

Dar Al Arkan Real Estate Development Company
Listed Joint-Stock Company
Bylaws
Chapter One: Incorporation

Article (1): Establishment

Pursuant to the provisions of these Articles of Association and the Companies Law and its implementing regulations, a Saudi joint-stock company, listed in accordance with the following provisions, is hereby established.

Article (2): Name of the Company

Dar Al Arkan Real Estate Development Company (Listed Joint-Stock Company).

Article (3): Objectives of the Company

The objectives for which the Company is formed are:

1. Real Estate Activities
2. Construction
3. Wholesale and Retail Trade
4. Professional, Scientific, and Technical Activities
5. Financial and Insurance Activities
6. Administrative and Support Services
7. Accommodation and Food Service Activities
8. Arts, Entertainment, and Recreation Activities
9. Other Service Activities

The Company shall conduct its activities in accordance with applicable regulations and after obtaining the necessary licenses from the competent authorities (if any).

Article (4): Participation and Ownership in Companies

The Company may, on its own, establish limited liability companies or closed joint-stock companies in accordance with the Companies Law. It may also own shares and stakes in other existing companies or merge with them. The Company has the right to participate with others in establishing joint-stock companies or limited liability companies after



fulfilling the requirements of the applicable regulations and instructions in this regard. The Company may also dispose of these shares or stakes, provided that this does not include brokerage in their trading.

Article (5): Registered Office of the Company

The registered office of the Company shall be in Riyadh City. The Board of Directors may establish branches, offices, or agencies within the Kingdom of Saudi Arabia or abroad.

Article (6): Term of the Company

The term of the Company is indefinite.

(Chapter Two) Capital and Shares

Article (7): Capital

The Company's capital is set at ten billion eight hundred million Saudi Riyals (10,800,000,000 SAR), divided into one billion eighty million (1,080,000,000) registered shares of equal value, each with a value of ten (10) Saudi Riyals. All shares are ordinary and fully paid-in cash.

Article (8): Subscription of Shares

All of the Company's shares, amounting to one billion eighty million (1,080,000,000) shares, have been subscribed and fully paid.

Article (9): Preferred Shares and Redeemable Shares

1. The Extraordinary General Assembly of the Company, in accordance with the bases established by the competent authority, may issue preferred shares or redeemable shares, or may decide to purchase them or convert one class of shares into another, in accordance with the regulations set by the competent authorities.
2. Preferred shares or redeemable shares may be granted preferential rights over ordinary shares. Preferred shares shall not grant voting rights in the General Assemblies of shareholders except in cases permitted by the regulations and bylaws of the competent authority.



Article (10): Sale of Unpaid Shares

1. A shareholder is obligated to pay the value of the share within the specified timeframes. If a shareholder fails to fulfill this obligation by the due date, the Board of Directors, after notifying the shareholder through official notification channels, any other means of notification, or any means of modern technology, may sell the share in a public auction or on the stock market, as applicable, and in accordance with the regulations determined by the competent authority, provided that other shareholders have priority in purchasing the shares of the defaulting shareholder.
2. The Company shall deduct the amounts due to it from the proceeds of the sale and return the remainder to the shareholder. If the proceeds of the sale are insufficient to cover these amounts, the Company may recover the remaining balance from all of the shareholder's assets.
3. The enforcement of rights related to shares for which payment is overdue shall be suspended upon expiry of the specified deadline until they are sold or the due amount is paid in accordance with the provisions of paragraph (1) of this Article. These rights include the right to receive a share of the net profits to be distributed and the right to attend meetings and vote on resolutions. However, a defaulting shareholder may, until the date of sale, pay the due amount plus the expenses incurred by the Company in this regard. In this case, the shareholder shall have the right to claim the distributed profits.

Article (11): Issuance of Shares

Shares shall be registered. They may be subdivided into shares of lesser nominal value and may be consolidated into shares of greater nominal value. In the case of issuing shares at a value higher than their nominal value, the difference in value shall be placed in a separate account within shareholders' equity and may not be distributed as profits to shareholders. A share is indivisible with respect to the Company. If a



share is owned by multiple persons, they must choose one of them to represent them in exercising the rights pertaining to the share. These persons shall be jointly liable for the obligations arising from ownership of the share.

Article (12): Purchase, Sale, and Pledge of the Company's Shares

1. The Company may purchase, pledge, or sell its own shares in accordance with the regulations established by the competent regulatory authority. Shares purchased by the Company shall not have voting rights in shareholders' meetings.
2. The Company may purchase its shares for the purpose of allocating them to its employees under an employee stock ownership plan and in accordance with the terms and conditions issued by the competent authority.
3. The Company, with the approval of the Board of Directors, may purchase or sell treasury shares in one or several stages, in accordance with the regulations established by the competent authority.

