ended December 31, 2023. It is important to note that there is no control system that can provide absolute assurance about the adequacy and effectiveness of internal control procedures. The Management is also emphasized on the need to continuously ensure the suitability of the Company's business processes policies and procedures and update them according to any developments in its strategy, business plan, operations, and emerging and changing risks according to the internal or external factors related to the Company's sector and activity.

Internal audit recommendations

There are no recommendations made by the Audit committee related to the internal audit.

Contradiction of recommendations

There was no conflict between the recommendations of the Audit Committee and the decisions of the Board of Directors.



Nominations & Remunerations Committee

The Board of Directors formed the Nominations and Remunerations Committee for Retail Urban Development Company on August 29, 2021, with a tenure identical to that of the Board of Directors. Subsequently, its regulations were approved by the General Assembly.

Remit and Responsibilities

Nominations

- Suggesting clear policies and criteria for membership to the Board of Directors and to Board Committees
- Recommending the nomination and re-nomination of members to the Board, in accordance with approved policies and standards
- Preparing a description of the capabilities and qualifications required for membership to the Board and Board Committees, and for filling Executive Management positions
- Annually reviewing the skills and experience of Board Members and the functions of Executive Management
- Annually verifying the independence of independent members
- Periodically reviewing the structure of the Board and Executive Management and making recommendations regarding changes, in line with the interests of the Company
- Identifying the strengths and weaknesses of the Board of Directors and proposing solutions to address them, in line with the interests of the Company

Governance

- Managing general supervision of the Company's governance system, monitoring its effectiveness, and amending it when needed
- Verifying that all internal policies and procedures that are consistent with both statutory requirements and best practices
- Developing and periodically reviewing rules of professional conduct to represent the Company's corporate values, and other virtues
- Keeping members informed and updated about international standards, best practices and developments

Meetings

In accordance with governance regulations and as approved by the General Assembly, the Nominations and Remunerations Committee holds its meetings at the invitation of its Chairman. The Committee convened one meeting during the year, as dated and detailed below.

| Name | Membership status of the Nominations and Remuneration Committee | 23 Feb | 25 Oct |
|-------------------------------|---|--------|--------|
| Hani Othman BaOthman Othman | Chairman | ✓ | ✓ |
| Fahed Abdul Rahman Al Mojil | Vice Chairman | ✓ | ✓ |
| Abdul Rahman Ibrahim Al Jalal | Member | ✓ | ✓ |
| Muhammad Abdulaziz Al-Aqeel | Member | ✓ | ✓ |

Executive Committee

The Board of Directors formed the Executive Committee of Retail Urban Development Company on August 14, 2021 for a similar to the membership term of the Board of Directors. Subsequently, the regulations governing the Executive Committee were approved by the General Assembly.

Remit and Responsibilities

Strategy

- Actively participating in the development of the Company's strategic plans, and supervising proposals submitted by departments related to the Company's vision and mission, strategy, goals, and initiatives
- Reviewing the implementation of the Company's general strategy and assessing its effectiveness in achieving pre-defined objectives
- Overseeing the progress of strategic initiatives, addressing obstacles and resolving associated challenges
- Examining significant topics and strategic projects with substantial financial implications, and meeting with Executive Management to review them
- Establishing performance standards for Executive Management in line with the Company's investment goals

Governance

- Periodically reviewing and evaluating the performance indicators of Executive Management
- Ensuring that members of Executive Management operate in accordance with policies approved by the Board
- Reviewing and assessing various policies and procedures set out by Executive Management
- Evaluating current achievements in comparison to defined goals
- Recommending changes to the organizational structure of the Company and Executive Management

Meetings

In accordance with governance regulations and as approved by the General Assembly, the Executive Committee holds its meetings at the invitation of its Chairman. Throughout the year, the Committee held three meeting during the year, as dated and detailed below.

| Name | Membership status of the Executive Committee | 15 Mar | 24 May |
|--|--|--------|--------|
| Abdullah Abdul Latif Al Fozan | Chairman | ✓ | ✓ |
| Abdullah Faisal Al- Braikan | Member | ✓ | ✓ |
| Abdul Rahman Ibrahim Abdul Rahman Al Jalal | Vice Chairman | ✓ | ✓ |
| Muhammad Abdulaziz Al-Aqeel | Member | ✓ | ✓ |
| Abdul Latif Ali Al Fozan | Member | ✓ | ✓ |

Remunerations

Remuneration Policy

The remuneration of Board Members and Board Committee Members comprises two components:

