

(Invitation)

Dar Alarkan Real Estate Development Co. announces to Invites its Shareholders to Attend the (First Meeting) Extraordinary General Assembly Meeting using modern technology means

The Board of Directors of Dar Al-Arkan Real Estate Development Company is pleased to invite the shareholders to participate and vote in the Extraordinary General Assembly meeting (the first meeting), which is scheduled to be held at 18:45 on Thursday 27/06/2024 corresponding to 21/12/1445H, using modern technology means through the Tadawulaty system.

City and Location of the General Assembly's Meeting: Head Office of the company, 12622 Makkah Road, Al Wizarat, Beside Riyadh Marriott Hotel, Riyadh, KSA through modern technology.

URL for the Meeting Location: www.tadawulaty.com.sa

The Meeting Agenda as follow:

1. Review and discuss the Board of Directors' report for the fiscal year ending on 31/12/2023 G.
2. Voting on the auditor/s report on the Company's accounts for the fiscal year ending on 31/12/2023 G after discussing the report.
3. Review and discuss on the financial statements for the fiscal year ending on 31/12/2023 G.
4. Voting on appointing the external auditor for the Company from among the candidates based on the Audit Committee's recommendation. The appointed auditor/s shall examine, review and audit the second, third quarters and annual financial statements, of the fiscal year 2024 G., and the first quarter of the fiscal year 2025 G., and the determination of the auditor's fees.
5. Voting on the business and contracts that will be concluded between the Company and the SHL Finance Company, in which the chairman of the board Mr. Youssef bin Abdullah Al-Shalash, has an indirect interest in it. These businesses and contracts are financing some customers of Dar Al-Arkan Company to purchase houses. During 2023, there were sales of SAR 3.8 million which were paid off by SHL during the year and no outstanding balance to be paid or settled with this related party. These transactions are continuous, to be renewed annually, and carried out in the context of regular business and in accordance with the prevailing commercial terms and without any preferential conditions. (attached)
6. Voting on the business and contracts that will be concluded between the Company and Al-Khair Capital, in which each of the members of the Board of Directors: Mr. Youssef bin Abdullah Al-Shalash and Mr. Majid bin Abdul Rahman Al-Qasim, have an indirect interest in it. These businesses and contracts are to provide financial

consultations to Dar Al-Arkan. During 2023, there were no transactions made, and there is no outstanding or due balance. These services are continuous, to be renewed annually, and carried out in the context of regular business and in accordance with the prevailing commercial terms and without any preferential conditions. (attached)

7. Vote to provide clearance to the members of the Board of Directors for the fiscal year ended December 31, 2023.

8. Voting on paying an amount of one million and eight hundred thousand Saudi Riyal as remuneration to the Board members for the fiscal year ending on 31/12/2023 G (attached)

9. Voting on delegating the Board of Directors to distribute interim dividends on a biannual / quarterly basis for the fiscal year 2024 G.

10. Voting on amending the company's bylaws in line with the new companies' bylaws, and rearranging the articles of the company bylaws and numbering them to be consistent with the proposed amendments. (attached)

11. Voting on the amendment of the charter of the audit committee. (Attached)

12. Voting on the amendment of the charter of the Remuneration and Nominations Committee. (Attached)

13. Voting on the amendment of Policies, Standards and Procedures for the Membership in the Board of Directors. (Attached)

14. Voting on the amendment of Remunerations Regulation for Members of the Board of Directors, Committees Emanating from the Board and Executive Management. (Attached)

15. Voting on the competition standards. (attached)

Attendance Eligibility

Each shareholder who is registered in the Company's shareholders register with Edaa at the end of the trading session prior to the Assembly meeting shall be entitled to attend the assembly meeting, according to the rules and regulations.

Quorum for Convening the General Assembly's Meeting

The Extraordinary General Assembly meeting shall be valid if shareholders representing at least half the company's capital are present. If the quorum required to hold this meeting is not available, the second meeting will be held an hour after the end of the period specified for the first meeting, and the second meeting shall be considered valid if attended by shareholders representing at least a quarter of the capital.

The shareholder right in discussing the assembly agenda topics, asking questions, and exercising the voting right.

Honored shareholders can vote remotely on the items on the assembly's agenda, through the electronic voting service by visiting the Tadawulaty website www.tadawulaty.com.sa Note that the registration for the service and voting is freely available to all shareholders, starting at 1:00 AM on Tuesday 19/12/1445H corresponding to 25/6/2024, until the end of assembly time.

Eligibility to register attendance and vote

Note that the eligibility for registering the attendance of the general assembly's meeting ends upon the convenience of the general assembly's meeting, and the right to vote on the assembly items for the attendees, ends when the Counting committee finishes counting the votes.

Method of Communication

For inquires, you can contact the company's management through the following means of communication: phone number 00966112069888, ext. 1641 or 1144, or via email ir@alarkan.com



Dar Al-Arkan Real Estate Development Company

**Report of the Audit Committee for the ended
fiscal year 31/12/2023**

Dear shareholders of Dar Al-Arkan Real Estate Development Company

Introduction

The audit committee of Dar Al Arkan Real Estate Development Company was formed according to the requirements of the articles of the companies law and the articles of the corporate governance regulation issued by the CMA.

We are pleased to share with you the annual audit committee report for the fiscal year ending on December 31, 2023, which was prepared in light of the Companies Law and the Capital Market Authority's rules and regulations. The report includes the opinion of the committee regarding the adequacy of the internal control system in the company, and the other work carried out by the committee within the scope of its competence, based on the relevant legal requirements.

Formation of the committee

The general assembly of the company, at its meeting held on 23/6/2022, approved the formation of the membership of the audit committee, the functions of the committee, its work controls, and the remuneration of its members in accordance with the relevant legal requirements. Currently, the Audit Committee consists of (4) members, including three non-executive members and one independent member, and among its members shall be a member specialized in financial and accounting affairs.

Meetings of the committee

In light of its regulations, the committee holds its meetings upon the invitation of its chairman. The audit committee meets at least 4 times a year, and it may increase when the need arises. The meetings of the committee are held when the legal quorum is complete, with the presence of most of its members, whether on behalf of other members if applicable. The audit committee held (4) meetings during the year 2023, with the completion of the quorum for that.

A summary of the most important tasks and responsibilities of the audit committee during the year 2023

First: The work carried out by the committee during the fiscal year ending on December 31, 2023

Financial Reports

- Consider the results and the preliminary and annual financial statements for the fiscal year ending on December 31, 2023 with the company's management and the auditor's notes on the financial statements and following up on what has been done about them, and the results of the company's financial year review and related announcements to ensure that they meet the requirements of disclosure. The recommendation has been raised to the Board of Directors for consideration for approval and to approve its announcement on the Saudi Stock Exchange website "Tadawul".
- Verify the extent of the company's compliance with the unified accounting policies that are compatible with international financial reporting standards and the important accounting practices, including the consistency of these policies annually.
- Provide a technical opinion on the report of the board of directors regarding its preparation in accordance with the statutory requirements.

Internal Audit Department

- Review and approve the Internal Audit Plan for the year 2023.
- Follow up on the implementation of the approved audit plan for the year 2023.
- Supervise the work, scope, methodology and outcomes of the company's internal audit department, as well as to verify whether the department has the authority and resources necessary to carry out its work while preserving its independence.
- Follow-up of the company's commitment to implement appropriate control systems to measure and evaluate the risks faced by the company and to study the methods where the company's management deals with these risks, and verify the effectiveness and adequacy of the systems,

and the extent of the company's management adherence to the acceptable level of risks approved by the BoD, and the committee makes appropriate recommendations to the BoD.

- Monitor the company's commitment to implement the company's corporate governance rules, verify their effectiveness, follow up on any issues regarding governance applications, and provide the BoD with recommendations.
- Study and review the company's internal and financial control and risk management systems, through studying the Internal Audit reports for the year 2023, and following up on the implementation of corrective actions.

External Auditor

- Verify the extent of the independence of the auditor, M/s Turki Abdul Mohsen Alluhaid & Saleh Abdullah Al Yahya Chartered Accountants his objectivity and fairness, and the effectiveness of the audit work, taking into account the relevant rules and standards.
- Raise the recommendation to the BoD to evaluate the performance of the auditors, after verifying their independence and reviewing the scope of work in light with the terms of contracts.
- Review the audit plan for Dar Al-Arkan for the year 2023 prepared by the auditor, reviewing its work and verifying that it does not present technical or administrative works that are outside the scope of the audit work.
- Review all important correspondences between the auditor and the management, such as a representative letter from the management regarding the validity of the financial statements issued to the auditor, as well as the auditor's remarks letter directed to the management, if any.
- Answer the inquiries of the company's auditor.
- Study the auditor's report and his notes on the financial statements and follow up on actions had been taken in this regard.

Compliance

- Study the reports of the supervisory authorities regarding the extent of the company's compliance with the relevant regulations and instructions, and follow up the implementation of the recommendations.
- Verify the company's compliance with the relevant laws, regulations, policies and instructions.
- Review the contracts and proposed transactions that the company conduct with related parties, and raising the opinion of the committee to the BoD.

Transactions with related parties

- The Audit committee reviewed the results of the limited examination process that was carried out by the external auditor of the transactions with related parties at Dar Al-Arkan Real Estate Development Company for the year 2023 included in the report on transactions with related parties prepared by the Chairman of the BoD indicating all the transactions with related parties that the company carried out during the year based on the results of the report to the company's board of directors.

Second: Audit Committee's opinion on the adequacy of the internal control systems

- The audit committee, within the its scope of work, examined the periodic reports prepared by the internal audit department in addition to discussing and reviewing the results of the auditor's work, and also discussing the company's management with the results of assessing the adequacy and effectiveness of internal control. Also, the committee follows up on the implementation of the recommendations to address the observations made in those reports.
- It became clear to the committee that the company's management has designed an internal control system commensurate with the relative importance of the financial and non-financial risks inherent in the company's activities, and considering the balance between cost and benefit to give reasonable assurances to avoid material errors or losses.

- Based on the internal audit results and the external auditor's reports during 2023, the executive management of the company has maintained an effective system of financial, operational and administrative controls and there is no material weakness as a result of relying on the integrity of the financial and accounting systems and its financial reporting. Also the executive management implemented corrective actions, where those actions can reduce the possibility of the misuse of the company's assets and its activities, relating to all the observations and recommendations raised by the Internal Audit Department to the Audit Committee. Therefore, the Audit Committee provides a reasonable basis for the efficiency and effectiveness of the company's internal control systems, however, it is not possible to provide absolute assurance about the review and assessment of the internal control procedures.

Date 30/5/2024

Audit Committee's Recommendation of External

Auditor for Dar Al Arkan Real Estate Company

The Audit Committee received proposals from external auditors to audit the annual financial statements for the year 2024 and review the financial statements for the second, third quarters for the year 2024 and the first quarter for the year 2025.

The evaluation of the proposals was based on many factors like independence and objectivity, the professional experience of each audit office, experience in Assurance Services with respect to the local and international standards, license approval by Capital Market Authority (CMA) and the cost of the service.

The list of received proposals are as below:

	The Audit Firm	Fees (SAR)
1	M/s Turki Abdul Mohsen Alluhaid & Saleh Abdullah Al Yahya Chartered Accountants	765,000
2	M/s AlKharashi & Co. Certified Accountants and Auditors	850.000
3	M/s Ibrahim Ahmed Albassam & Co. (Albassam & Co.)	927.000

Based on the above, the Audit Committee has recommended M/s Turki Abdul Mohsen Alluhaid & Saleh Abdullah Al Yahya Chartered Accountants as the External Auditor of Dar Al Arkan Company to audit the annual financial statements for the year 2024 and review the financial statements for the second, third quarters for the year 2024 and the first quarter for the year 2025.