Article (13): Trading of Shares

The Company's shares shall be traded in accordance with the provisions of the Capital Market Law and its implementing regulations.

Article (14): Capital Increase

1. The Extraordinary General Assembly may resolve to increase the Company's capital, provided that the capital has been fully paid. Full payment of capital is not required if the unpaid portion of the capital relates to shares issued in exchange for the conversion of debt instruments or Sukuk into shares and the period specified for their conversion into shares has not yet expired.
2. The Extraordinary General Assembly may, in all cases, allocate the shares issued upon a capital increase, or a portion thereof, to employees of the Company and/or its subsidiaries. Shareholders may not exercise preemptive rights when the Company issues shares allocated to employees.



3. A shareholder holding shares at the time of the Extraordinary General Assembly's resolution approving a capital increase shall have preemptive rights to subscribe to the new shares issued for cash consideration. These shareholders shall be notified of their preemptive rights by publication, according to applicable regulations using modern technology, regarding the capital increase resolution, subscription terms, duration, start and end dates.
4. The Extraordinary General Assembly has the right to suspend the preemptive rights of shareholders to subscribe to a capital increase for cash consideration or to grant preemptive rights to non-shareholders in cases deemed appropriate for the benefit of the Company.
5. A shareholder has the right to sell or transfer preemptive rights during the period from the issuance of the General Assembly resolution approving the capital increase until the last day for subscription to the new shares associated with these rights, in accordance with the regulations established by the competent authority.
6. Subject to the provisions of paragraph (4) above, the new shares shall be distributed to the holders of preemptive rights who have applied for subscription in proportion to their preemptive rights from the total preemptive rights resulting from the capital increase, provided that the number of shares they receive does not exceed the number of new shares they have requested. The remaining new shares shall be distributed to the holders of preemptive rights who have requested more than their share in proportion to their preemptive rights from the total preemptive rights resulting from the capital increase, provided that the number of shares they receive does not exceed the number of new shares they have requested. Any remaining shares shall be offered



to others, unless the Extraordinary General Assembly decides otherwise or the Capital Market Law stipulates otherwise.



Article (15): Capital Reduction

1. The Extraordinary General Assembly may resolve to reduce the capital if it exceeds the company's needs or if the company has incurred losses. In the latter case only, the capital may be reduced below the limit stipulated in the provisions of the Companies Law. A resolution for reduction shall not be issued except after reading a statement in the General Assembly by the Board of Directors regarding the justifications for the reduction, the company's obligations, and the impact of the reduction on fulfilling them. A report from the company's auditor shall be attached to this statement.
2. If the capital reduction is due to it exceeding the company's needs, creditors shall be invited to submit their objections (if any) to the reduction at least forty-five (45) days prior to the date set for holding the Extraordinary General Assembly meeting to decide on the reduction. A statement clarifying the amount of capital before and after the reduction, the date of the meeting, and the effective date of the reduction shall be attached to the invitation. If a creditor objects and submits their supporting documents to the company within the aforementioned period, the company shall pay their debt if it is due or provide sufficient guarantee for its fulfillment if it is deferred.

Equality must be observed among shareholders holding shares of the same type and class when reducing the capital.

Article (16): Amendment of Rights and Obligations Related to Shares

1. The amendment or cancellation of any rights, obligations, or restrictions related to shares, or the conversion of any type or class of shares into another type or class if it results in the amendment or cancellation of the rights and obligations related to the type or class of shares to be converted, or the issuance of shares of a type or class that would prejudice the rights of existing shareholders requires the approval of the shareholders whose rights are



prejudiced by such amendment, cancellation, conversion, or issuance, and the approval of the Extraordinary General Assembly.

If the company's shares include preferred shares or redeemable shares, new shares that have priority over any of their classes may not be issued except with the approval of a special assembly composed, in accordance with the provisions of the Companies Law, of the shareholders whose rights are prejudiced by such issuance.

Article (17): Sukuk and Bonds (Chapter Three)

1. Subject to relevant laws and regulations, the company may, by resolution of the Board of Directors, issue any type of negotiable debt instruments, whether in Saudi Riyal or other currencies, inside or outside the Kingdom of Saudi Arabia, such as bonds and Sukuk, whether such instruments are issued simultaneously or through a series of issuances or through one or more issuance programs established by the Board from time to time, all at the times, in the amounts, and according to the terms approved by the Board, and it has the right to take all necessary measures in this regard.