- Fixed annual remuneration for all Board Members and Board Committee Members, excluding members of Executive Management
- Allowance for attending each session of Board or Board Committee meetings (excluding members of Executive Management), along with travel and accommodation allowance if the member's permanent residence is outside the city where the meeting is held

Board of Directors' Remunerations

| | Fixed remunerations | | | | | | | Variable remunerations | | | | | | End-of-service award | Total remuneration for executives in the board if any | Grand Total |
|--|--------------------------|--|---|------------------|---|--|-------|---------------------------|------------------------|----------------------------|---------------------------|-----------------------------------|-------|----------------------|---|-------------|
| | Specific amount (Yearly) | Allowance for attending Board meetings | Total Allowance for attending committee | In-kind benefits | Remunerations for technical, managerial and consultative work | Remunerations of the chairman, Managing Director or Secretary, if a member | Total | Percentage of the profits | Periodic remunerations | Short-term incentive plans | Long-term incentive plans | Granted shares (insert the value) | Total | | | |
| <i>(1) Independent Directors</i> | | | | | | | | | | | | | | | | |
| 1 Majid Ayed Al- Nafi'i | 200 | 12 | - | - | - | - | 212 | - | - | - | - | - | - | - | 212 | - |
| 2 Hani Othman BaOthman Said Othman | 260 | 12 | 6 | - | - | - | 278 | - | - | - | - | - | - | - | 278 | - |
| 3 Abdul Rahman Abdullah Saleh Al-Wabel | 260 | 12 | 15 | - | - | - | 287 | - | - | - | - | - | - | - | 287 | - |
| <i>Total</i> | 720 | 48 | 21 | - | - | - | 777 | - | - | - | - | - | - | - | 777 | - |
| <i>(2) Non-Executive Directors</i> | | | | | | | | | | | | | | | | |
| 1 Abdullah Abdul Latif Ahmed Al Fozan | 260 | 12 | 6 | - | - | - | 278 | - | - | - | - | - | - | - | 278 | - |
| 2 Ali Abdul Latif Ahmed Al Fozan | 200 | 12 | - | - | - | - | 212 | - | - | - | - | - | - | - | 212 | - |
| 3 Fozan Muhammad Ahmad Al Fozan | 200 | 12 | - | - | - | - | 212 | - | - | - | - | - | - | - | 212 | - |
| 4 Fahed Abdul Rahman Muhammad Al Mojil | 260 | 12 | 6 | - | - | - | 278 | - | - | - | - | - | - | - | 278 | - |
| 5 Abdul Rahman Ibrahim Abdul Rahman Al Jalal | 380 | 12 | 27 | - | - | - | 419 | - | - | - | - | - | - | - | 419 | - |
| <i>Total</i> | 1,300 | 60 | 39 | - | - | - | 1,399 | - | - | - | - | - | - | - | 1,399 | - |
| <i>(3) Executive Directors</i> | | | | | | | | | | | | | | | | |
| 1 Abdullah Faisal Abdulaziz Al- Braikan | - | - | - | - | 1,296 | - | 1,296 | - | - | - | - | - | - | - | 1,296 | - |
| <i>Total</i> | - | - | - | - | 1,296 | - | 1,296 | - | - | - | - | - | - | - | 1,296 | - |

Executive Management' remunerations

| | Fixed remunerations | | | | Variable remunerations | | | | | | End-of-service award | Total remunerations for Board executive, if any | Grand Total | | | |
|-----------------------------|---------------------|------------|------------------|-------|------------------------|---------|----------------------------|---------------------------|-----------------------------------|-------|----------------------|---|-------------|-------|--|--|
| | Salaries | Allowances | In-kind benefits | Total | Periodic remunerations | Profits | Short-term incentive plans | Long-term incentive plans | Granted shares (insert the value) | Total | | | | | | |
| <i>SAR 000s</i> | | | | | | | | | | | | | | | | |
| Company's Senior Executives | 3,270 | 1,144 | - | 4,414 | - | - | - | - | - | - | - | 291 | 2,991 | 7,696 | | |
| <i>Total</i> | 3,270 | 1,144 | - | 4,414 | - | - | - | - | - | - | 291 | 2,991 | 7,696 | | | |

