



September 2018

**DISCLOSURE CONTROLS AND PROCEDURES
POLICY**

LEEJAM SPORTS COMPANY

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Part 1: Introductory Provisions

1. Introduction and Purpose

- 1.1 This Disclosure Controls and Procedures Policy (this “**Policy**”) of Leejam Sports Company (the “**Company**”) sets out the rules, procedures and controls related to disclosure pursuant to the disclosure requirements under the relevant laws, regulations and instructions.
- 1.2 This Policy is intended to implement and supplement the relevant provisions of the Company’s Bylaws (the “**Bylaws**”). In case of conflict between this Policy and the Bylaws, the Bylaws shall prevail.
- 1.3 The provisions of this Policy are mandatory. The Company’s Board of Directors (the “**Board**” and each member of the Board, a “**Director**”) shall oversee the implementation of the measures required to ensure the Company’s compliance with this Policy.

2. Definitions and Abbreviations

- 2.1 The terms and expressions used in this Policy shall have the meanings assigned to them in the Company’s Corporate Governance Manual, unless otherwise required by the context.

Part 2: Disclosure and Transparency

1. General Provisions

- 1.1 The Company shall comply with the applicable disclosure rules, requirements and procedures under the relevant laws, regulations and rules and this Policy.
- 1.2 The Company shall ensure that all disclosures are complete, clear, accurate and not misleading and that they are provided to all Shareholders equally and without discrimination.
- 1.3 Any information that requires disclosure pursuant to applicable laws and regulations shall be deemed confidential until such time the information is disclosed to the Capital Market Authority (the “**CMA**”) and the public. Accordingly, the Company must take all the necessary measures to prevent the leakage of any undisclosed information and must not disclose such information to parties not bound by an obligation of confidentiality.
- 1.4 If disclosure of any matter required by applicable regulations and instructions issued by the CMA would be, in the opinion of the Company, unduly detrimental to the Company, and its omission is deemed unlikely to mislead investors in light of the facts and circumstances (determined on a case-by-case basis), then the Company may confidentially request that the CMA waive the relevant disclosure requirement accordance with applicable regulations and instructions.

2. Material Developments Disclosure

- 2.1 The Company must inform the CMA and the public without delay of any material developments in its sphere of activity which may affect the price of its Securities. Moreover, the Company must notify the CMA and the public without delay, of any material developments in its sphere of activity that are not public knowledge and which may have an effect on the Company’s assets and liabilities, financial position, or on the general course of business of the Company or its subsidiaries, and which may reasonably lead to substantial movements in the price of its Securities.

2.2 In determining whether an event constitutes a material development pursuant to Paragraph 2.1 above, the Company shall assess whether a prudent investor would likely consider information about the event in making an investment decision.

2.3 The Company must determine the need to publish an announcement to the public in response to rumors related to any material development in accordance with applicable laws and regulations.

3. Disclosure in Board of Directors' Reports

3.1 The Board shall issue an annual report including (among other things) a review of the Company's operations during the last financial year and of all relevant factors affecting its business which an investor requires in order to assess the Company's assets, liabilities and financial position.

3.2 The annual report of the Board shall contain the information required under applicable laws, regulations and rules.

3.3 The annual report of the Board must be provided to the CMA and announced to the Shareholders within the period set by applicable laws and regulations.

4. Disclosure in Audit Committee Reports

4.1 The Audit Committee shall issue an annual report including (among other things) its recommendations and opinion on the adequacy of the internal and financial control systems and risk management systems of the Company as well as the tasks undertaken by the Audit Committee within its competence. Such report shall be prepared and disclosed in accordance with the applicable laws and regulations and the rules set out in the Audit Committee Charter and the Company's Internal Audit Charter.

5. Disclosure of Financial Information

5.1 Set out below are the general requirements and restrictions relating to the disclosure of financial information:

(a) Disclosure Requirements

(i) The Company shall announce its interim and annual financial statements to the public and file such statements with the CMA immediately upon their approval. The Company is not permitted to disclose its interim and annual financial statements to its Shareholders or to third parties prior to their announcement to the public and filing with the CMA.

(ii) The Company must provide the CMA and announce to its Shareholders the interim financial statements (which must be prepared and reviewed in accordance with the accounting and auditing standards approved by Saudi Organization for Certified Public Accountants) within the period set by applicable laws and regulations.