The company may issue negotiable debt instruments or Sukuk in accordance with the relevant regulations and controls set by the competent authority.

Article (18): Company Management (Chapter Four)

The company shall be managed by a Board of Directors composed of six (6) members, who shall be natural persons elected by the Ordinary General Assembly for a term not exceeding four (4) years. Members of the Board of Directors may be re-elected for one or more terms in accordance with the election and nomination procedures based on the relevant regulations and controls set by the competent authority.



Article (19): Termination or Termination of Board Membership

1. Board membership terminates upon the expiry of its term or the expiry of the member's eligibility according to any applicable law or regulation in the Kingdom. The General Assembly may, based on a recommendation from the Board of Directors, terminate the membership of any member who fails to attend three (3) consecutive meetings or five (5) separate meetings during their membership term without a valid excuse accepted by the Board of Directors.

The Ordinary General Assembly may dismiss all or some members of the Board of Directors. In this case, the Ordinary General Assembly shall elect a new Board of Directors or a replacement for the dismissed member (as the case may be) in accordance with the provisions of the Companies Law and its implementing regulations.

Article (20): Expiry of the Board's Term, Resignation of its Members, or Vacancy in the Board

1. Before the expiry of its term, the Board of Directors shall convene the Ordinary General Assembly to elect a Board of Directors for a new term. If the election cannot be held and the term of the current Board expires, its members shall continue to perform their duties until a new Board of Directors is elected, provided that the period of continuation of the members of the expired Board does not exceed the period specified in the implementing regulations of the Companies Law for listed joint-stock companies.
2. If the Chairman and members of the Board of Directors resign, they shall convene the Ordinary General Assembly to elect a new Board of Directors. The resignation shall not take effect until the new Board is elected, provided that the period of continuation of the resigned Board does not exceed the period specified in the implementing regulations of the Companies Law for listed joint-stock companies.



3. A member of the Board of Directors may resign from the Board by means of a written notification addressed to the Chairman of the Board. If the Chairman of the Board resigns, the notification shall be addressed to the remaining members of the Board and the Secretary of the Board. The resignation shall be effective in both cases from the date specified in the notification.
4. If a vacancy occurs in the Board of Directors due to the death or resignation of any of its members, and this vacancy does not result in a breach of the conditions required for the validity of the Board's meetings due to the number of members falling below the minimum, the Board may temporarily appoint a qualified and competent person to fill the vacant position, provided that the Commercial Register and the Capital Market Authority are notified of the appointment within fifteen days from the date of appointment, and the appointment is presented to the Ordinary General Assembly at its first meeting. The appointed member shall complete the term of their predecessor.

If the conditions required for the validity of the Board of Directors' meetings are not met due to the number of members falling below the minimum stipulated in the Companies Law or the company's Articles of Association, the remaining members shall convene the Ordinary General Assembly within sixty (60) days to elect the required number of members.

Article (21): Powers of the Board

Subject to the powers vested in the General Assembly, the Board of Directors, or whomever it delegates, shall have the broadest powers and authorities to manage the Company, formulate its policies, determine its investments, supervise its operations and funds, conduct its affairs inside and outside the Kingdom of Saudi Arabia, and undertake all actions and works that achieve the Company's objectives, including but not limited to:



Registering agencies and trademarks; extracting, amending, and canceling commercial registrations and licenses; opening subscriptions with the Chamber of Commerce; delivering and receiving commercial registrations, licenses, court rulings, settlements, commercial papers, checks, and all other documents; concluding all transactions and procedures related to the Company with all ministries, authorities, government institutions, and public and private entities inside and outside the Kingdom of Saudi Arabia; entering into or terminating any partnerships or joint venture agreements and subsidiary projects; establishing, acquiring, disposing of, restructuring, or merging any subsidiary of the Company; disposing of its assets, properties, and real estate in any manner; establishing or closing any branches, offices, or agencies; signing, approving, terminating, and amending all agreements, contracts, tenders, bids, resolutions, minutes, records, commercial, financial, and administrative transactions, and other documents, including agency contracts, distribution contracts, and franchise agreements; collecting the Company's rights and fulfilling its obligations; signing on behalf of the Company on contracts for the establishment of companies in which the Company participates and resolutions for their amendment of all kinds, including, without limitation, resolutions to increase or decrease capital, amend objectives, exit a partner, assign shares, accept the price, or amend any of the terms of the articles of association of such companies in which the Company participates, or opening branches thereof, appointing their directors, liquidating them, or canceling their commercial registrations, and disposing of their assets, properties, and real estate before the Ministry of Commerce, the Ministry of Investment, the Notary Public, the Ministry of Interior, and any other entities and third parties; opening, managing, operating, withdrawing from, and closing bank accounts; opening and settling letters of credit; issuing bank guarantees of all kinds; signing all papers, documents, checks, and all banking transactions; contracting loans and financing of all kinds and for any