Committee Members' Remunerations

| <i>SSAR 000s</i> | Fixed remuneration (excluding session Attendance) | Allowances for Attending Sessions | Total |
|--|---|-----------------------------------|---------|
| <i>(1) Audit Committee</i> | | | |
| 1 Abdul Rahman Abdullah Saleh Al-Wabel | 60,000 | 15,000 | 75,000 |
| 2 Abdul Rahman Ibrahim Abdul Rahman Al Jalal | 60,000 | 15,000 | 75,000 |
| 3 Dr. Jassim Shaheen Hamad Al-Rumaihi | 80,000 | 15,000 | 95,000 |
| 4 Muhammad Irfan Khokhar Abd Alghafoor | 80,000 | 15,000 | 95,000 |
| <i>Total</i> | 280,000 | 60,000 | 340,000 |
| <i>(2) NRC</i> | | | |
| 1 Hani Othman BaOthman Said Othman | 60,000 | 6,000 | 66,000 |
| 2 Fahed Abdul Rahman Muhammad Al Mojil | 60,000 | 6,000 | 66,000 |
| 3 Abdul Rahman Ibrahim Abdul Rahman Al Jalal | 60,000 | 6,000 | 66,000 |
| 4 Muhammad Abdulaziz Muhammad Al-Aqeel | 80,000 | 6,000 | 86,000 |
| <i>Total</i> | 260,000 | 24,000 | 284,000 |
| <i>(3) Executive Committee</i> | | | |
| 1 Abdullah Abdul Latif Ahmed Al Fozan | 60,000 | 6,000 | 66,000 |
| 2 Abdul Rahman Ibrahim Abdul Rahman Al Jalal | 60,000 | 6,000 | 66,000 |
| 3 Muhammad Abdulaziz Muhammad Al-Aqeel | 80,000 | 6,000 | 86,000 |
| 4 Abdul Latif Ali Al Fozan | 80,000 | 6,000 | 86,000 |
| <i>Total</i> | 280,000 | 24,000 | 304,000 |

Waiver of remuneration

Neither the Board Members, Board Committee Members or members of Executive Management waived any remuneration during the fiscal year ended on December 31, 2023.

Transactions and Contracts with *Related Parties**

Ordinary work without preferential conditions or benefits

| # | Related Party | Relationship with the Company | Transaction Type | Transaction Term | Transaction Value | Related Parties |
|------------------|---|-------------------------------|--|------------------|-------------------|---|
| <i>Contracts</i> | | | | | | |
| 1 | United Homeware Company (Nice) | Affiliate | Contract costs and services/expenses charged | 6 years | 3,850,000 | Member / Abdullah Al Fozan Member / Ali Al Fozan Member / Fozan Al Fozan Executive Committee Member / Abdullatif Al Fozan |
| 2 | Ajwad Charitable Company | Affiliate | Contract costs and services/expenses charged | Yearly | 1,125,960 | Member / Abdullah Al Fozan Member / Ali Al Fozan Member / Fozan Al Fozan Mr. Khalid Al Fozan |
| 3 | Remal Al Khobar Real Estate Company | Associate 50% Ownership | Contract costs and services/expenses charged | Yearly | 2,827,569 | Member / Abdullah Al Fozan Member / Abdullah Al-Braikan - |
| 4 | Coffee Taste Company | Affiliate | Contract costs and services/expenses charged | Yearly | 571,133 | Executive Committee Member / Abdullatif Al Fozan Member / Ali Al Fozan - |
| 5 | Business Park Fund (Riyadh) | Associate 18.82% Ownership | Contract costs and services/expenses charged | Yearly | 338,409 | Member / Abdullah Abdullatif Al Fozan Member / Ali Abdullatif Al Fozan Member / Fozan Al Fozan |
| 6 | Ewan Tharwa Fund | Affiliate | Contract costs and services/expenses charged | Yearly | 9,618,813 | Member / Abdullah Al Fozan Member / Ali Al Fozan Member / Fozan Al Fozan CFO / Ammar Al Ghouf |
| 7 | Alpha Capital Saudi Real Estate Development Fund 1 | Associate 30% Ownership | Contract costs and services/expenses charged | Yearly | 7,341,477 | Member / Abdullah Al Fozan Member / Ali Al Fozan Member / Fozan Al Fozan Executive Committee Member / Abdullatif Al Fozan |
| 8 | Al Fozan Holding Company | Affiliate | Contract costs and services/expenses charged | Yearly | 803,700 | Member / Abdullah Al Fozan Member / Ali Al Fozan Member / Fozan Al Fozan |
| 9 | Development works at a private villa | Affiliate | Contract costs and services/expenses charged | Yearly | 165,000 | Mr. Khalid Al Fozan |
| 10 | Mr. Abdullatif Ali Al Fozan Commission for renting Remal Al-Khobar beach house. | Affiliate | Contract costs and services/expenses charged | Yearly | 77,500 | Executive Committee Member / Abdullatif Al Fozan |
| 11 | Nesaj Residential Compound | Affiliate | Contract costs and services/expenses charged | Yearly | 139,714 | Member / Abdullah Al Fozan Member / Ali Al Fozan Member / Fozan Al Fozan Member / Abdullah Al-Braikan Member / Abdulrhman Al Jalal Executive Committee Member / Abdullatif Al Fozan |
| 12 | Al Khobar Lakes Real Estate Development | Affiliate | Contract costs and services/expenses charged | Yearly | 59,799 | Member / Abdullah Al Fozan Member / Ali Al Fozan Member / Fozan Al Fozan |
| 13 | BCC | Subsidiary | Contract costs and services/expenses charged | Yearly | 437,703,308 | Member / Abdullah Al-Braikan Member / Abdul Rahman Al Jalal CFO/ Ammar Al Ghouf |
| 14 | Binaa for Ready-mix Products Company | Affiliate | Contract costs and services/expenses charged | Yearly | 2,541,770 | Member / Abdullah Al Fozan Member / Fozan Al Fozan Executive Committee & NRC Member/ Muhammad Al- Aqeel |
| 15 | Bawan Metal Industries Company | Affiliate | Contract costs and services/expenses charged | Yearly | 11,018,913 | Member / Abdullah Al Fozan Member / Fozan Al Fozan Executive Committee & NRC Member/ Muhammad Al- Aqeel |
| 16 | Madar Building Materials Company | Affiliate | Contract costs and services/expenses charged | Yearly | 57,694,171 | Member / Abdullah Al Fozan Member / Ali Al Fozan |