Mr. Tariq Bin Mohammed Al Jarallah

Audit Committee Chairman

Mr. Hathloul Saleh Al Hathloul

Member

Mr. Majed Abdul Rahman Al Qasim

Member

Mr. Abdulrahman Saleh Alsawi

member

التاريخ ٢٠٢٤/٠٥/٣٠ م

توصية لجنة المراجعة بترشيح مراجع حسابات خارجي لشركة دار الأركان

للتطوير العقاري

السلام عليكم ورحمة الله وبركاته،
لقد استلمت لجنة المراجعة عروض من مراجعي الحسابات الخارجيين لتدقيق القوائم المالية السنوية لعام ٢٠٢٤ م وفحص القوائم المالية للربع الثاني والثالث لعام ٢٠٢٤ م والربع الأول لعام ٢٠٢٥ م.
استند تقييم العروض إلى العديد من العوامل مثل الاستقلالية والموضوعية والخبرة المهنية لكل مكتب تدقيق، والخبرة في خدمات المراجعة فيما يتعلق بالمعايير المحلية والدولية، ومكاتب المراجعة المسجلة لدى هيئة السوق المالية (CMA) وتكلفة الخدمة المقدمة.
وجاءت قائمة العروض كما يلي:

تسلسل	اسم المكتب	الاجمالي (بالريال السعودي)
١	السادة/ شركة تركي عبدالمحسن اللحيد وصالح عبدالله اليحيى محاسبون ومراجعون قانونيون	٧٦٥,٠٠٠
٢	السادة/ شركة سليمان عبدالله الخراشي (الخراشي وشركاه محاسبون ومراجعون قانونيون)	٨٥٠,٠٠٠
٣	السادة/ شركة إبراهيم أحمد البسام وشركاه محاسبون قانونيون (البسام وشركاه)	٩٢٧,٠٠٠

بناء على ما ذكر اعلاه، توصي لجنة المراجعة بترشيح السادة/ شركة تركي عبدالمحسن اللحيد وصالح عبدالله اليحيى محاسبون ومراجعون قانونيون لتدقيق القوائم المالية السنوية لعام ٢٠٢٤ م وفحص القوائم المالية للربع الثاني والثالث لعام ٢٠٢٤ م والربع الأول لعام ٢٠٢٥ م.

وتقبلوا وافر التحية والتقدير ،

الأستاذ / طارق بن محمد الجارالله

رئيس لجنة المراجعة

الأستاذ/ هنلول بن صالح الهذلول

عضو اللجنة

الأستاذ/ ماجد بن عبد الرحمن القاسم

عضو اللجنة

الأستاذ / عبدالرحمن بن صالح السعوي

عضو اللجنة

**LIMITED ASSURANCE REPORT
TO THE SHAREHOLDERS OF DAR AL ARKAN REAL ESTATE DEVELOPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)**

We were engaged by the management of Dar Al Arkan Real Estate Development Company (the “Company”) to perform a “limited assurance engagement” as defined by the International Standard on Assurance Engagements (ISAE) 3000, “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” endorsed in the Kingdom of Saudi Arabia hereafter referred as the engagement and report on the accompanying Chairman’s declaration (Appendix A) prepared in accordance with the requirements of Article 71 of the Saudi Arabian Companies’ Law issued by the Ministry of Commerce (“MOC”) and Article 28 of the Corporate Governance Regulations issued by the Capital Market Authority (“CMA”), which is presented by the Company’s Board of Directors to the Extraordinary General Assembly and comprises the transactions and contracts carried out by the Company during the year ended 31 December 2023 in which any of the members of Board of Directors (“BOD”) of the Company had direct or indirect personal interest (“Subject Matter”).

Criteria applied by the Company:

In preparing the Subject Matter, the Company applied below criteria (“Applicable Criteria”). Such Criteria were specifically designed for the Declaration submitted by the Board of Directors to the extraordinary general meeting assembly (Appendix A), as a result, the Subject Matter information may not be suitable for any other purpose.

We have used the following as the Applicable Criteria:

1. Article 71 of the Saudi Arabian Companies’ Law issued by the MOC;
2. Article 28 of the Corporate Governance Regulations issued by the CMA;
3. Declaration submitted by the Board of Directors of the Company dated 19 March 2024;
4. Declaration submitted by the Company’s respective Board of Directors’ members regarding the transaction and contracts in which any of the members of Board of Directors (“BOD”) of the Company had direct or indirect personal interest for the year ended 31 December 2023.

Management’s Responsibility:

The management of the Company is responsible for selecting the Applicable Criteria and for preparing and presenting the Subject Matter information in accordance with the Applicable Criteria in all material respects. This responsibility includes designing, implementing, maintaining internal control and maintain adequate records relevant to the preparation and presentation of the Subject Matter such that the information included in the Subject Matter is free from material misstatement, whether due to fraud or error.

The management of the Company is also responsible for preventing and detecting fraud and for identifying and ensuring that the Company complies with laws and regulations applicable to its activities. The management of the Company is responsible for ensuring that staff involved with the preparation of the Subject Matter information are properly trained, systems are properly updated and that any changes in reporting encompass all significant business units.

LIMITED ASSURANCE REPORT (continued)
TO THE SHAREHOLDERS OF DAR AL ARKAN REAL ESTATE DEVELOPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)

Our Responsibility:

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" endorsed in the Kingdom of Saudi Arabia and terms of reference for this limited assurance engagement as agreed with the Company. Those standards require that we plan and perform our limited assurance engagement to express a conclusion that any matter has come to our attention that causes us to believe that the Subject Matter information is not prepared, in all material respects, in accordance with the Applicable Criteria. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Independence and Quality Controls:

We have maintained our independence and confirm that we have met the requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia (the "Code") and have the required competencies and experience to conduct this assurance requirements.

Our firm applies International Standard on Quality Management 1, "Quality Management for Firms that performs audits and reviews of Financial Statements, and Other Assurance and Related Services Engagements" as endorsed in the Kingdom of Saudi Arabia and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Summary of Procedures:

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal control when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing of controls or performing procedures relating to checking aggregation or calculation of data within IT system.

A limited assurance engagement consists of making inquiries, primarily of persons responsible for preparing the Subject Matter and the related information and applying analytical and other appropriate procedures. Our procedures included:

- Obtaining the declaration from the Board of Directors to the extraordinary general assembly that includes the transactions and/or contracts during the year ended 31 December 2023 between the Company and any of the members of the Company's Board of Directors where the said member has either direct or indirect interest;

LIMITED ASSURANCE REPORT (continued)
TO THE SHAREHOLDERS OF DAR AL ARKAN REAL ESTATE DEVELOPMENT COMPANY
(A SAUDI JOINT STOCK Company)

Summary of Procedures (continued):

- Obtaining the notifications to the Board of Directors by the members of actual or potential conflicts of direct or indirect interest in relation to transactions and/or contracts involving the member of the Board of Directors for the year ended 31 December 2023;
- Checking that the declaration confirms that the relevant directors who notified the BOD of actual or potential conflicts of direct or indirect interest did not vote on the resolution to recommend the related transaction(s) and/or contract(s); and
- Obtaining the required approvals along with supporting documents in respect of the transactions and/or contracts included in the declaration.

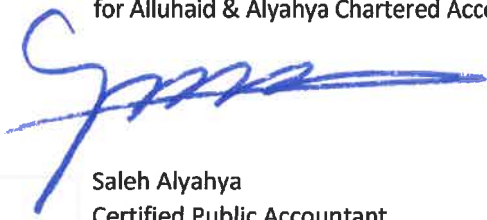
Limited Assurance Conclusion:

Based on the procedures performed and evidence obtained, no matter has come to our attention that causes us to believe that the Subject Matter information is not prepared, in all material respects, in accordance with the Applicable Criteria.

Other Matters:

1. The attached appendix has been stamped by us for identification purposes.
2. Our report is issued solely for the Company's compliance with the requirements of MOC and CMA, and is not intended to be, and should not be used for any other purpose or to be distributed to any other parties.

for Alluhaid & Alyahya Chartered Accountants



Saleh Alyahya
Certified Public Accountant
License No. 473

Riyadh: 25 Dhu al'Qa-dah 1445H
(2 June 2024)



Appendix A

Date: 2 June 2024

To/ Honorable members of the general assembly of Dar Al Arkan Real Estate Development Company

Peace be upon you and God's mercy and blessings

In compliance with the article (71) of the Companies Law issued by the Ministry of Commerce and the article (28) of the Corporate Governance Regulations issued by Capital Market Authority (CMA), which requires the members of the board to inform the board of any direct or indirect personal interest in the company businesses and contracts, the Board of Directors would like to seek your distinguished general assembly of the following:

- 1- Voting on the business and contracts that will be concluded between the Company and the SHL Finance Company, in which the board member Mr. Youssef bin Abdullah Al-Shalash, has a direct and indirect interest in it. These businesses and contracts are financing some customers of Dar Al-Arkan Company to purchase houses. During 2023, there were sales of SAR 3.802 million which were paid off by SHL during the year and no outstanding balance to be paid or settled with this related party. These transactions are continuous, to be renewed annually, and carried out in the context of regular business and in accordance with the prevailing commercial terms and without any preferential conditions.
- 2- Voting on the business and contracts that will be concluded between the Company and Al-Khair Capital, in which each of the members of the Board of Directors: Mr. Youssef bin Abdullah Al-Shalash and Mr. Majid bin Abdul Rahman Al-Qasim, have an indirect interest in it. These businesses and contracts are to provide financial consultations to Dar Al-Arkan. During 2023, there were no transactions made, and there is no outstanding or due balance. These services are continuous, to be renewed annually, and carried out in the context of regular business and in accordance with the prevailing commercial terms and without any preferential conditions.

The Board of Directors confirms that the relevant directors who notified the BOD of actual or potential conflicts of direct or indirect interest did not vote on the resolution to recommend the related transaction and/or contract mentioned above.

The Board of Directors recommends to your honorable general assembly to approve these businesses and contracts and authorize them for the next year. External Auditor of the company have been appointed to provide their special report regarding these businesses and contracts according to statutory requirements in accordance to SOCPA standards.



Chairman

Youssef bin Abdullah Al-Shalash

**Alluhaid and Alyahya Chartered Accountants
for Identification Purposes Only**

Date: 19 March 2024

To/ Honorable members of the general assembly of Dar Al Arkan Real Estate Development Company
Peace be upon you and God's mercy and blessings

In compliance with the article (71) of the Companies law issued by the Ministry of Commerce and the article (28) of the Corporate Governance Regulations issued by the Capital Market Authority, which require that a member of the Board of Directors inform the Board of his direct or indirect personal interest in the business and contracts that are made for the company. On behalf of the members of the Board of Directors, I confirm that the information provided below includes all business, contracts and other operations between the related parties of Dar Al-Arkan Company, which are subject to Article (71) of the Companies Law, for the fiscal year ending on December 31, 2023, in which the company seeks to obtain the approval of the General assembly, as there are no preference terms / benefits in these deals and contracts, which the members of the Board of Directors have, directly or indirectly.

Nature of the contract or business	Conditions of the contract or business	Business or contract to which the company is a party and in which a director of the company is or was interested	Description of the transaction
These businesses and contracts are financing some customers of Dar Al-Arkan Company to purchase houses.	These transactions are continuous, to be renewed annually, and carried out in the context of regular business and in accordance with the prevailing commercial terms and without any preference conditions	Mr. Youssef bin Abdullah Al-Shalash	During 2023, there were sales of SAR 3.8 million which were paid off by SHL Finance Company during the year and no outstanding balance to be paid or settled with this related party.
These businesses and contracts are to provide financial consultations to Dar Al-Arkan company.	These services are continuous, to be renewed annually, and carried out in the context of regular business and in accordance with the prevailing commercial terms and without any preference conditions.	Mr. Youssef bin Abdullah Al-Shalash and Mr. Majid bin Abdul Rahman Al-Qasim	During 2023, there were no transactions made with Alkhair Capital, and there is no outstanding or due balance.