duration; approving all banking transactions in the name of the Company from government and private financing funds and institutions, banks, financial houses, and Saudi and non-Saudi credit companies; buying, selling, mortgaging, leasing, and renting lands and real estate; buying, selling, mortgaging, and releasing mortgages on assets and movables in the name of and on behalf of the Company; signing instruments of conveyance and related contracts, receiving and paying the price, annexing and segregating properties and deeds, amending deeds, extracting replacement deeds for lost and damaged ones, receiving and delivering deeds, segregating and merging lands and selling them, as well as segregating buildings, villas, and lands, extracting ownership deeds for each residential unit of the buildings, villas, or lands, and selling them before or after segregation; investing the Company's funds, including, but not limited to, opening, managing, activating, and closing portfolios, funds, and investment accounts, buying and selling securities, and signing all related contracts and documents; appointing members of the executive management, including the Chief Executive Officer and the Chief Financial Officer, from among the directors or others, and determining their powers and remuneration.

The Board of Directors shall have the right, in cases it deems appropriate, to release the Company's debtors from their obligations in accordance with what serves its interests. The Board of Directors may form specialized committees from among its members, and the Board of Directors shall determine the working methods, powers, and remuneration of these committees. The Board of Directors may also delegate or authorize, on its behalf and within the limits of its powers, one or more of its members or third parties with powers or to take a specific action or conduct, or to perform a specific task or tasks, and to revoke the delegation or authorization partially or completely.

The Board of Directors must obtain the approval of the General Assembly when selling assets exceeding fifty percent of the value of its



total assets, whether the sale is made through one or several transactions. In this case, the transaction that leads to exceeding the percentage of (fifty percent) of the value of the assets is the transaction that requires the approval of the General Assembly, and this percentage is calculated from the date of the first transaction made during the previous twelve months.

Article (22): Remuneration of Board Members

The remuneration of the Board of Directors shall consist of a specific amount, specific benefits, or a specific percentage of net profits or retained earnings, as determined by the Board of Directors based on the recommendation of the Remuneration Committee and approved by the General Assembly, within the limits stipulated in the Companies Law or any other complementary laws, resolutions, or instructions, in addition to attendance and travel allowances as determined by the Board of Directors, taking into account the applicable laws, resolutions, and instructions in the Kingdom issued by the competent authorities. The Board of Directors' report to the Ordinary General Assembly must include a comprehensive statement of all remuneration, allowances, and other benefits received by the members of the Board of Directors during the fiscal year. It must also include a statement of what the members of the Board received as employees or managers, or what they received for technical, administrative, or consulting work, and it must also include a statement of the number of Board meetings and the number of meetings attended by each member since the date of the last General Assembly meeting.

Article (23): Powers of the Chairman, Vice-Chairman, and Secretary

The Board of Directors shall appoint, in its first meeting, a Chairman and a Vice-Chairman from among its members, and it may appoint a Managing Director from among its members. It is not permissible to



combine the position of Chairman of the Board of Directors with any executive position in the Company.

The Chairman and Vice-Chairman of the Board shall have the powers that enable them to perform their duties, including representing the Company and signing on its behalf before the Notary Public and courts of all types, in pleading, defending, and litigating, attending sessions, requesting and accepting arbitration, filing and hearing lawsuits and claims, reconciliation, waiver, acknowledgment, denial, answering, challenging, amending witnesses and evidence, satisfaction, oath-taking, appealing judgments, taking all legal procedures to enforce judgments, appointing and dismissing arbitrators, experts, and lawyers, and before all official bodies, government interests, ministries, public and private authorities and institutions, individuals, companies, banks, and others, and authorizing others to do so.