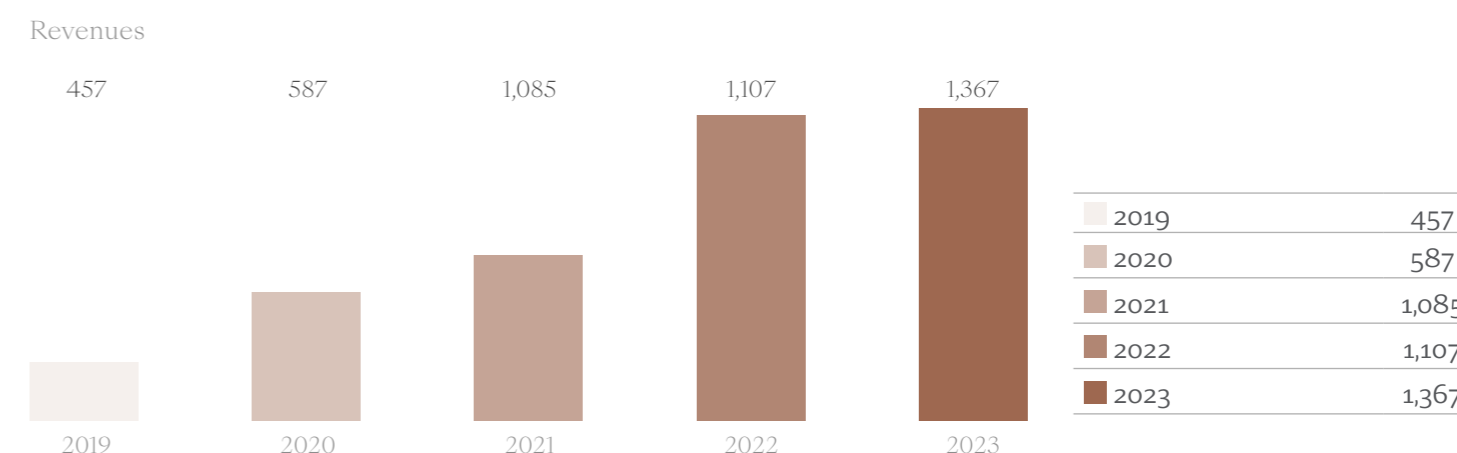
| # | Related Party | Relationship with the Company | Transaction Type | Transaction Term | Transaction Value | Related Parties |
|--|--|-------------------------------|--|------------------|-------------------|--|
| <i>Contracts</i> | | | | | | |
| 17 | ARAC Engineering Consultants | Affiliate | Contract costs and services/expenses charged | Yearly | 1,535,957 | Member / Abdullah Al-Braikan - |
| 18 | Madar Electrical Materials Company | Affiliate | Contract costs and services/expenses charged | Yearly | 8,218,660 | Member / Abdullah Al Fozan Member / Fozan Al Fozan |
| 19 | Saudi Industrial Machinery Co. Ltd. (SIMCO) | Affiliate | Contract costs and services/expenses charged | Yearly | 317,848 | Member / Abdullah Al Fozan Member / Ali Al Fozan Executive Committee Member / Abdullatif Al Fozan Executive Committee & NRC Member/ Muhammad Al- Aqeel |
| 20 | United Glass Industries Company | Affiliate | Contract costs and services/expenses charged | Yearly | 2,488,583 | Member / Abdullah Al Fozan Member / Ali Al Fozan Member / Fozan Al Fozan |
| 21 | Madar Hardware Company | Affiliate | Contract costs and services/expenses charged | Yearly | 3,489,069 | Member / Abdullah Al Fozan Member / Fozan Al Fozan Member / Ali Al Fozan |
| 22 | Mimar Emirate and ARAC Engineering Consultancy Company | Associate 25% Ownership | Contract costs and services/expenses charged | Yearly | 2,287,043 | Member / Abdullah Al-Braikan - |
| 23 | United Steel Industries Company | Affiliate | Contract costs and services/expenses charged | Yearly | 983,605 | Member / Abdullah Al Fozan Member / Ali Al Fozan Member / Fozan Al Fozan |
| 24 | Bina Company for Advanced Cement Products | Affiliate | Contract costs and services/expenses charged | Yearly | 21,704,629 | Member / Abdullah Al Fozan Member / Ali Al Fozan Executive Committee & NRC Member/ Muhammad Al- Aqeel |
| 25 | United Electronics Company - (Extra) | Affiliate | Contract costs and services/expenses charged | Yearly | 600,625 | Member / Abdullah Al Fozan Member / Ali Al Fozan Member / Fozan Al Fozan Executive Committee Member / Abdullatif Al Fozan |
| 26 | Saudi Tharwa Co | Associate 39% Ownership | Contract costs and services/expenses charged | Yearly | 328,220 | Member / Abdullah Al Fozan Member / Fahed Al-Mojil Member / Abdullah Al-Braikan |
| 27 | Norkoom Designing Company | Associate 50% Ownership | Contract costs and services/expenses charged | Yearly | 573,560 | Chief Operation Officer / Yousif AlHamoudi Chief Financial Officer / Ammar AlGhoul |
| 28 | Remal Park Fund | Associate 50% Ownership | Contract costs and services/expenses charged | Yearly | 71,876,995 | Member / Abdullah Al Fozan Member / Abdullah Al-Braikan |
| <i>Transactions with Related Parties</i> | | | | | | |
| 29 | Al Ahsa Real Estate Fund | Associate 22.51% Ownership | Land purchased from associate | One time | 185,894,243.00 | Retal owns 22.51% |
| 30 | Individuals | CEO of BCC | Sale of Subsidiary shares | One time | 9,968,772 | BCC CEO / Omar Ibrahim Al Jalal |
| 31 | Individuals | Associate 22.51% Ownership | Sale of Subsidiary shares | One time | 9,968,772 | Member / Abdul Rahman Ibrahim Al Jalal |