(iii) The Company must provide the CMA and announce to its Shareholders the annual financial statements (which must be prepared and audited in accordance with the accounting and auditing standards approved by Saudi Organization for Certified Public Accountants) within the period set by applicable laws and regulations. The Company's annual financial statements must also be provided to the CMA and announced to the Company's Shareholders according to the applicable laws and regulations.

- (iv) The Company shall disclose its interim and annual financial statement through the electronic system specifically designated for such purpose by the Exchange.
- (b) Approval of Financial Statements
 - (i) The interim financial statements of the Company must be approved by the Board and signed by: (i) a Director authorized by the Board, (ii) the CEO, and (iii) the Chief Financial Officer prior to their publication and circulation to Shareholders and the public.
 - (ii) The annual financial statements of the Company must be approved in accordance with the provisions of the Companies Law.
- (c) Trading Blackout Periods
 - (i) The Directors, Senior Executives, and members of the Audit Committee (and any person related to them) may not deal in any of the Securities during the period set by applicable laws and regulations.
 - (ii) If, during a trading blackout period, a Director, a Senior Executive, or an Audit Committee member resigns, these trading blackout periods continue to apply to such resigning Director, Senior Executive, or Audit Committee member (and any person related to any of them).
 - (iii) As an exception to the above, the trading blackout periods do not apply in the case of exercising, or selling, a subscription right in a rights issuance.

6. Board Disclosures

- 6.1 The Board shall regulate the disclosures of each Director and Senior Executive by:
 - (a) maintaining, and regularly updating, a register of disclosures made by Directors and Senior Executives as required under applicable laws and regulations; and
 - (b) making such register available for review by Shareholders free of charge.

7. Other Disclosures

- 7.1 The Company shall make all disclosures related to specific events requiring disclosure in accordance with applicable rules and regulations.
- 7.2 The Company shall provide the CMA with copies of any notices, information, or documents that are sent or made available to its Shareholders, unless otherwise not required by the applicable laws and regulations, if it is disclosed on the Exchange.

Part 3: Notification, Spokespersons and Process

1. Method of Required Notification

- 1.1 Notifications to the public shall take the form of an announcement through the Exchange (or such other method determined by the CMA or the Exchange from time to time).
- 1.2 All disclosures made by the Company to the public and to the CMA must be in compliance with applicable rules, regulations and instructions (including the Instructions Governing Corporate Announcements published by the CMA).

2. Designated Spokespersons

- 2.1 The Company may designate one or more spokespersons responsible for communication with the investment community, regulators or the media. The Company's spokesperson(s) shall be appointed and authorized by the Chairman. Any individual designated as a spokesperson shall review and appropriately inform themselves of all of the Company's disclosure documents and continuous obligations.
- 2.2 Employees who are not designated spokespersons must not respond under any circumstances to inquiries from the investment community, the media or others, unless specifically asked to do so by an authorized spokesperson.

3. Interaction with Investment Community

- 3.1 Any disclosures of material non-public information must be coordinated with the the Company's Corporate and Legal Compliance Manager (the "**Compliance Manager**").
- 3.2 The Company recognizes that meetings and conferences with analysts and investors are an important element of the Company's relation with investors. The Company will meet with analysts and investors on an individual or small group basis as needed and will initiate contacts or respond to analyst and investor calls in a timely, consistent and accurate fashion in accordance with this Policy. The Company shall not disclose or discuss material non-public information at such meetings and conferences.
- 3.3 As much as possible, all meetings with investors or analysts, or groups thereof, should be attended by two or more Company representatives, at least one of whom shall be a designated spokesperson of the Company.

4. Disclosure Controls

- 4.1 The Compliance Manager shall establish, maintain and supervise the implementation of reasonable disclosure controls. To assist the Compliance Manager, it is essential that all Directors, Senior Executives and employees ensure that the Compliance Manager is kept fully apprised of all pending and potentially material developments in the business affairs of the Company so that the Compliance Manager is able to determine the appropriateness and timing of any required public disclosure. In performing his duties, the Compliance Manager shall report to, and operate under the supervision of, the Audit Committee.

Part 4: Closing Provisions

1. Entry to Effect and Review

- 1.1 This Policy shall be adopted by a resolution of the Board, following a recommendation by the Audit Committee, and shall enter into effect from the date on which it is approved by the Board.
- 1.2 The Audit Committee shall oversee the implementation of this Policy and shall periodically review its provisions and recommend any amendments thereto to the Board.
- 1.3 Any amendments to this Policy shall be adopted in the same manner in which this Policy was adopted.

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