The Chairman and Vice-Chairman of the Board, jointly and severally, within the term of the Board and the powers mentioned in the report, shall have jurisdiction over all company affairs within the limits stipulated in the bylaws. This includes, but is not limited to: entering the company as a partner in other companies; signing their Articles of Incorporation and amendments thereto of all kinds, whether by increasing or decreasing the capital, amending the objectives, exit of a partner, or amending any of the provisions of the Articles of Incorporation; liquidating companies in which the company participates before the Ministry of Commerce, the Ministry of Investment, the Notary Public, and other relevant authorities; opening branches and appointing and dismissing their managers; extracting and canceling commercial registers; obtaining licenses; signing all agreements, contracts, tenders, bids, resolutions, minutes, records, and bank accounts, among others; acknowledging or assuming any amount whatsoever; opening and closing accounts; withdrawing and depositing funds; opening credit facilities; delivering and receiving all documents and certificates of registration in the commercial register;



signing all necessary documents on behalf of the company and receiving its profits and signing therefor; accepting shares assigned to the company or the partners; assigning the company's shares in the companies in which it participates; buying, selling, and registering the transfer of ownership and accepting thereof, receiving the price and delivering the consideration; collecting, mortgaging, and releasing mortgages; extracting deeds for all company properties and proving what must be proven and signing on behalf of the company in this regard; requesting the amendment of deeds with respect to their boundaries and areas, including deletions and additions; signing all of the aforementioned; undertaking all or some of the aforementioned powers; and authorizing or delegating others to carry out specific actions or tasks within the aforementioned powers and dismissing them and granting them the right to delegate others.

The Board of Directors shall determine the powers and authorities vested in the Managing Director (if appointed), and he shall implement the instructions directed to him by the Board of Directors in accordance with their powers as contained in these bylaws.

The Board of Directors shall determine, at its discretion and by resolution, the special remuneration received by each of the Chairman, Vice-Chairman, and Managing Director (if appointed), which may be a specific amount, certain benefits, or a specific percentage of net profits or retained earnings, consistent and commensurate with their powers as contained in these bylaws, in addition to the remuneration prescribed for Board members pursuant to the provisions of these bylaws.

The Board of Directors may appoint a Chief Executive Officer from among its members or others, and determine his/her responsibilities, duties, remuneration, privileges, and other terms and conditions of appointment, provided that the Chief Executive Officer, if appointed, shall implement the policy set by the Board of Directors, supervise the work of the company's managers, manage the daily affairs of the



company, and other powers and authorities granted to him/her in writing by the Board of Directors from time to time.

The Board of Directors shall appoint a Secretary, selected from among its members or others, who shall be responsible for recording the minutes of the Board of Directors meetings, documenting the resolutions issued by these meetings, and preserving them, in addition to exercising other powers entrusted to him/her by the Board of Directors. His/her remuneration shall be determined by the Board of Directors.

The Chairman of the Board of Directors may, by written resolution, delegate some of his/her powers to other Board members or to others to carry out specific actions or tasks.

The Vice-Chairman of the Board of Directors shall replace the Chairman of the Board of Directors in his/her absence in cases where the Board of Directors has a Vice-Chairman.

The term of the Chairman, Vice-Chairman, and Managing Director (if appointed), and the Secretary who is a member of the Board of Directors, shall not exceed the term of their membership on the Board. The Board of Directors may relieve the Chairman, Vice-Chairman, Chief Executive Officer, and Secretary, or any of them, from their positions, without this affecting their membership on the Board of Directors.

Article (24): Board Meetings

1- The Board of Directors shall meet periodically as needed, but not less than four (4) meetings in each fiscal year, upon invitation from its Chairman. The invitation shall be in writing and may be sent by registered mail, fax, email, or using modern technology, sufficiently in advance of the scheduled date of the meeting. The Chairman of the Board shall convene a Board meeting whenever requested to do so in writing by any Board member to discuss any matter or matters.

The Board of Directors shall determine the location of its meetings, which may be held using modern technology.



Article (25): Quorum and Board Resolutions

A Board meeting shall not be valid unless attended by at least half of the members, provided that the number of members present, in person or by proxy, is not less than three. A Board member may delegate another member to attend Board meetings in accordance with the following rules:

- a- A Board member may not represent more than one member in the same meeting.
- b- The proxy shall be in writing, whether by email or through modern technology.
- c- The proxy may not vote on resolutions that the bylaws prohibit the principal from voting on.
 - 1- Board resolutions shall be passed by a majority vote of the members present or represented, in person or by proxy. In the event of a tie, the side with which the Chairman of the Board, or whoever chairs the meeting in his/her absence, has voted shall prevail.
 - 2- The Board of Directors may issue its resolutions on urgent matters by presenting them to all members individually, unless a member requests in writing a Board meeting to deliberate on them. Such resolutions shall be passed by a majority vote of its members and shall be presented to the Board of Directors at its next meeting for ratification in the minutes of that meeting.
 - 3- Board meetings may be held, and Board members may participate in deliberations and vote on resolutions, using modern technology. A Board resolution shall take effect from the date of its issuance, unless it stipulates otherwise or upon the fulfillment of certain conditions.