Board Members' Affiliation with Competitive Entities

| | Name of Company | Company Activities | Nature of Relationship |
|--|---|--|---------------------------|
| Member - Abdullah Abdulatif Al Fozan | | | |
| 1 | Ajdan Real Estate Development Company | Land acquisition, construction, real estate development, and management. | BOD Member |
| 2 | Shomoul Holding Company | Land acquisition, construction, real estate development, and management. | BOD Member |
| 3 | Madar Al-Aseel Company Limited | Comission-based real estate management | 13% Ownership |
| 4 | Gulf Elixir Contracting Company | General construction of residential and non-residential buildings | Manager |
| 5 | Shomoul Commercial Complex Company | Management and leasing of owned and leased real estate | Manager |
| 6 | Rafa Gulf Company Limited | General construction of residential and non-residential buildings | Manager |
| 7 | Khobar Lakes Real Estate Development | Management and leasing of owned and leased real estate | Manager |
| 8 | Central Jeddah Development Company | Comprehensive real estate activities | BOD Member |
| Member - Ali Abdulatif Al Fozan | | | |
| 1 | Madar Al-Aseel Company Limited | Comission-based real estate management | 13% Ownership |
| Member - Fozan Mohammed Al Fozan | | | |
| 1 | Madar Al-Aseel Company Limited | Comission-based real estate management | 10% Ownership |
| 2 | Amjal Property Development Company | Buying land and real estate with the purpose of developing it | Manager |
| 3 | Durrat Al Wusta Real Estate Development Company | Residential real estate development utilizing modern building methods | Manager |
| Member - Abdullah Faisal Al- Braikan | | | |
| 1 | Jeddah Central Development Company | Comprehensive real estate activities | BOD Member |
| 2 | Saudi Tharwa Real Estate Company | Comprehensive real estate activities | BOD Member |
| 3 | Nesaj Residential Complex Real Estate Company | Comprehensive real estate activities | BOD Member |
| Member - Abdulrahman Ibrahim Al Jalal | | | |
| 1 | Nesaj Residential Complex Real Estate Company | Comprehensive real estate activities | BOD Member |
| Member - Mr. Fahed bin Abdulrahman Al-Mojil | | | |
| 1 | Saudi Tharwa Company | Real estate development | BOD Member & 7% Ownership |
| 2 | Saudi Real Estate Company | Real estate development | BOD Member |
| 3 | Roaa Al Madina Holding Company | Real estate development | BOD Member |