The Board of Directors confirms that the relevant directors who notified the BOD of actual or potential conflicts of direct or indirect interest did not vote on the resolution to recommend the related transaction and/or contract mentioned above. The Board of Directors recommends to your honorable general assembly to approve these businesses and contracts and authorize them for the next year. The External Auditor of the company has been appointed to provide his special report regarding these businesses and contracts according to statutory requirements in accordance to SOCPA standards.


Tariq Mohamed Al Jarallah


Majed Abdul Rahman Al Qasim


Yousuf Abdullah Al Shelash


Abdulrahman Saleh Abdulaziz Alsawi


Abdulaziz Ibrahim Mohammed Al Mana


Hathloul Saleh Al Hathloul

Remunerations Regulation for Members of the Board of Directors, Committees Emanating from the Board and Executive Management

Introduction

The remuneration regulation for the members of the Board of Directors and the committees emanating from the Board and the executive management of the company, has been prepared on the basis of what is stipulated in paragraph (1) of Article Sixty One of the Corporate Governance Regulations issued by the Board of the Capital Market Authority dated 2\2017\13 and based on the corporate system issued by Royal Decree No. (3\m) dated 28\01\1437H, and the guidance document for controls and procedures issued in implementation of the system of joint-stock companies.

1. Objectives of the policy

The remuneration and compensation regulation for the members of the Board of Directors, committees and executive management, aims to define clear criteria for remuneration and compensation that are approved and disbursed according to performance, and ensure disclosure and verification of policy implementation. It also aims to attract professional competencies and maintain their motivation.

2. General criteria for remuneration

- 1) Its consistency with the company's strategy and objectives.
- 2) To offer remuneration for the purpose of urging members of the Board of Directors and executive management to make the company successful on the long term, such as linking the changing part of the remuneration to long-term performance.
- 3) Remuneration are determined based on the level of post, tasks and responsibilities assigned to them, educational qualifications, work experience, skills and level of performance.
- 4) Its consistency with the scale, nature and degree of risk of the company.
- 5) Taking into account the practices of other companies in determining remunerations, while avoiding the unjustified rise in remuneration and compensation that may result from that.
- 6) To aim for attracting, maintaining and motivating professional competencies, without any exaggeration.
- 7) To be prepared, in coordination with the Remuneration and Nomination Committee, upon new appointments.
- 8) Cases of stopping the exchange of the remuneration or its refund if it is determined that it was decided on the basis of inaccurate information provided by a member of the

Board of Directors or executive management; This is to prevent the employment situation from being used to obtain unearned remuneration.

- 9) Regulating the company share granting applicable to the Board of Directors and executive management, whether it is a new issue or shares bought by the company.

3. Remuneration of the members of the Board of Directors

- a) The Board of Directors must take into account in determining and disbursing remuneration obtained by each of its members, the relevant provisions mentioned in the Companies Law and the Corporate Governance Regulations, in addition to the following criteria:
 1. The remuneration should be fair and commensurate with the member's powers, actions, and responsibilities undertaken and assumed by the members of the Board of Directors, in addition to the objectives set by the Board of Directors to be achieved during the fiscal year.
 2. The remuneration should be based on the recommendation of the Remuneration and Nomination Committee.
 3. The remuneration should be commensurate with the company's activity and the skill needed to manage it.
 4. Taking into consideration the sector in which the company operates, its scale and the experience of the members of the Board of Directors.
 5. The remuneration is reasonably sufficient to attract, motivate and retain Board members with appropriate competence and experience.
- b) The members of the Board of Directors may not vote on the item of remuneration of the members of the Board of Directors at the General Assembly meeting.
- c) A member of the Board of Directors may obtain a remuneration for his membership in the audit committee formed by the General Assembly, or for any additional business, executive, technical, administrative, or advisory positions - under a professional license - assigned to him in the company. This is in addition to the remuneration that can be obtained as a member of the Board of Directors and in the committees formed by the Board of Directors, in accordance with the Companies Law and the Company's Articles of Association.
- d) The remuneration of the members of the Board of Directors may be of varying amount to reflect the member's experience, terms of reference, tasks assigned to him, his independence, the number of sessions he attends and other considerations.
- e) The remuneration of the independent members of the Board of Directors must not be a percentage of the profits achieved by the company or be based directly or indirectly on the profitability of the company.
- f) If the general assembly decides to terminate the membership of a member of the Board of Directors due to his absence from attending three consecutive meetings of the Board without a legitimate excuse, this member is not entitled to any remuneration for the period following the last meeting he attended, and he must return all the remunerations that were disbursed to him for that period.

- g) If the Audit Committee or the Commission found that the remuneration paid to any of the members of the Board of Directors is based on incorrect or misleading information that was presented to the General Assembly or included in the annual report of the Board of Directors, he must return it to the company, and the company has the right to ask for its refund.

4. Remuneration of the Committees

1. The Board of Directors determines and approves the membership remuneration of its committees emanating from it – except for the Audit Committee - attendance allowances and other entitlements upon the recommendation of the Remuneration and Nomination Committee.
2. The annual membership remuneration for the committees is a lump sum and meeting attendance allowances.
3. The membership remuneration for the Audit Committee is approved by the shareholders' General Assembly upon the recommendation of the Board of Directors.
4. When forming the committees, the number of membership that a member of the board of directors can occupy shall be taken into account, so that the total remuneration received by the member for his membership in the Board and the committees, does not exceed the upper limit stipulated in the corporate system, taking into account Paragraph (c) of Article (3) of this policy.

5. Remuneration of the Executive Management

The following criteria must be taken into account when determining executive management remuneration:

- a) The remuneration should be fair and commensurate with the powers, actions, and responsibilities of the members of the Executive Management, in addition to the objective set by the Executive Management to be achieved during the fiscal year.
- b) The Remuneration and Nomination Committee should evaluate the salary scale for executive management positions in accordance with the job description and the general market and comparison criteria for other similar companies.
- c) On the recommendation of the Remuneration and Nomination Committee, the Board of Directors determines the types of remuneration granted to the senior executives of the company - for example: fixed remuneration, performance-related remuneration, and incentive remuneration - in a manner that does not conflict with the controls and regulatory procedures issued to joint-stock companies.
- d) The remuneration of senior executives should be consistent with the company's strategic objectives and commensurate with the company's activity and the skills needed to manage it, taking into account the sector in which the company operates and its scale.

- e) The Remuneration and Nomination Committee reviews the incentives schemes of senior executives on an ongoing basis and submits the recommendation to the Board of Directors for approval.
- f) The Remunerations aim to provide the competitive situation required to attract and retain qualified employees and maintain the high level of skills the company needs.

6. General provisions

- 1. The remuneration of the members of the Board of Directors, committees and the Secretary is paid annually after the approval of the (audited) Consolidated Annual Financial Statements, by the general assembly of the company's shareholders.
- 2. Attendance allowances may be paid after every session or quarterly or with annual bonuses.
- 3. Allowances and other expenses are paid only once if one or more meetings are held on the same day.
- 4. Executive management remuneration is paid annually upon approval by the Board of Directors in accordance with a recommendation from the Remuneration and Nomination Committee.

7. Amendment of the policy

- a) The General Assembly has the right to amend this policy at any time.
- b) The Board of Directors has the right to modify this policy at any time after its issuance, provided that the General Assembly approves any amendment at its first meeting following the change.

Attached to Item No. (10) Amendments to the company bylaws to be consistent with the new Companies Law

Ministry of Commerce

The proposed amendments for Dar Al Arkan Real Estate Development Company.

911

19/11/1445

Differences between articles in the old and new Articles of association		
Article	Old articles of association	New articles of association
	Chapter I The Formation of the Company	
Incorporation of the company	Article 1 A Saudi joint-stock company listed in accordance with the provisions of this Law and the Companies Law and its Regulations is hereby established:	Article 1 No amendment to article A Saudi joint-stock company listed in accordance with the provisions of this Law and the Companies Law and its Regulations is hereby established:
Name of the Company	Article 2 Dar Al-Arkan Real Estate Development Company (listed joint stock company).	Article 2 No amendment to the article Dar Al-Arkan Real Estate Development Company (listed joint stock company).
Objectives of the Company	Article 3 The purposes for which the company was formed are: -Property management and real estate investment. -Purchasing, owning and selling of real estate and lands for the company's account. -Purchasing land, constructing buildings on it and investing it by selling or leasing for the company's account. - General contracting of residential, commercial and tourist buildings (construction, repair, demolition and restoration). - Investment, owning and managing recreational centers, sports and tourist facilities, hotels, hospitals, medical centers, commercial centers, industrial cities and projects. -owning land and real estate, develop them into organizational units, manage them, and invest them by selling or leasing. -Wholesale and retail trading in sanitary materials, plumbing, electrical tools, paints, building materials, stationery, automotive in cash or installments. The company shall pursue its business in accordance with the applicable laws and regulations after obtaining the required licenses and permissions from the competent authorities (if any)	Article 3 The purposes for which the company was 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. Lodging and catering activities 8. Arts, entertainment and leisure activities 9. Other service activities The company carries out its activities in accordance with the regulations in force and after obtaining the required licenses from the competent authorities (if any)
Participation and Ownership in other companies	Article 4 A company may establish other subsidiaries or associate of limited liability or joint venture as per the companies. The company may also own shares in or amalgamates with other existing companies. The	Article 4 No amendment to the article A company may establish other subsidiaries or associate of limited liability or joint venture as per the companies. The company may also own shares in or amalgamates with other existing companies. The company shall have the right to have partnership of

	company shall have the right to have partnership of joint stock or limited liability companies after satisfying the requirements of the applicable rules and regulations. The company shall deserve the right to dispose of these shares provided that no mediation or brokerage involved in trading them.	joint stock or limited liability companies after satisfying the requirements of the applicable rules and regulations. The company shall deserve the right to dispose of these shares provided that no mediation or brokerage involved in trading them.
Company's Head Office	Article 5 The head office of the company is in Riyadh. The Board of Directors may establish branches, agencies, or subsidiaries inside or outside Saudi Arabia.	Article 5 No amendment to the article The head office of the company is in Riyadh. The Board of Directors may establish branches, agencies, or subsidiaries inside or outside Saudi
Term of the Company	Article 6 The duration of the company shall be (99) ninety-nine Gregorian calendar years commencing on the date of the decision made by His Excellency, Minister of Commerce and Investment announcing the incorporation of the company. It may always be extended thereafter by a decision passed by an extraordinary General Assembly at least one year before the end of the said term.	Article 6 Company duration is not specified.
	Chapter Two Capital and Shares	
Capital	Article 7 The capital shares of the company shall be ten billion eight hundred million Saudi Riyals (SAR 10,800,000,000), divided into (1,080,000,000) one billion eighty million shares of equal nominal value of SR. 10 (ten Saudi Riyals) each, all of which are ordinary cash shares.	Article 7 No amendment to the article The capital shares of the company shall be ten billion eight hundred million Saudi Riyals (SAR 10,800,000,000), divided into (1,080,000,000) one billion eighty million shares of equal nominal value of SR. 10 (ten Saudi Riyals) each, all of which are ordinary cash shares.
Share Subscription	Article 8 Subscription has been covered for the complete (1,080,000,000) one thousand eighty million shares which have been paid up in full.	Article 8 No amendment to the article Subscription has been covered for the complete (1,080,000,000) one thousand eighty million shares which have been paid up in full.
Preferred shares and recoverable shares	Article 9 The Extraordinary General Assembly of a company may, on the basis laid down by the competent authority, issue preferred shares, decide to buy them, or convert ordinary shares into preferred shares not exceeding ten percent (10%) of the company's capital or convert the preferred shares into ordinary shares. The preferred shares do not give the right to vote in the general assemblies. These shares arrange for the holders of such shares to obtain a higher proportion of the company's net profits after deducting statutory reserves.	Article 9 1- The extraordinary General Assembly of a company may, on the basis laid down by the competent authority, issue, preferred or redeemable shares, or decide to purchase or convert a stock category to another stock category in accordance with the controls established by the competent authorities. 2- preferred shares or redeemable shares may be accorded preferential rights over common shares. Preferred shares may not be granted the right to vote in the general assemblies of shareholders, except in cases authorized by the regulations of the competent authority
Sale of unpaid shares	Article 10 The shareholder must pay the value of the share on the prescribed dates. If a shareholder fails to pay the value of a share on the prescribed dates, the Board Of Directors (BoD) may, after notifying the shareholder by a registered letter, sell the share in a	Article 10 1. The shareholder must pay the value of the share on the prescribed dates, If a shareholder fails to pay the value of a share on the prescribed dates, the Board Of Directors (BoD) may, after notifying the shareholder by means of statutory notification or by any other means of communication or