Article (26): Board Deliberations

- 1- The deliberations and resolutions of the Board of Directors shall be recorded in minutes authenticated by the Secretary and signed



by the Chairman of the meeting, the attending Board members, and the Secretary.

- 2- The minutes shall be recorded in a special register signed by the Chairman and the Secretary of the Board of Directors.

Modern technology may be used for signing, documenting deliberations and resolutions, and recording minutes.

(Chapter Five) Shareholders' Meetings

Article (27): Meeting of the General Assembly of Shareholders

- 1- The meeting of the General Assembly of Shareholders shall be chaired by the Chairman of the Board of Directors, or his/her Vice-Chairman in his/her absence, or by a member of the Board delegated by the Board of Directors in their absence. If this is not possible, the General Assembly shall be chaired by a person delegated by the shareholders from among the Board members or others by vote.
- 2- Each shareholder has the right to attend the General Assembly meeting and may delegate another person who is not a member of the Board of Directors.

The General Assembly meeting may be held, and shareholders may participate in deliberations and vote on resolutions, using modern technology.



Article 28: Powers of the Ordinary General Assembly

Except for matters within the competence of the Extraordinary General Assembly, the Ordinary General Assembly shall have jurisdiction over all matters related to the company. It shall convene at least once a year within the six months following the end of the company's fiscal year. Other Ordinary General Assemblies may be convened whenever necessary.

Article (29) Competencies of the Extraordinary General Assembly

The Extraordinary General Assembly shall have the exclusive competence to amend the Company's Articles of Incorporation, except for matters that are statutorily prohibited from being amended. It may also issue resolutions on matters originally within the competence of the Ordinary General Assembly, subject to the same terms and conditions applicable to the Ordinary General Assembly.

Article (30) Convening of Assemblies

1. General and Special Assemblies shall be convened by invitation of the Board of Directors. The Board of Directors must convene the Ordinary General Assembly within thirty (30) days of a request from the external auditor(s) or one or more shareholders representing at least ten percent (10%) of the Company's shares with voting rights. The external auditor(s) may convene the Ordinary General Assembly if the Board fails to issue the invitation within thirty (30) days of the auditor's request.
2. The request referred to in paragraph (1) of this Article must specify the items to be voted upon by the shareholders.
3. The invitation to convene the Assembly shall be issued at least twenty-one (21) days prior to the scheduled date by publishing the invitation and agenda on the website of the Financial Market and the Company's website, in accordance with the regulations determined by the competent authority and the standards stipulated in the Companies Law. General Assembly meetings may be held, and shareholders may participate in their



deliberations and vote on resolutions using modern technology, according to the regulations established by the competent authority.

Article (31) Quorum for the Ordinary General Assembly Meeting

1. A meeting of the Ordinary General Assembly shall not be valid unless attended by shareholders representing at least one-quarter (1/4) of the Company's shares with voting rights.
2. If the quorum required for holding the Ordinary General Assembly meeting is not met pursuant to paragraph (1) of this Article, a second meeting shall be convened under the same conditions stipulated in the Companies Law within thirty (30) days following the date set for the previous meeting. Notwithstanding the foregoing, the second meeting may be held one hour after the expiry of the time specified for the first meeting, provided that the invitation to the first meeting indicates the possibility of holding such a second meeting. In all cases, the second meeting shall be valid regardless of the number of shares with voting rights represented therein.

Article (32) Quorum for the Extraordinary General Assembly Meeting

1. A meeting of the Extraordinary General Assembly shall not be valid unless attended by shareholders representing at least one-half (1/2) of the Company's shares with voting rights.
2. If the quorum required for holding the Extraordinary General Assembly meeting is not met pursuant to paragraph (1) of this Article, a second meeting shall be convened under the same conditions stipulated in the Companies Law. Notwithstanding the foregoing, the second meeting may be held one hour after the expiry of the time specified for the first meeting, provided that the invitation to the first meeting indicates the possibility of holding such a second meeting. In all cases, the second meeting shall be valid if attended by shareholders representing at least one-quarter (1/4) of the Company's shares with voting rights.



3. If the quorum required for the second meeting is not met, a third meeting shall be convened under the same conditions stipulated in the Companies Law, and the third meeting shall be valid regardless of the number of shares with voting rights represented therein.

Article (33) Voting in Assemblies

1. Each shareholder shall have one vote for each share in the General Assemblies. Cumulative voting must be used in the election of Board members, such that the voting right of a share may not be used more than once.
2. Members of the Board of Directors may not participate in voting on Assembly resolutions concerning acts and contracts in which they have a direct or indirect interest, or which involve a conflict of interest.