Financial Statement

The following charts outline the Company's assets, liabilities, and results of the last five fiscal years.



Business Results

Comparison of business results (SAR thousand)

| | 2023 | 2022 | 2021 | 2020 | 2019 |
|------------------------|-----------|-----------|-----------|-----------|-----------|
| Revenues | 1,367,125 | 1,106,830 | 1,085,321 | 587,451 | 456,536 |
| Revenues Costs | (987,839) | (803,598) | (839,860) | (463,142) | (379,134) |
| Total Profit | 379,286 | 303,232 | 245,461 | 124,309 | 77,402 |
| Net Profit | 207,940 | 245,743 | 179,399 | 98,634 | 59,692 |
| Return to Shareholders | 202,349 | 245,743 | 193,335 | 98,634 | 59,692 |

Assets & Liabilities

Comparison of assets and liabilities (SAR thousand)

| | 2023 | 2022 | 2021 | 2020 | 2019 |
|--|-----------|-----------|-----------|-----------|---------|
| Current Assets | 2,156,722 | 1,364,175 | 1,168,727 | 608,476 | 319,961 |
| Non-current Assets | 1,475,393 | 1,056,958 | 675,238 | 560,142 | 355,796 |
| Total Assets | 3,632,115 | 2,421,133 | 1,843,965 | 1,168,618 | 675,757 |
| Current Liabilities | 1,778,722 | 1,192,779 | 1,039,001 | 572,610 | 307,558 |
| Non-current Liabilities | 1,103,542 | 493,944 | 236,194 | 77,221 | 22,032 |
| Total Liabilities & Shareholders' Equity | 3,632,115 | 2,421,133 | 1,843,965 | 1,168,618 | 675,757 |

Operational Results

The following table outlines any material differences in the operational results compared to those in the previous year (SAR thousand)

| | 2023 | 2022 | Changes (+) (-) | Change |
|----------------------------|-----------|-----------|-----------------|--------|
| Sales/ Revenues | 1,367,125 | 1,106,830 | + | 24% |
| Sales/ Revenues Costs | (987,839) | (803,598) | + | 23% |
| Total Profit | 379,286 | 303,232 | + | 25% |
| Other Operational Revenues | - | - | n/a | n/a |
| Other Operational Expenses | (134,218) | (78,924) | + | 70% |
| Operational Profit (Loss) | 245,068 | 224,308 | + | 9% |

*Balance at the end of the period includes accrued interest

Statement of Bank Payments

Statement of Bank Facilities Position and Movements During FY 2023

| Creditor Name | Loan amount | Starting Balance | Loan movement during the FY2023 | | Ending Balance | Indebtedness at the end of the year 2023 (thousands)* | | |
|----------------------|-------------|------------------|---------------------------------|----------------|----------------|---|---------------------|-------------------------|
| | (thousands) | Total | Amount Added | Amount Settled | Total | Short-term | Long-term (current) | Long-term (non-current) |
| Al Bilad Bank | 805,000 | 163,339 | 193,822 | 138,339 | 219,394 | - | 25,028 | 194,366 |
| ANB Bank | 617,000 | 235,000 | 259,904 | 180,000 | 318,810 | 42,779 | 75,108 | 200,922 |
| First Abu Dhabi Bank | 100,000 | - | 96,605 | - | 96,726 | 96,726 | - | - |
| GIB Bank | 250,000 | - | 353,721 | 297,743 | 55,777 | 55,777 | - | - |
| Jazira Bank | 250,000 | - | 60,000 | 60,000 | - | - | - | - |
| Alrajhi Bank | 657,940 | 316,734 | 284,553 | 50,431 | 554,688 | 1,056 | - | 553,631 |
| Riyadh Bank | 262,000 | 97,500 | 345,675 | 315,800 | 128,392 | 90,590 | - | 37,801 |
| Al Oula | 90,000 | - | 90,000 | 12,000 | 78,000 | - | 36,000 | 42,000 |
| Total | 3,031,940 | 812,574 | 1,684,280 | 1,054,314 | 1,451,786 | 286,929 | 136,136 | 1,028,721 |