	<p>public auction or in capital market as per the prevailing conditions and in accordance with controls set by the competent authority.</p> <p>The company shall settle the amount due to it on the shares from the sale proceeds and return the reminder to the shareholder. If the amount of the sale proceeds is not enough to settle the due amount, the company may settle the remainder from all the property of the shareholder.</p> <p>However, the defaulter may, up to the date set for the auction, pay the due value in addition to the expenses spent by the company.</p> <p>The company may cancel the sold share and give the buyer a new share bearing the number of the cancelled share and an entry of such share shall be made in the Register of the shares with the name of the new holder.</p>	<p>by any means of modern technology, sell the share in a public auction or in capital market as per the prevailing conditions and in accordance with controls set by the competent authority. Given the priority to other shareholders to purchase the shares of the defaulter.</p> <p>2. The company shall settle the amount due to it on the shares from the sale proceeds and return the reminder to the shareholder. If the amount of the sale proceeds is not enough to settle the due amount, the company may settle the remainder from all the property of the shareholder.</p> <p>The rights relating to shares that are defaulted on the expiration of the due date shall be suspended until they are sold or paid in accordance with paragraph (1) of this article and include the right to a share of the net profits to be distributed and the right to attend assemblies and to vote on its decisions. However, the defaulter may, up to the date set for the auction, pay the due value in addition to the expenses spent by the company, in which case the shareholder shall have the right to apply for the dividends to be distributed.</p>
The Shares	<p>Article 11</p> <p>The shares are nominal and may not be issued less than their value. However, shares may be issued at a higher value, and in such case the difference in amount shall be added to shareholder's equity and not to be distributed as dividends to shareholders. Shares are indivisible as far as the company is concerned. If a share is jointly owned by several persons, they should select one of them to exercise on their behalf the rights pertaining to the share and such persons shall be jointly liable for all obligations arising from their ownership of the share.</p>	<p>Article 11</p> <p>The shares are nominal, may be divided into shares of a lower nominal value. Also, the shares can be merged into shares of a higher value, and, if the issuance of shares above their face value The value difference is placed separately within the rights of the shareholders and may not be distributed as dividends to the shareholders. Shares are indivisible as far as the company is concerned. If a share is jointly owned by several persons, they should select one of them to exercise on their behalf the rights pertaining to the share and such persons shall be jointly liable for all obligations arising from their ownership of the share.</p>
Company purchase, sells and mortgages its own shares	<p>Article 12</p> <p>A company may purchase or mortgage shares in compliance with Sharia law and directives of the competent authority. The shares bought by the company shall have no voting rights in the meetings of shareholders. The company is entitled to buy its own shares for the purpose of allotting them to its employees as part of staff shares program in alignment with instructions issued by the competent authority. The company may also sell treasury shares one time or at many phases as per applicable regulations.</p>	<p>Article 12</p> <p>1- A company may purchase, mortgage, or sell its shares in accordance with the regulations established by the competent authority. The shares bought by the company shall have no voting rights in the meetings of shareholders.</p> <p>2- The company is entitled to buy its own shares for the purpose of allotting them to its employees as part of staff shares program in alignment with instructions issued by the competent authority. With the approval of the board of directors, a company may also buy or sell treasury shares one time or at many phases as per applicable regulations.</p>
Trading of shares	<p>Article 13</p> <p>All company's shares are tradable as per the capital market law and its implementing regulation and in accordance with the rules and instructions issued by the competent authority.</p>	<p>Article 13</p> <p>The company's shares trade in accordance with capital market law and its implementing regulation.</p>

<p>Increase of capital</p>	<p>Article 14</p> <p>1- The Extraordinary General Assembly may decide to increase the company's capital, provided that the capital has been paid in full. Capital is not required to have been paid in full if the unpaid portion of the capital is owed to shares issued for the conversion of debt instruments or financing instruments into equity and has not yet expired.</p> <p>2- The extraordinary General assembly shall, under all conditions, have the right to allot the issued shares for the increase of capital or part of them to the employees of the company and its subsidiaries or some of them. The shareholders are not entitled to exercise the priority right when company issued shares devoted for its employees.</p> <p>3- the share holder shall, upon the issuance of the capital increase resolution by the extraordinary General Assembly, have the priority to subscribe to the new shares. Such shareholders shall be notified of their priority to subscribe and the conditions thereof as well as dates, by advertisement in a daily newspaper or by registered mail.</p> <p>4- The Extraordinary General Assembly shall have the right to stop working with priority for shareholders in subscribing to capital increase in return for cash portions and giving that priority to non-shareholders in cases perceived beneficial to the company.</p> <p>5- the shareholder shall have the right to sell or transfer his right of priority during the period from the issuance of the extraordinary General Assembly resolution approving the increase of capital to the last date of subscription in the new shares relating to these rights, as per the rules set by the competent authority.</p> <p>6- Notwithstanding the above paragraph (4), the new shares shall be divided among the holders of the priority rights who have asked for subscription in proportion to what they have of priority rights caused by capital increase, provided that the new shares allotted to them should not exceed the number of shares requested by them. The remainder of the new shares shall be divided among the shareholders with priority rights who ask for more than their portion, in proportion to their priority rights caused by capital increase, provided that the shares allotted to them should not be more than what they asked for. The remaining shares if any, shall be placed for public subscription unless</p>	<p>Article 14</p> <p>1-The Extraordinary General Assembly may decide to increase the company's capital, provided that the capital has been paid in full. Capital is not required to have been paid in full if the unpaid portion of the capital is owed to shares issued for the conversion of debt instruments or financing instruments into equity and has not yet expired.</p> <p>2- The extraordinary General assembly shall, under all conditions, have the right to allot the issued shares for the increase of capital or part of them to the employees of the company and its subsidiaries or some of them. The shareholders are not entitled to exercise the priority right when company issued shares devoted for its employees.</p> <p>3- the share holder shall, upon the issuance of the capital increase resolution by the extraordinary General Assembly, have the priority to subscribe to the new shares. Such shareholders shall be notified of their priority to subscribe and the conditions thereof as well as dates, in accordance with the regulations using modern technology.</p> <p>4- The Extraordinary General Assembly shall have the right to stop working with priority for shareholders in subscribing to capital increase in return for cash portions and giving that priority to non-shareholders in cases perceived beneficial to the company.</p> <p>5- the shareholder shall have the right to sell or transfer his right of priority during the period from the issuance of the extraordinary General Assembly resolution approving the increase of capital to the last date of subscription in the new shares relating to these rights, as per the rules set by the competent authority.</p> <p>Notwithstanding the above paragraph (4), the new shares shall be divided among the holders of the priority rights who have asked for subscription in proportion to what they have of priority rights caused by capital increase, provided that the new shares allotted to them should not exceed the number of shares requested by them. The remainder of the new shares shall be divided among the shareholders with priority rights who ask for more than their portion, in proportion to their priority rights caused by capital increase, provided that the shares allotted to them should not be more than what they asked for. The remaining shares if any, shall be placed for public subscription unless otherwise determined by the Extraordinary General Assembly or capital market rules and regulations.</p>
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	otherwise determined by the Extraordinary General Assembly or capital market rules and regulations.	
Reduction of share Capital	<p>Article 15</p> <p>The Extraordinary General Assembly may decide to reduce company's capital if it Exceeds the needs of the company, or if the company has incurred losses. Only in the last case capital may be reduced to less than the limit stipulated in Article (54) of the companies law. The resolution of capital reduction shall not be issued unless a special report is made by company's accounts auditor specifying the reasons, implications and obligations caused by that reduction of capital.</p> <p>If the reduction is a result of an excess of the Capital beyond the company's needs then the creditors shall be invited to make their objections, within sixty days from the date of publication of the reduction resolution in one or more daily newspapers distributed in the city of the company's head office. If any one of them objects and submits his supportive documents thereto, within the aforesaid date, the Company shall pay all its debt if matured or give him sufficient security to pay the same when it becomes due.</p>	<p>Article 15</p> <p>1- The Extraordinary General Assembly may decide to reduce company's capital if it Exceeds the needs of the company, or if the company has incurred losses. Only in the last case capital may be reduced to less than the limit provided for in the corporate system. The decision to reduce may be made only after a statement in the General Assembly by the BoD on the reasons for the reduction, the obligations of the company and the effect of the reduction has been read out The performance report is attached to the statement by the company's auditor.</p> <p>2- If the reduction is a result of an excess of the Capital beyond the company's needs then the creditors shall be invited to make their objections (if any) to the reduction before (45) at least forty-five days from the date specified for the extraordinary meeting of the General Assembly to take the decision to reduce, accompanied by a statement indicating the amount of capital before and after the reduction, the date of the meeting and the effective date of the reduction, If any one of them objects and submits his supportive documents thereto, within the aforesaid date, the Company shall pay all its debt if matured or give him sufficient security to pay the same when it becomes due.</p> <p>Equity holders of both types and categories should be considered when lowering capital</p>
Amending Rights and Shares Obligations Shares	Addition	<p>Article 16</p> <p>1- It is required to amend or rescind any rights, obligations or Restrictions relating to shares, or to the conversion of any type or category of shares into another category or category if that results in the alteration or revocation of rights and obligations relating to the type or category of shares to be transformed, or the issuance of shares of a particular type or category It would affect the rights of another class of shareholders, the approval of a special assembly composed in accordance with the provisions of the corporate system of shareholders who are adversely affected by such modification, revocation, transfer or issuance, and the extraordinary approval of the General Assembly.</p> <p>If a company's shares have outstanding or recoverable shares, new shares in priority over any of their categories may not be issued without the approval of a special association of - in accordance with the provisions of the company's system - the shareholders who are adversely affected by this issue.</p>
	Chapter III Sukuk and bonds	
Sukuk and bonds	<p>Article 16</p> <p>A company may issue Sharia-compliant, tradable and indivisible sukuk and bonds of equal value pursuant to the provision of the Companies Law.</p>	<p>Article 17</p> <p>1- Subject to the relevant regulations, a company may, by a decision of the BoD, issue any type of negotiable debt instrument, whether in Saudi riyal or other, within or outside the Kingdom of Saudi Arabia, such as bonds and instruments, whether issued simultaneously, through a series of issuances or through one or more</p>