Article (34) Resolutions of the Assemblies

1. Resolutions of the Ordinary General Assembly shall be passed by a majority of the voting rights represented at the meeting.
2. Resolutions of the Extraordinary General Assembly shall be passed by a two-thirds (2/3) majority of the voting rights represented at the meeting, unless the resolution pertains to an increase or decrease in capital, an extension of the Company's term, its dissolution before the expiry of the term specified in its Articles of Incorporation, its merger with another company, or its division into two or more companies, in which case it shall not be valid unless passed by a three-quarters (3/4) majority of the voting rights represented at the meeting.

Article (35) Discussion in Assemblies

Each shareholder has the right to discuss the topics listed on the Assembly's agenda and to address questions regarding them to the members of the Board of Directors and the external auditor(s). The Board of Directors or the external auditor(s) shall answer the shareholders' questions to the extent that doing so does not jeopardize



the Company's interests. If a shareholder deems the response to their question unsatisfactory, they may appeal to the Assembly, whose decision in this regard shall be final and binding.

Article (36) Preparation of Assembly Minutes

Minutes of the Assembly meeting shall be recorded, including the number of shareholders present in person or by proxy, the number of shares they hold in person or by proxy, the number of votes allocated thereto, the resolutions adopted, the number of votes in favor of or against each resolution, and a comprehensive summary of the discussions that took place during the meeting. The minutes shall be formally recorded after each meeting in a dedicated register and signed by the Chairman of the Assembly, the Secretary, and the vote collectors.

(Chapter Six) External Auditor(s)

Article (37) Appointment, Removal, and Resignation of the Company's External Auditor(s)

1. The Company shall have one or more external auditors licensed in the Kingdom, who shall be appointed by the General Assembly, which shall also determine their fees, term of service, and scope of work. Reappointment is permissible, provided that the term of appointment does not exceed the period stipulated by applicable regulations.
2. The General Assembly may, by resolution, remove the external auditor(s). The Chairman of the Board of Directors must notify the competent authority of the removal decision and its reasons within five (5) days of the date of the resolution.

The auditor may resign their assignment by submitting written notice to the company. Their assignment terminates upon submission of the notice or on a later date specified therein. This is without prejudice to the company's right to compensation for any damages incurred as a result, if grounds for such compensation exist. The resigning auditor is obligated to provide the company and the competent authority, upon submission of the resignation notice, with a statement outlining the reasons for their resignation. The Board of Directors must convene a



General Assembly meeting to consider the reasons for the resignation and appoint another auditor, determining their fees, term of service, and scope of work.

Article (38): Powers of the Auditor

The auditor has the right, at any time, to access the company's documents, accounting records, and supporting documentation. They may request data and clarifications deemed necessary to verify the company's assets, liabilities, and other matters within the scope of their work.

The Board of Directors must enable the auditor to perform their duties. Should the auditor encounter any difficulties in this regard, they shall document such difficulties in a report submitted to the Board of Directors. If the Board of Directors fails to facilitate the auditor's work, the auditor shall request the Board of Directors to convene a General Assembly meeting to address the matter. The auditor may directly convene such a meeting if the Board of Directors fails to do so within thirty days of the auditor's request.

Article (39): Fiscal Year

(Chapter Seven) Company Accounts and Profit Distribution

The company's fiscal year commences on the first of January and concludes on the thirty-first of December of each year.

Article (40): Financial Documents

1. At the end of each fiscal year, the Board of Directors must prepare the company's financial statements and a report on its activities and financial position for the elapsed fiscal year. This report shall include the proposed method for profit distribution. The Board shall make these documents available to the auditor at least forty-five days prior to the scheduled date of the annual Ordinary General Assembly meeting.
2. The Chairman of the Board of Directors, or their designated representative or proxy, the Chief Executive Officer, and the Chief



Financial Officer must sign the documents referred to in paragraph (1) of this article. Copies of these documents shall be deposited at the company's principal office and made available to the shareholders.

3. The Chairman of the Board of Directors shall furnish the shareholders with the signed financial statements, the Board of Directors' report, and the auditor's report, unless these documents are published through modern technological means, at least twenty-one days prior to the scheduled date of the annual Ordinary General Assembly meeting. The Chairman shall also deposit these documents in accordance with the provisions of the Implementing Regulations of the Companies Law.
- Financial documents and records shall be retained as stipulated in relevant laws and regulations.