Statement of Legal Payments

Information regarding any paid and outstanding fees associated with the regulatory provisions of the Saudi Zakat, Tax and Customs Authority (ZATCA) by end of the annual financial period.

| Description | 2023 (SAR) | | Brief description | Reasons |
|-----------------|-------------|--|---|---------|
| | Paid amount | Outstanding amount at the end of the annual Financial period | | |
| Zakat | 6,682,264 | 10,203,590 | The amount due is estimated zakat for the year that is due before 4/30/2024 | |
| VAT | 29,616,964 | 9,455,754 | Represents December 2023 returns due before 1/31/2024 | |
| Withholding tax | 1,312,345 | 80,084 | Represents December 2023 returns due before 2/10/2024 | |
| REIT | 8,143,002 | 2,371,021 | amounts paid or accrued for transfer deeds | |
| GOSI | 9,245,557 | 2,053,436 | Amounts paid or accrued for GOSI | |
| Gov Expenses | 11,842,563 | 2,678,772 | Amounts paid or accrued for Iqama fees and Visa | |

Revenues by Geography - The Company and its affiliates

| SAR 000s | Eastern Province | Western Province | Central Province | Northern Province | Total Revenue | Revenue Percentage |
|---------------------------------|------------------|------------------|------------------|-------------------|---------------|--------------------|
| Retal Urban Development Company | 266,792 | 24,885 | 1,036,321 | - | 1,327,999 | 97.1% |
| BCC | 289 | - | - | - | 289 | 0.0% |
| Nesaj Company | 6,705 | - | 574 | - | 7,279 | 0.5% |
| Tadbeir Limited Company | 2,707 | 2,584 | 12,398 | 8,902 | 26,591 | 1.9% |
| Tadbeir Environment Comapny | - | - | 668 | - | 668 | 0.0% |
| Tabier Real Estate Company | 4,298 | - | - | - | 4,298 | 0.3% |
| Total | 280,791 | 27,470 | 1,049,961 | 8,902 | 1,367,125 | 100.0% |

Declarations

Accounting Standards

The Company's financial records have been meticulously prepared in accordance with the accounting standards issued by the Saudi Organization for Certified Public Accountants (SOCPA). Notably, there exist no disparities from the relevant accounting standards as stipulated by the (SOCPA).

Recommendations to Change External Auditor

The Board of Directors has not put forth any recommendation for the replacement of the external auditor prior to the completion of their appointed term..

External Auditor Reservations

The auditors' report for the fiscal year 2023 AD did not contain any reservations or material observations pertaining to the Company's financial statements.

Transferable Debt Instruments

The company has neither issued transferrable debt instruments, nor entered into contracts based securities, convertible warrants, or similar rights issued or granted by the Company. Furthermore, no related refunds, purchases or compensation were made during the fiscal year ended on December 31, 2023.

Shares and Debt Instruments of Subsidiaries Companies

There are no shares or debt instruments issued by any of the Company's subsidiaries.