		<p>programs to be issued by the Board from time to time, all at times and in amounts are in accordance with the conditions approved by the Board, and has the right to take all necessary action in that regard.</p> <p>2- A company may issue negotiable instruments of debt or financing instruments in accordance with the relevant regulations and controls of the competent authority.</p>
	<p>Chapter IV Board of Directors (BoD)</p>	
Board of directors	<p>Article 17 A Board of Directors consisting of (6) six members, to be appointed by Ordinary General Assembly for not more than three- year term, shall manage the company. The remuneration of the BoD members and their authorities shall be as stipulated in the articles of Association.</p>	<p>Article 18 The company shall be managed by a board of directors consisting of six members, provided that they are natural persons elected by the ordinary assembly for a period not exceeding four (4) years. Board members may be re-elected once or more in accordance with the election and candidacy procedures, in accordance with the relevant regulations and rules established by the competent authority.</p>
Expiration or Termination on Board's Membership	<p>Article 18 Board membership shall expire by expiry of its term If the member becomes ineligible for membership according to the provisions of any law in force in the Kingdom of Saudi Arabia, the Ordinary General Assembly may, at any time, dismiss all or some of the BoD members without prejudice to any of the rights of the dismissed member to claim be indemnified if dismissal is without cause or occurred in an inappropriate time. The board member may resign provided that the resignation is made in a reasonable time otherwise he/she shall be liable for any harm to the company caused by that resignation.</p>	<p>Article 19 1. Board membership shall expire by expiry of its term If the member becomes ineligible for membership according to the provisions of any law in force in the Kingdom of Saudi Arabia. The General Assembly may terminate (on the recommendation of the BoD) any member who is absent from (three) consecutive meetings or (five) sporadic meetings during his or her term of office without legitimate excuse accepted by the BoD. The ordinary Assembly may remove all or some of the members of the BoD. In such cases, the ordinary General Assembly shall elect a new board of directors or a replacement of the dismissed member (as the case may be) in accordance with the provisions of the corporate system and the implementing regulations.</p>
Board Expiry of Term, Resignation & Board Vacancy	<p>Article 19 If, for any reason, the seat of any director, within his term, becomes vacant, the BoD may temporarily appoint a new member, who is eligible for membership, to the vacant seat to assume his functions immediately, provided that the Ministry of Commerce and Investment and the Capital Market Authority shall be notified of that appointment within five working days from the appointment date. Furthermore, the appointment of the temporary member shall be submitted to the Ordinary General Assembly at its first meeting for approval. In all cases, the new member shall continue the remaining term of his predecessor. Should the number of members drop below such limit, the Ordinary General Assembly shall be convened within 60</p>	<p>Article 20 1. Before the expiration of its session, the BoD shall convene the regular General Assembly to elect a BoD for a new session. If the election cannot be held and the current session of the Board expires, its members shall continue to perform their duties until a new session is elected by a Board of Directors. The term of office of the outgoing members shall not exceed the period specified in the implementing regulations for the system of companies belonging to listed joint stock companies. 2. If the Chairman and members of the BoD retire, they shall convene the ordinary General Assembly to elect a new BoD. The retirement shall not apply until the election of the new Board. However, the duration of the isolated board shall not exceed the period specified in the executive regulation of the system of joint stock companies listed. 3. A member of the Board of Directors may resign from the Board by written notification to the Chairman of the Board and, if the Chairman of the Board resigned, shall direct the notification to the other members of the Board and to the Secretary of the Board, and the retirement shall take effect</p>

	sixty days to appoint the requisite number of members.	<p>(in both cases) from the date specified in the notification.</p> <p>4. If the position of a board member becomes vacant due to the death or retirement of any of its members, and the vacancy does not result in a breach of the necessary conditions For the validity of the Board's meeting due to its lack of a minimum number of members, the Board may appoint (temporarily) an experienced and competent vacant post, to update the Commercial Register, as well as of the Capital Market Authority, within (fifteen) days of the date of appointment, and it must be presented to the General Assembly at its first meeting, and to complete the term of its predecessor.</p> <p>If the necessary conditions are not met for the validity of the BoD meeting due to a shortage of its members in the minimum number provided for in the rules of procedure</p> <p>The other members shall convene the ordinary General Assembly within sixty (60) days to elect the necessary number of members.</p>
The powers of the BoD	<p>Article 20</p> <p>Taking into account the powers conferred on the General Assembly, the BoD or its assignee shall have the widest authority to manage the Company, draw its policies, determine its investments, supervise its business and finance, conduct its business inside and outside the Kingdom and take all actions that benefit the company and serve its interests including, but not limited to:</p> <p>Registration of agencies and brands; obtaining, amending and cancelling commercial registrations; subscribing to the Chamber of Commerce membership;</p> <p>receiving and delivering commercial registration certificates, licenses, deeds, clearances, commercial docs, checks and any other documents; finalizing all procedures concerning the company at ministries and other government agencies and public and private organizations inside and outside the Kingdom; entering into or terminating any partnerships or agreements of joint or associate projects; incorporation, acquisition, disposal of, restructuring or merging any subsidiary of the company and disposing of its assets, properties and real estates by any means; establishing or closing any subsidiary, office or agency; signing, approving, terminating or amending any agreements, contracts, tenders,</p>	<p>Article 21</p> <p>Subject to the prerogatives prescribed by the General Assembly, the Board of Directors or its authorized representative shall have the widest powers and powers in the management of the company, drawing up policies, determining its investments, supervising its operations and finances and handling its affairs inside and outside the Kingdom of Saudi Arabia, and carrying out all acts and activities that would achieve the purposes of the company, including but not limited to: Registration of agencies and trademarks, extraction, modification and write-off of trade records and licenses, opening of subscriptions to the Chamber of Commerce, delivery and receipt of trade records, licenses, judgments, clearance, commercial papers, checks and all other documents; the termination of all transactions and procedures of the company with all ministries, government bodies and institutions, and public and private entities inside and outside the Kingdom of Saudi Arabia; enter into or terminate any partnerships or agreements for joint ventures and subsidiaries, establish, acquire, dispose of, restructure or merge any subsidiary, dispose of its assets, property and real estate in any form, or establish or close any branches, offices or agencies; sign, approve, terminate and amend all agreements, contracts, bids, tenders, decisions, minutes, records, commercial, financial, administrative and other transactions, including agency, distribution and concession contracts, as well as collect the company's rights and pay its liabilities; signing, on behalf of the company, of contracts for the establishment of companies in which the company is involved and decisions to modify all kinds of companies, including without limitation, decisions to increase or reduce capital, alter purposes, exit of a partner, waiver of shares, acceptance of price, amendment of any of the articles of the contract for the establishment of such companies in which the company participates, opening of branches, appointing or liquidating its directors, or canceling its trade records and disposing of its assets, properties and properties, before the Ministry of Trade and Investment, the General Investment Authority, the Secretary of Justice, the Ministry of the Interior, any</p>

<p>offers, minutes, records, commercial, financial and administrative transactions and any other docs including agency, distribution and enfranchisement contracts; in addition to the collection of company dues and payment of its debts; signing in the name and on behalf of the company the contracts of incorporation of partner companies and all amendment decisions including, but not limited to the decisions of capital increase and reduction, changing company objectives, quitting of a partner, waiving rights and accepting price; amending any articles of the incorporation contracts of the partner companies; opening new branches and appointing their managers or liquidating them; cancelling their commercial registration or disposing of their assets, properties and real estates before the Ministry of Commerce and Investment, the General Investment Authority, the Notary Public, the Ministry of Interior and any other agency or third party; opening, managing depositing in, withdrawing from and closing bank accounts; opening and settling letters of credit; issuing any required bank guarantees; signing all documents, checks and bank transactions; concluding borrowing and financing contracts of all types whatsoever are their terms and approving all financial transactions with Saudi and non-Saudi funds, government and private financing institutions, banks, finance houses and credit companies; purchasing, selling, mortgaging, renting and leasing lands and properties; buying, selling and redeeming current and non- current assets in the name and on behalf of the company; signing and releasing deeds and contracts of that properties; making the required payments; partitioning properties and deeds; amending deeds and replacing lost and damaged deeds; receiving and delivering deeds; sorting, merging and selling lands, segregating buildings, villas and lands and issuing separate deed for each residential unit and selling it</p>	<p>other bodies, etc; Opening, managing, depositing, withdrawing and closing bank accounts, opening and settling documentary credits, issuing guarantees and bank guarantees of all kinds, and signing all papers, documents, checks and all banking transactions; To conclude loans and financing of all types, regardless of their duration, and to approve all banking transactions, on behalf of the company from public and private funds and financing institutions, banks, financial houses, credit companies of Saudi Arabia and other countries; Buying, selling, mortgaging, leasing land and real estate, buying, selling, pausing, discharging assets and movables on behalf of the company, signing voiding instruments and related contracts, receiving and paying the price, annexing and sorting properties and instruments, modifying sukuk, extracting forfeited and damaged allowances, and receiving and delivering sukuk; sorting, incorporating and selling land, sorting dwellings, villas and lands, and obtaining and selling an instrument of title for each housing unit of buildings, villas or land before or after the sorting; investment of the company's funds, including but not limited to opening, managing, activating and closing portfolios, funds and investment accounts, selling and buying securities and signing all contracts and related documents; The appointment, terms of reference and remuneration of executive management members, including the Executive Chairman and the Financial Director, from among directors.</p> <p>The board of directors of a company shall have the right to discharge the debtors of the company from their obligations in accordance with their interests. The BoD may form specialized committees from among its members. The BoD shall determine the functioning, terms of reference and remuneration of such committees. The Board of Directors may also assign or delegate, within the limits of its competences, one or more of its members or third parties with powers, to take a specific action or action, or to perform certain acts or acts, and to cancel the delegation or power of attorney in part or in full.</p> <p>The BoD is required to obtain the approval of the General Assembly when assets exceeding the value of 50 per cent of the total value of their assets are sold either through one or several transactions, in which case a transaction that results in exceeding 50 per cent of the value of the assets is deemed to be the transaction for which the approval of the General Assembly is required, calculated from the date of the first transaction during the (12) months preceding.</p>
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	<p>before or after segmentation; investing company money including, without limitation, opening, managing, activating and closing portfolios, funds and investment accounts; selling and purchasing securities and signing all related contracts and documents; appointing members of the executive management including the Chief Executive Officer and the Chief Finance Officer selected from the staff managers or otherwise and determining their powers and remunerations.</p> <p>The BoD shall have the right, in its sole discretion, to release the Company's and debtors from their obligations, as it deems appropriate.</p> <p>The BoD may form, from among its members, specialized committees and determine the functions and remunerations of the members of these committees. The board may assign or empower one or more of its members or any third party with the authority to assume a specific job, take action or carry out certain work(s), and to cancel this authorization or assignment partially or wholly.</p>	
Remunerations of the Board members	<p>Article 21 The remuneration of the members of the Board is composed of specified amounts, particular bonuses or certain percentage of net profits or retained earnings as determined by the BoD, recommended by the Remunerations Committee and approved by the General Assembly within the limits stipulated in the Companies Law or any complementary regulations, resolutions or instructions. In addition to attendance allowance and transportation allowance as determined by the BoD taking into account the regulations, resolutions and instructions applied in the Kingdom issued by the competent authority. The report of the BoD to the General Assembly shall include an all-inclusive statement of what the members of the Board have obtained throughout the year as salaries, bonuses, attendance allowances, expenses and other benefits. The aforesaid report shall also</p>	<p>Article 22 No amendment on this Article The remuneration of the members of the Board is composed of specified amounts, particular bonuses or certain percentage of net profits or retained earnings as determined by the BoD, recommended by the Remunerations Committee and approved by the General Assembly within the limits stipulated in the Companies Law or any complementary regulations, resolutions or instructions. In addition to attendance allowance and transportation allowance as determined by the BoD taking into account the regulations, resolutions and instructions applied in the Kingdom issued by the competent authority. The report of the BoD to the General Assembly shall include an all-inclusive statement of what the members of the Board have obtained throughout the year as salaries, bonuses, attendance allowances, expenses and other benefits. The aforesaid report shall also include a statement of the amounts received by the members of Board in their capacity as employees or administrators or what they have received for technical, administrative or consultation works, as well as the number of board sessions and the meetings attended by each board member from the date of the last General Assembly</p>