Article (41): Formation of Reserves and Distribution of Profits

1. The General Assembly, upon the proposal of the Board of Directors, may allocate a certain percentage of net profits to establish a reserve, to be designated for purposes specified by the General Assembly. The competent authority shall establish regulations for the formation of reserves.
2. Reserves designated for specific purposes in the company's Articles of Association may only be utilized pursuant to a resolution of the Extraordinary General Assembly. If a reserve is not designated for a specific purpose, the Ordinary General Assembly, upon the proposal of the Board of Directors, may decide to utilize it for the benefit of the company or the shareholders. The competent authority shall establish regulations for the utilization of reserves.
3. When determining the share of net profits attributable to each share, the Ordinary General Assembly, upon the proposal of the Board of Directors, may decide to establish other reserves, to the extent that this serves the company's interests or ensures the



distribution of stable dividends to the shareholders, as much as possible. The aforementioned Assembly may also deduct amounts from net profits to achieve social purposes for the company's employees.

4. The Ordinary General Assembly may utilize retained earnings and distributable reserves to settle the remaining amount or a portion thereof of the share value, provided that this does not prejudice fairness among shareholders in accordance with the provisions of the Law.
5. Based on the recommendation of the Board of Directors, the General Assembly shall determine the percentage of net profits to be distributed to the shareholders after deducting reserves, if any.

Based on the recommendation of the Board of Directors, annual or interim dividends may be distributed to shareholders from distributable profits, after fulfilling the controls specified by the executive regulations and relevant requirements issued by the competent authorities in this regard, including an authorization issued by the Ordinary General Assembly to the Board of Directors to distribute interim dividends.

Article (42): Entitlement to Profits

A shareholder is entitled to their share of profits in accordance with the resolution of the General Assembly issued in this regard. The resolution shall specify the entitlement date and the distribution date. Entitlement to profits belongs to the owners of shares registered in the shareholders' register at the end of the designated entitlement date. The Board of Directors must implement the General Assembly's resolution regarding the distribution of profits to shareholders within the period specified by the Implementing Regulations of the Companies Law pertaining to listed joint-stock companies.

Article (43): Company Losses

If the company's losses reach one-half of the issued share capital, the Board of Directors must disclose this fact and any recommendations



regarding these losses within sixty days of becoming aware of reaching this threshold. The Board must convene an Extraordinary General Assembly meeting within one hundred and eighty days of becoming aware of this to consider the continuation of the company, taking any necessary measures to address these losses or to dissolve the company.

Chapter Eight - Disputes

Article (44): Liability Claim

1. The company may file a liability claim against members of the Board of Directors for violating the provisions of the Companies Law or these Articles of Association, or for errors, negligence, or failure in performing their duties, resulting in damages to the company. The General Assembly shall decide to file such a claim and appoint a representative to pursue it on behalf of the company. If the company is in liquidation, the liquidator shall file the claim. In the event of the commencement of any liquidation proceedings against the company in accordance with the Bankruptcy Law, the filing of this claim shall be by the legally appointed representative.
2. One or more shareholders representing at least five percent (5%) of the company's share capital may file the liability claim vested in the company if the company fails to do so, provided that the primary objective of filing the claim is to serve the company's interests, that the claim is based on valid grounds, that the claimant is acting in good faith, and that the claimant is a partner or shareholder in the company at the time of filing the claim.
3. Filing the claim referred to in paragraph (2) of this article is conditional upon notifying the members of the Board of Directors of the intent to file the claim at least fourteen days prior to the filing date.

A shareholder may file a personal claim against members of the Board of Directors if their error has caused specific harm to the shareholder.



Chapter Nine - Dissolution and Liquidation of the Company

Article (45): Dissolution of the Company

The company shall be dissolved for any of the reasons for dissolution stipulated in the Companies Law. Upon dissolution, the company shall enter into liquidation in accordance with the provisions of the Companies Law. If, upon dissolution, the company's assets are insufficient to settle its debts or if the company is insolvent according to the Bankruptcy Law, it must apply to the competent judicial authority to commence liquidation proceedings under the Bankruptcy Law.

Chapter Ten - Concluding Provisions

Article (46)

1. The company is subject to the laws in force in the Kingdom of Saudi Arabia.
2. Any provision in these Articles of Association that contradicts the provisions of the Companies Law shall be deemed null and void, and the corresponding provisions of the Companies Law shall apply. Any matter not addressed in these Articles of Association shall be governed by the Companies Law and its Implementing Regulations.

Article (47): Publication

These Articles of Association shall be deposited and published in accordance with the provisions of the Companies Law and its Implementing Regulations.

Company Name Dar Al Arkan Real Estate Development Company Listed Joint-Stock Company	Bylaws	Ministry of Commerce (Operations Department)
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CR No. 1010160195	Date of Issue: 18/01/1446H (24/07/2024G)	Signed By: Huda Al Jasser
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