Interest in Entitled-to-vote Shares

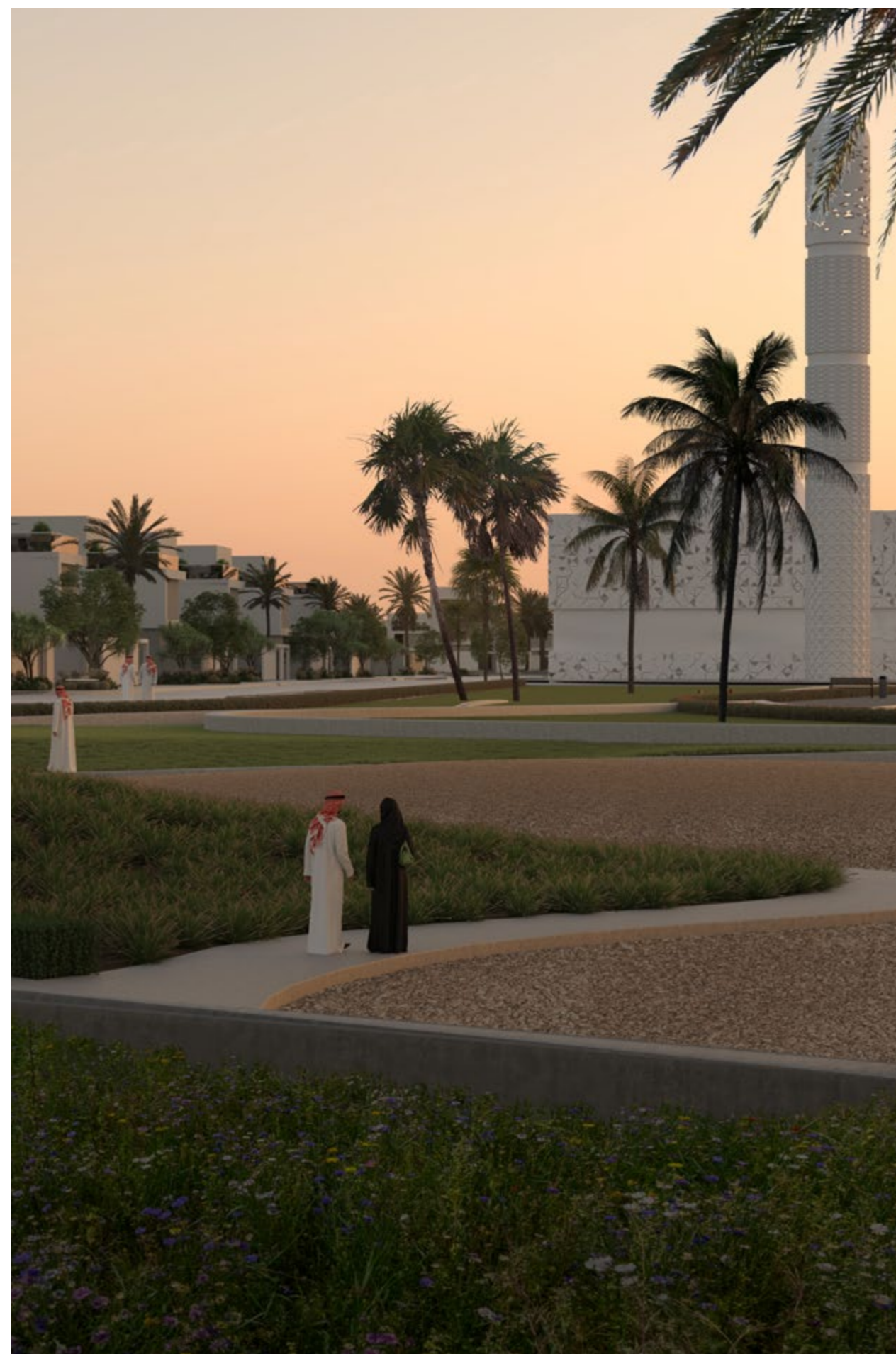
No person, apart from members of the Board of Directors, senior executives, and their relatives, holds an interest in shares with the right to vote. These individuals have adhered to the disclosure requirements set forth in Article 85 of the Rules on the Offer of Securities and Continuing Obligations, reporting their holdings and any changes in such interests throughout the latest fiscal year.

Investments or Reserves to Benefit Employees

No other investments or reserves were created for the exclusive benefit of the Company's employees.

Penalties or Restrictions by Authorities

Throughout the fiscal year ended on December 31, 2023, neither the Capital Markets Authority (CMA) nor any other supervisory, regulatory or judicial body imposed any penalties, retributions, precautionary measures or restrictions on the Company.



Board of Directors' Acknowledgements

The Board of Directors of Retal Urban Development Company affirms the following:

- That the financial accounts and reports have been prepared properly
- That the internal control system was prepared on sound robust foundations and implemented effectively
- That there are no reservations regarding the Company's ability to continue its activities

Closing Statement

The Board of Directors extends its sincere appreciation to the Executive Management, all company personnel, and relevant departments for their unwavering dedication to Retal's success, while upholding and enhancing governance standards within the organization. Special recognition is given for their positive interactions with the Company's shareholders and engagement with governmental and private sector entities. The Board looks forward to the Company's continued success and achievements in the forthcoming years.

Communication Mechanism with Shareholders

Based on the keenness of Retal Urban Development Company and its Board of Directors to prioritize the rights of its valued shareholders and to open multiple new channels of communication with them on an ongoing basis, the company has established a dedicated Investor Relations (IR) department to follow up the affairs of shareholders and stakeholders to facilitate continuous communication with them, respond to all questions and inquiries and follow up on any potential issues that shareholders may face regarding profit distribution and other operational matters. You can contact the Investor Relations Department through the following means:

☎ Phone 0138013777

📠 Fax 0138013778

✉ Email ir@retal.com.sa

🌐 Website www.retal.com.sa