	include a statement of the amounts received by the members of Board in their capacity as employees or administrators or what they have received for technical, administrative or consultation works, as well as the number of board sessions and the meetings attended by each board member from the date of the last General Assembly meeting.	meeting.
Powers of the chairman , the deputy chairman , and secretary	<p>Article 22</p> <p>The BoD shall appoint a chairman and deputy chairman from among its members. The BoD may appoint one of its members as Managing Director. The Chairman shall not hold any executive position in the company.</p> <p>The Chairman and the Deputy Chairman, in the absence of the former, shall have the powers that enable them to perform their duties including: representing company and signing on its behalf before the Notary Public and courts of different types; representing company before all official agencies, government entities, ministries, public and private organizations, individuals, companies, banks others and delegating others to do the same.</p> <p>Moreover, the Chairman, Deputy Chairman and Managing Director (if appointed) severally or jointly, and within the term and authorities of the BoD, shall decide on all company affairs as allowed by rules and regulations, such as, without limitation: entering the company into partnership with other companies; signing incorporation contract and any amendments thereof concerning increase or reduction of capital; changing company objectives; quitting of a partner; amending any articles of incorporation contracts and liquidating the partner companies before the Ministry of Commerce and Investment, the General Investment Authority, the Notary Public, the Ministry of Interior and any other agency or third party; opening new branches and appointing and dismissing their managers; obtaining and cancelling commercial registration certificates and licenses; signing all agreements, contracts, tenders, offers, resolutions, minutes, records, bank accounts and others;</p>	<p>Article 23</p> <p>The Board of Directors, in its first meeting, appoints a chairman and Deputy Chairman from among its members. It may appoint from among its members a delegated member. The position of chairman of the Board of Directors may not be combined with any executive position in the company.</p> <p>The Chairman and Deputy Chairman shall have the powers that enable them to perform their duties, including representing and signing on behalf of the company before the Secretary of Justice and the various courts, in pleading, pleading, litigation, attending hearings, requesting and accepting arbitration, and filing and hearing lawsuits claims, conciliation, concession, repudiation, denial, answer, injury, witness and evidence modification, satisfaction, prejudice, and appeal</p> <p>Appeals, and taking all the necessary measures to execute the judgments, and appointing and dismissing arbitrators, experts and lawyers, and all official bodies, government departments, ministries and public institutions</p> <p>private, individuals, companies, banks and others, and employ others in this regard .</p> <p>The Chairman and Deputy Chairman of the Board, together and individually, within the limits of the Board's term and powers mentioned, shall also be responsible for deciding on all the affairs of the company and within the limits provided for by the Law, the company's entry as a partner in companies, the signing of the company's founding contracts, the modification of all types of amendments, whether by increasing or reducing capital, modifying the purposes or the exit of one of the partners, or modifying any of the articles of the founding contract, liquidating the companies in which the company participates, before the Ministry of Trade and Investment, the General Investment Authority, the Notary and other relevant bodies, the opening of branches, appointing and isolating managers, the extraction of commercial records, the extraction of licenses, the signing of all agreements, contracts, tenders, decisions, records, records, records, records, records, bank accounts etc</p> <p>Deliver and receive all documents and certificates of registration in the commercial register, sign all necessary documents in the name of the company, and receive and sign their profits</p> <p>acceptance of quotas waived for the company or partners and waiver of company shares in the companies in which it participates. The sale, purchase, discharge, acceptance of the price, delivery of the price, arrest, mortgage, and unfreezing of sukuk on all of the company's properties, proof of what must be</p>

	<p>declaring and borrowing any amounts; opening and closing bank accounts, withdrawal and depositing; opening letters of credit; receiving and delivering all documents and commercial registration certificates; signing all required docs in the name of the company, receiving company profits and signing the respective documents; accepting shares and portions relinquished for the benefit of the company or its partners; waiving company share in partner companies; selling, purchasing and delivering products; receiving the value and delivering the valued; mortgaging and redemption; obtaining deeds for all company properties, giving evidence and signing for that on behalf of the company, requesting amendment of deeds with regard to boundaries and areas by omission and addition; signing all of the above; carrying out the aforesaid functions; delegating others to perform some of the abovementioned duties, dismissing them, and allowing them to authorize others to do the same. Beside that, the Managing Director shall assume other powers determined by the BoD, and has to execute any instructions issued to him/her by the BoD in alignment with their powers stipulated in these Articles of Association. The BoD shall determine, in its sole discretion, the remunerations of the Chairman, Deputy Chairman and the Managing Director, that might be specified amount, particular bonuses or certain percentage of net profits or retained earnings in the light of their duties specified in these Articles of Associations, in addition to the remunerations for the board directors stipulated in Article (21) of these Article of Association.</p> <p>BoD shall appoint a secretary to be chosen from members or non-members of the Soard to record and keep minutes of board meetings, record and keep resolutions issued in these meetings, and perform any other duties assigned to him/her by BoD. Remunerations of the secretary are determined by the BoD.</p>	<p>proven, sign on behalf of the company in this regard, and request the amendment of sukuk with their limits and areas, and deletion and addition thereof.</p> <p>To sign all the above, to carry out all or some of the above powers, to assign or delegate to another person the right of appointing another person to perform a certain act or work, to dismiss him or her and to give him or her the right of appointing another person.</p> <p>The Board of Directors shall determine the powers and powers of the delegated member (if appointed) and shall implement the instructions issued to it by the Board of Directors in accordance with their powers as stipulated in this Law.</p> <p>The BoD shall, at its discretion and by a decision, determine the special remuneration of the Chairman, the Deputy Chairman and the Delegate (if appointed), which may be a certain amount, benefits or a certain percentage of the net retained profits or profits consistent and proportionate to their powers under this Articles of association, in addition to the remuneration prescribed for the members of the BoD under the provisions of this Regulation.</p> <p>acceptance of quotas waived for the company or partners and waiver of company shares in the companies in which it participates. The sale, purchase, discharge, acceptance of the price, delivery of the price, arrest, mortgage, and unfreezing of sukuk on all of the company's properties, proof of what must be proven, sign on behalf of the company in this regard, and request the amendment of sukuk with their limits and areas, and deletion and addition thereof.</p> <p>To sign all the above, to carry out all or some of the above powers, to assign or delegate to another person the right of appointing another person to perform a certain act or work, to dismiss him or her and to give him or her the right of appointing another person.</p> <p>The Board of Directors shall determine the powers and powers of the delegated member (if appointed) and shall implement the instructions issued to it by the Board of Directors in accordance with their powers as stipulated in this Law.</p> <p>The BoD shall, at its discretion and by a decision, determine the special remuneration of the Chairman, the Deputy Chairman and the Delegate (if appointed), which may be a certain amount, benefits or a certain percentage of the net retained profits or profits consistent and proportionate to their powers under this Articles of association, in addition to the remuneration prescribed for the members of the BoD under the provisions of this Regulation.</p> <p>The Board of Directors may appoint an executive from among its members or from others, and it may determine its competencies, functions, wages, privileges, and other terms and conditions of appointment. In the event of such appointment, the executive chairman shall implement the policy established by the Board of Directors of the company, supervise the activities of the directors of the company, conduct the day-to-day business of the company, and other competencies and powers given to him by the Board of Directors in writing from time to time.</p> <p>The Board of Directors shall appoint a Secretary of its own choosing from among its members or from others. The Board shall be competent to record the minutes of board meetings, record the decisions issued by such</p>
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	<p>the term of office of Chairman, Deputy Chairman, managing Director, Director and secretary shall not exceed their respective terms as members of the Board and they may be reappointed. The BoD may dismiss any of them at any time without prejudice to the dismissed member's right to be indemnified if dismissal caused any inconvenience.</p>	<p>meetings and keep them, in addition to exercising other competencies assigned to it by the Board of Directors. Its remuneration shall be determined by the Board of Directors.</p> <p>The Chairman of the BoD may delegate (by written decision) some of his powers to other members of the Board or to third parties to undertake certain work or functions.</p> <p>In the absence of the Chairman, the Deputy Chairman of the Board of Directors shall replace the Chairman of the Board of Directors in cases where the Board of Directors has a Vice-Chairman.</p> <p>The term of office of the Chairman, the Deputy Chairman of the Board, the Delegate (if appointed) and the Secretary, Member of the Board of Directors, shall not exceed the term of office of their respective members of the Board. The BoD may exempt the Chairman, the Vice-Chairman, the Executive Chairman, the Secretary or any of them from such positions, and shall not result in their being relieved of their membership in the BoD.</p>
Board meetings	<p>Article 23</p> <p>The BoD shall convene at least twice a year upon notice issued by the Chairman of the Board. Such notice shall be delivered to all members by registered mail, fax or email within a sufficient time ahead of the meeting date. The Chairman may call for a meeting upon the request of two members of the Board.</p>	<p>Article 24</p> <p>1- The BoD shall meet periodically as necessary at least (4) meetings per fiscal year at the invitation of its Chairman. The invitation shall be in writing and may be sent by registered mail, fax, e-mail or using modern technical means well in advance of the date of the meeting. The Chairman of the Board shall invite the Board to meet as requested by any member of the Board in writing to discuss any or more topics.</p> <p>2- The BoD shall determine the venue of its meetings and may convene them using modern technology.</p>
Quorum of BoD Meetings and Decisions	<p>Article 24</p> <p>The Board meeting shall not be valid unless it has been attended by at least half members that the attendants in person shall not be less than 3 members. A member (director) may delegate another member (director) to represent him in attending the meeting with the following conditions:</p> <ol style="list-style-type: none"> A director is not allowed to represent more than one board member in the BoD meeting. Proxy shall be evidenced in writing. Absentee members' attendee via proxy shall not vote on resolutions that the law bars the principle to vote on. <p>BoD resolutions shall be decided by majority vote of the attendees and representatives. If votes are equal then the side of the Chairman or his representative shall prevail.</p> <p>The Board may, in case of necessity or</p>	<p>Article 25</p> <p>A board meeting shall not be valid unless half the members are present and the number of members present is not less than three, on the basis of original or on behalf of at least. A board member may delegate other members to attend board meetings in accordance with the following rules:</p> <ol style="list-style-type: none"> A member of the BoD may not represent more than one member in the same meeting. The replacement must be established by writing, either by e-mail or through modern technology. The deputy may not vote on resolutions that the law prohibits the deputy from voting on. <p>1) BoD resolutions shall be decided by majority vote of the attendees and representatives. If votes are equal then the side of the Chairman or his representative shall prevail.</p> <p>2) The Board may, in case of necessity or urgency, decide its resolutions by passing them to its members individually and separately, unless one of the members requests in writing that the Board be convened to deliberate on such resolution; these resolutions shall be presented to the BoD at the first succeeding meeting.</p> <p>3) Board meetings may be convened with the participation of board members in deliberations and voting via modern technologies.</p>

	<p>urgency, decide its resolutions by passing them to its members individually and separately, unless one of the members requests in writing that the Board be convened to deliberate on such resolution; these resolutions shall be presented to the BoD at the first succeeding meeting.</p> <p>Board meetings may be convened with the participation of board members in deliberations and voting via modern technologies.</p>	<p>The decision of the BoD shall take effect from its date of issuance, unless it provides for its entry into force at another time or when certain conditions are met.</p>
Deliberations of the Board	<p>Article 25 The deliberations and resolutions of the Board meetings shall be recorded in minutes to be signed by Chairman and all attending members as well as board secretary. Such minutes shall be recorded in a special register to be signed by the Chairman and the Secretary.</p>	<p>Article 26 1- The deliberations and decisions of the BoD shall be recorded in minutes prepared by the Secretary and signed by the Chairman, the members of the BoD present and the Secretary. 2- The minutes shall be recorded in a special register signed by the Chairman of the Board of Directors and the Secretary. Modern techniques may be used to sign, document deliberations and decisions and record minutes.</p>
	<p>Chapter V General Assembly</p>	
Attendance of General Assembly	<p>Article 26 Each shareholder shall have the right to attend the General Assembly. A shareholder may, in writing, give a proxy to another shareholder, other than members of the Board of Directors or company employees, to represent him in attending an Ordinary General Assembly as per the rules set by the competent authority.</p>	<p>Article 27 1- The meeting of the General Assembly of Contributors shall be presided over by the Chairman or Deputy Chairman of the BoD in his or her absence, or who is appointed by the BoD from among its members in their absence and, failing that, by who is appointed by the General Assembly, by the voting of the participants from among the members of the Board. 2- Each shareholder has the right to attend the meeting of the General Assembly and may, in so doing, be entrusted with another person who is not a member of the BoD. The meeting of the General Assembly, the shareholder's participation in the deliberations and the voting on resolutions may be convened by means of modern technology.</p>
Powers of the Ordinary General Assembly	<p>Article 27 Except for matters falling within the competence of the Extraordinary General Assembly, the Ordinary General Assembly shall be competent in all matters related to the Company. It shall convene at least once a year within six months of the end of the Company's fiscal year. Another Ordinary General Assembly meeting may be convened whenever the need arises.</p>	<p>Article 28 Except for matters falling within the competence of the Extraordinary General Assembly, the Ordinary General Assembly shall be competent in all matters related to the Company. It shall convene at least once a year within six months of the end of the Company's fiscal year. Another Ordinary General Assembly meeting may be convened whenever the need arises.</p>
Powers of the Extraordinary	<p>Article 28 The Extraordinary General Assembly shall be competent to amend the Company's Articles of Associations</p>	<p>Article 29 No amendment on this Article The Extraordinary General Assembly shall be competent to amend the Company's Articles of</p>

General Assembly	except those provisions which it is forbidden by law to amend. It shall be also competent to issue resolutions on matters within the competence of the Ordinary General Assembly subject to the same conditions and stipulations prescribed for the Ordinary General Assembly.	Associations except those provisions which it is forbidden by law to amend. It shall be also competent to issue resolutions on matters within the competence of the Ordinary General Assembly subject to the same conditions and stipulations prescribed for the Ordinary General Assembly.
The convening of the General Assembly	<p>Article 29</p> <p>The General Assembly of shareholders shall convene upon notice by the BoD. The Chairman must call a meeting of the Ordinary General Assembly whenever so requested by the Auditor or by a number of shareholders representing at least 5% of the Capital. The Auditor may call for that meeting if the BoD did not call for the meeting within 30 days from the date of auditor request for calling for meeting.</p> <p>Notice for General Assembly meeting shall be published in at least one daily newspaper distributed in the city where the Company's Head Office is located, at least 21 days prior to the date set for the meeting. The notice including the agenda shall be sent to the Ministry of Commerce and Investment and Capital Market Authority within the period set for publication.</p>	<p>Article 30</p> <ol style="list-style-type: none"> 1. General and private assemblies shall be convened at the invitation of the BoD. The BoD shall convene the ordinary General Assembly within (thirty) days from the date of the request of the Auditor or one or more shareholders representing (ten per cent) of the shares of the company having voting rights at least. The Auditor may convene the ordinary General Assembly if the Board does not extend the invitation within (thirty) days from the date of the request of the Auditor. 2. The application referred to in paragraph (1) of this article shall indicate the items on which shareholders are required to vote. 3. The invitation to convene the Assembly shall be issued at least (twenty-one) days in advance by publishing the invitation and agenda on the Capital market website and the company's website, in accordance with the regulations determined by the competent authority and the criteria contained in the companies' regulations. <p>The meetings of the general assemblies of shareholders may be held, the shareholders may participate in their deliberations and their decisions may be voted on by means of modern technology, according to the regulations set by the competent authority.</p>
Record of assembly meeting	<p>Article 30</p> <p>Shareholders interested to attend the General Assembly shall register their names at the company's head office before the date of the meeting.</p>	Delete the article
Quorum of the Ordinary General Assembly	<p>Article 31</p> <p>General Assembly meeting shall not be valid unless it is attended by shareholders representing at least a quarter of the Company's Capital. If such quorum is not achieved in the first meeting, a notice of a second meeting shall be made as per the following:</p> <ol style="list-style-type: none"> a) After one hour from the expiry of the scheduled timing for the first meeting, provided that the notice for the first meeting shall indicate that a second meeting may be called for; or b) Within thirty days after the previous meeting. The meeting notice shall be published in the same manner stipulated in Article 29 of these Articles of 	<p>Article 31</p> <ol style="list-style-type: none"> 1- The quorum of the Ordinary General Assembly meeting shall be obtained by attendance of shareholders representing at least a quarter of the company's shares that have voting rights. 2- If the necessary quorum for the meeting of the ordinary general assembly meeting as mentioned in foregoing paragraph (1) of this Article is not present, an invitation shall be sent to a second meeting to be held under the same conditions stipulated in Articles of the Companies Law within (thirty) days following the date specified for the previous meeting. <p>However, the second meeting may be held an hour after the end of the period specified for the first meeting, provided that the invitation to hold the first meeting includes evidence that the meeting can be held. In all cases, the second meeting shall be valid regardless of the number of shares that have voting rights represented therein</p>

	<p>Association.</p> <p>The second meeting shall be deemed valid irrespective of the number of shareholders represented therein</p>	
<p>Quorum of the Extraordinary General Assembly</p>	<p>Article 32</p> <p>A meeting of the Extraordinary General Assembly shall not be valid unless it is attended by shareholders representing at least half of the Company's Capital. If such quorum is not available in the first meeting, a notice of a second meeting shall be made with the following conditions:</p> <p>A) After one hour from the expiry of the scheduled timing for the first meeting, provided that the notice for the first meeting shall indicate that a second meeting may be called for; or</p> <p>B) Within thirty days after the previous meeting. The meeting notice shall be published in the same manner stipulated in Article 29 of the Article of Association.</p> <p>The second meeting shall be deemed valid if attended by shareholders representing at least a quarter of the capital.</p> <p>If quorum is also not available in the second meeting a call is made for a third meeting to be convened with the same conditions stipulated in Article 29 of these Articles of Association. This third meeting shall be valid whatsoever the number of shares represented in the meeting as approved by the competent authority.</p>	<p>Article 32</p> <p>1- The quorum for the extraordinary general assembly meeting shall be obtained by attendance of shareholders representing at least half of the company shares that have voting rights.</p> <p>2- If the required quorum for meeting of the extraordinary general assembly set forth in the foregoing paragraph (1) hereinabove of this article is not available, an invitation shall be sent to a second meeting to be held under the same conditions stipulated in Articles of the Companies Law within (thirty) days following the date specified for the meeting. the previous. However, the second meeting may be held an hour after the end of the period specified for the first meeting, provided that the invitation to hold the first meeting includes evidence that the meeting can be held. In all cases, The second meeting shall be valid if attended by a number of shareholders representing (one fourth) of the shares of the company that have at least voting rights.</p> <p>3- If the necessary quorum for holding the second meeting is obtained, an invitation shall be sent to a third meeting to be held under the same conditions stipulated in Articles of the Companies Law, and the third meeting is valid regardless of the number of shares that have voting rights represented in it.</p>
<p>Voting in the General Assembly</p>	<p>Article 33</p> <p>Each shareholder shall have one vote for each share he/she holds. Votes shall be counted in all general assemblies on the basis of one vote for each share. In voting in the general assembly for the nomination to the board members, the accumulative voting method shall be applied.</p>	<p>Article 33</p> <p>1- Each shareholder shall have a vote for each share in the general assemblies. The cumulative vote must be used in the election of the members of the BoD, so that the right to vote for the share may not be used more than once.</p> <p>Members of the BoD may not participate in voting on Assembly resolutions concerning business and contracts in which they have a direct or indirect interest in or which involve a conflict of interest.</p>
<p>Resolutions in the General Assembly</p>	<p>Article 34</p> <p>Resolutions at the Ordinary General Assembly shall be adopted by the absolute majority vote of the shares represented in the meeting.</p> <p>The resolutions of the Extraordinary General Assembly shall be decided by</p>	<p>Article 34</p> <p>1- Ordinary resolutions of the General Assembly shall be adopted with the approval of the majority of the voting rights represented at the meeting. Extraordinary General Assembly resolutions are adopted with the approval of two thirds of the rights of voting in the meeting, unless the decision relates to raising or reducing capital, prolonging or dissolving a company before the expiration of the period specified</p>

	two thirds majority of the shares represented at the Assembly, unless the resolution is related to increase or reduction of the Capital, the extension of the Company's term, the dissolution of the Company before the term specified in its Articles of Association, or the merger of the Company with another company or firm, in which cases the resolution shall not be valid unless it is passed by shareholders holding a majority of three-quarters of the shares of the Company's Capital represented at the Assembly meeting.	in its bylaws, or its merger with another company, or dividing them into two or more companies is only valid if (three fourth) voting rights represented at the meeting are approved.
Discussions at assemblies	Article 35 Each shareholder shall have the right to discuss matters specified in the meeting's agenda and to raise inquiries thereon to the members of the BoD and company's accounts auditor. The board of directors or the auditor shall answer the shareholders' questions to the extent which does not damage the company's interest. If a shareholder thinks that an answer to his inquiry is not convincing, he can appeal to the Assembly and its decision in this regard shall be conclusive.	Article 35 There is no amendment to the article. Each shareholder shall have the right to discuss matters specified in the meeting's agenda and to raise inquiries thereon to the members of the BoD and company's accounts auditor. The board of directors or the auditor shall answer the shareholders' questions to the extent which does not damage the company's interest. If a shareholder thinks that an answer to his inquiry is not convincing, he can appeal to the Assembly and its decision in this regard shall be conclusive.
Prepare the minutes of associations	Article 36 The General Assembly shall be presided over by the Chairman of the Board of Directors or his/her deputy when Chairman is absent or a Director authorized by the Chairman of Board of Directors in case of their absence. The Chairman shall nominate a secretary for the meeting and one or more vote collectors. The minutes of the General Assembly meeting shall be recorded, and shall indicate the names of the shareholders present in person or represented, the number of shares they hold personally or by proxy, the votes allotted thereto, the resolutions taken, the number of votes in favor of or against such resolutions and an adequate summary of the discussions which took place in the meeting. Such minutes shall be regularly recorded, after each meeting, in a special register to be signed by the Chairman of the Assembly, its secretary and the vote collectors.	Article 36 A minutes shall be drawn up at the meeting of the Assembly including the number of shareholders present on behalf of the Prosecution, the number of shares in their possession on behalf of the Prosecution, the number of votes assessed for them, the decisions taken, the number of votes approved or opposed to them, and a comprehensive summary of the discussions held at the meeting. The minutes shall be recorded regularly after each meeting in a special register signed by the Chairman, its Secretary and the votes collectors.
Formation of the Audit	Article 37 The Audit Committee is formed by a decision issued by the Ordinary	Delete the article

Committee	General Assembly as composed of at least 3 non-executive directors whether shareholders or otherwise. The decision shall outline the functions of the committee, its rules and remunerations of its members.	
quorum of the Audit Committee Meetings	Article 38 Meetings of the Audit Committee shall be valid only if attended by the majority of the members, and resolutions shall be issued and adopted by majority vote of members present. In the event of a tied vote, the Chairperson of the Committee has a casting vote.	Delete the article
Functions of the Audit Committee	Article 39 The audit committee is concerned with all aspects of company business. It shall at all times have access to the Company's books, records, and any other documents. It shall have the right to request any particulars and clarifications from the BoD or executive management and request the BoD to call for a general meeting if the BoD constrained its work or company is exposed to serve damage or loss.	Delete the article
The Audit Committee Reporting	Article 40 The Audit Committee shall oversee company's financial statements, reports and notices presented by the accounts auditor, make reflections (if any) on them. It shall prepare a report showing its opinion on the efficiency of the company's internal control system and other functions it undertook. The BoD shall deposit sufficient copies of this report at company's head office at least 21 days before the meeting of the General Assembly so as to provide each interested shareholder with a copy. The report shall be read during the meeting.	Delete the article
	Section VI Accounts Auditor	

Appointment, dismissal and retirement of company auditor	<p>Article 41</p> <p>The Company shall have one auditor or more to be appointed annually by the Ordinary General Assembly from among approved Chartered Accountants licensed to operate in the Kingdom of Saudi Arabia. The General Assembly shall determine their remuneration and term of office, and it may re-appoint or replace them without prejudicing their rights to be indemnified if the replacement took place in an inappropriate time or for no cause.</p>	<p>Article 37</p> <p>1- The company shall have an auditor (or more) of the auditors licensed in the Kingdom who shall appoint him and determine his fees, duration and scope appointed by the General Assembly. the auditor may be re-appointed provided that the duration of his appointment does not exceed the period prescribed by articles of association .</p> <p>2- The Auditor may be dismissed by a decision of the General Assembly. The chairman of the board of directors shall notify the competent authority of the decision and the reasons for the decision, within a period not exceeding (five) days from the date of issuance of the decision.</p> <p>An auditor may retire his or her assignment by virtue of a written notification submitted to the company, which shall expire on the date of submission or a later date specified in the notification, without prejudice to the right of the company to compensation for damage sustained if any. The retired auditor is obliged to submit to the company and competent authority, when reporting, a statement of the reasons for his retirement, and the BoD shall convene the General Assembly to consider the reasons for the retirement and to appoint another auditor and determine his fees, duration and scope.</p>
The powers of the auditors	<p>Article 42</p> <p>The Auditors shall at all times have access to the Company's books, records and any other documents. They should have the right to request any particulars and clarifications which they deem necessary to obtain. They shall also have the right to verify the Company's assets and liabilities. The Chairman shall enable them to do all the aforesaid. If the auditors faced any difficulties in that regard they should report that to the BoD. If the BoD did not facilitate the work of auditors, the latter shall request the BoD to call for an Ordinary General Assembly meeting to look into that issue.</p>	<p>Article 38</p> <p>The Auditor shall has the right -at any time- access to company documents, accounting records and supporting documents, and shall request such statements and explanations as it deems necessary to verify the company's assets, liabilities and other matters within its scope of operation. The BoD shall enable it to perform its duty and, if the auditor encounters difficulty in this regard, he/she shall prove it in a report to the Board of Directors. If the BoD does not facilitate the work of the Auditor, it shall request the BoD to convene the General Assembly to consider this matter. Such an invitation may be made by the Auditor if it is not made by the BoD within (thirty) days from the date of the request of the Auditor.</p>
	<p>Chapter VII</p> <p>Company accounts and distribution of profits</p>	
The Fiscal year	<p>Article 43</p> <p>The company's fiscal year shall start from the first day of January and end at the end of December of each year. The first financial year shall include the period which starts from the date of the resolution of the Minister of Commerce and Investment converting the company and end on 31/12/2005.</p>	<p>Article 39</p> <p>The financial year of the company starts at the beginning of January and ends at the end of December each year.</p>
The Financial documents	<p>Article 44</p> <p>1. The Board of Directors shall prepare at the end of each fiscal year the financial statements of the company and a report of company's</p>	<p>Article 40</p> <p>1-The Board of Directors shall prepare at the end of each fiscal year the financial statements of the company and a report of company's activities and its financial position for the ending year. Such report shall include the proposed manner of distributing the net</p>

	<p>activities and its financial position for the ending year. Such report shall include the proposed manner of distributing the net profits. The BoD shall put these documents at the disposal of the auditors at least (45) forty-five days prior to the date set for the General Assembly meeting.</p> <p>2. The Managing Director and Chief Finance Officer shall sign the aforesaid documents in paragraph (1). A copy of such documents shall be kept at the Company's Head Office at the disposal of shareholders at least 21 days prior to the date set for the General Assembly meeting.</p> <p>3. The Chairman of the BoD shall provide shareholders with the company's financial statements, BoD report and full text of the auditors report unless such docs are published in at least one daily newspaper of general circulation in the city where the Company's Head Office is located. A copy of these documents shall be submitted to the Ministry of Commerce and Investment and the Capital Market Authority at least fifteen days prior to the date set for the General Assembly meeting.</p>	<p>profits. The BoD shall put these documents at the disposal of the auditors at least (45) forty-five days prior to the date set for the General Assembly meeting.</p> <p>2-The documents referred to in paragraph (1) of this article shall be signed by the Chairman, his or her deputy, the Chief Executive and the Director of Finance, copies of which shall be deposited at the head office of the company at the disposal of the shareholders.</p> <p>3- The Chairman of the Board of Directors shall provide shareholders with the financial statements of the company, the report of the Board of Directors signed, and the report of the Auditor, unless published in any of the modern technology means at least twenty-one days before the date of the annual ordinary session of the General Assembly. He shall also deposit these documents in accordance with the executive regulations of the corporate system.</p> <p>Financial documents and records are kept according to the relevant regulations and regulations.</p>
Composition of reserves and distribution of profits	<p>Article 45</p> <p>The Company's net profits shall be distributed after deduction of all general expenses and other expenses including Zakat in the following manner:</p> <p>1. Ten percent (10%) of net profits shall be set aside to build up a statutory reserve. The Ordinary General Assembly may stop or reduce the rate of this deduction for reserve if the statutory reserve has reached an amount equal to thirty percent (30%) of the paid capital</p> <p>2. The Ordinary General Assembly may, according to the recommendation of the BoD, set aside an equal rate of net profits to build up an</p>	<p>Article 41</p> <p>1. The General Assembly may, on the proposal of the BoD, set aside a certain percentage of net profits for the formation of a reserve for the purposes to be determined by the Assembly. The competent authority may regulate the composition of the reserve.</p> <p>2. If the reserve is not earmarked for a specific purpose in the company's main system, it may be used only by a decision of the extraordinary General Assembly. The ordinary General Assembly may, on the proposal of the Board of Directors, decide to disburse it for the benefit of the company or shareholders.</p> <p>The competent authority may regulate the use of reserves.</p> <p>3. The ordinary General Assembly, at the suggestion of the Board of Directors, when determining the share of shares in the net profits, may decide to form other reserves, to the extent that it is in the interest of the company or to ensure that fixed dividends are distributed as far as possible to the shareholders.</p>

	<p>agreed-upon reserve to be allotted for certain purpose(s).</p> <p>3. The Ordinary General Assembly may resolve to build up other reserves to the extent that benefits the company or allows for the distribution of fixed profits to shareholders. The Ordinary General Assembly may also cut from the net profits certain amounts to be used for the establishment of social institutions for company employees or for assisting the existing institutions.</p> <p>4. The Ordinary General Assembly may decide, according to the recommendation of the BoD, to distribute from the remainder an amount not exceeding 1% of the paid capital to the shareholders.</p> <p>5. The Ordinary General Assembly may decide, according to the recommendation of the BoD, to distribute the remainder to the shareholders as additional share of profits at the rate recommended by the BoD and approved by the General Assembly.</p> <p>6. The company may make periodical distribution of profits to its shareholders: half-yearly or quarterly in accordance with the rules and instructions issued by the Capital Market Authority. This is done in the light of a delegation issued by the Ordinary General Assembly to the BoD to distribute profits at stages. This delegation shall be annually renewed.</p>	<p>The assembly may also deduct from the net profits sums for the social purposes of the employees of the company.</p> <p>4. Retained earnings and distributable reserves may be used by the ordinary General Assembly to pay for the remainder of the value of the stock or a portion thereof, without prejudice to equity among shareholders in accordance with the provisions of the Regulations.</p> <p>5. On the recommendation of the BoD, the General Assembly shall determine the percentage to be distributed to shareholders of net profits after the deduction of reserves, if any.</p> <p>On the recommendation of the Board of Directors, annual or interim dividends of dividends distributed to shareholders may be distributed after satisfying the controls established by executive regulations and the relevant requirements of the competent authorities in this regard. including a mandate from the General Assembly of the BoD to distribute interim dividends.</p>
Earnings Accrual	<p>Article 46</p> <p>The shareholder qualifies for a share of profits according to the resolution of the General Assembly issued on this matter. Such resolution shall indicate the date of entitlement and date of distribution. The eligibility for profits is a right for the shareholders registered in company's register of shareholders at the end of the day scheduled for entitlement.</p>	<p>Article 42</p> <p>The shareholder shall be entitled to its share of the profits in accordance with the relevant General Assembly resolution. The resolution shall set out the due date and the date of distribution. The right to profit shall be owed to the shareholders registered in the shareholders' registers at the end of the maturity day. The BoD shall implement the decision of the General Assembly on the distribution of profits to shareholders within the period specified in the executive regulation of the system of listed joint stock companies.</p>

Distribution on Blue Dividend	<p>Article 47</p> <ol style="list-style-type: none"> 1. If profits are not distributed for any fiscal year no profits for the next years shall be distributed unless the specified rates for the shareholders of the foundation stakes are distributed for that year subject to the provisions of the Article 114 of the Company Law. 2. If the company failed to pay the profit rates stipulated in Article 114 of the Companies Law for three consecutive years, the assembly of these owners of the foundation stakes held according to the provisions of Article 89 of the Companies Law shall decide either these owners attend the company's general assembly meeting and have a voting right or that the appoint representatives for them in the BoD proportional to their shares in the capital till the company is able to pay the priority profits devoted for these owners of foundation stakes for the previous years. 	<p>Delete the article</p>
Company losses	<p>Article 48</p> <ol style="list-style-type: none"> 1. If the company losses amounted to contribute half of its paid capital, anytime during fiscal year, the person in charge of company management or the accounts auditor shall Immediately notify the Chairman who has, within 15 days of being notified, to immediately notify the BoD. The BoD shall call for an Extraordinary General Assembly meeting to be convened within 45 days from being notified of company losses so as to decide on increasing or reducing company capital in accordance with the provisions of the Companies Law to the extent that brings the losses to less than half of paid capital or dissolving the company before the expiry of its term stipulated herein. 2. According to the provisions of the Companies Law the company expires if the General Assembly failed to convene a meeting within the period stated in paragraph (1) of this Article , or that the 	<p>Article 43</p> <p>If a company's losses amount to (half) the capital, the BoD shall disclose this and its recommendations on such losses within (sixty) days from the date it is aware of the amount and shall convene the extraordinary General Assembly within 180 days from the date of receipt of this information to consider the continuation of the company with any necessary measures to address or resolve these losses.</p>

	meeting is held but can not pass a resolution on that matter or it decided to increase the capital in view of the situation therein and no underwriting took place for the whole of capital increase amount within 90 days from the date of issuing the resolution of increasing capital.	
	Chapter VIII Disputes	
Responsibility	<p>Article 49</p> <p>Any shareholder may institute an action to claim liability against the members of the BoD if the fault caused by them could lead to particular damage to him, provided that the right of the company to institute such claim is still sustained.</p> <p>The shareholder shall notify the company in writing if his intention to file the action.</p>	<p>Article 44</p> <p>1- A company may bring a claim of liability against the members of the board of directors for violation of the provisions of the corporate or corporate system or for any errors, negligence or omissions in the performance of their business that result in damages to the company. The General Assembly shall decide to file such a claim and to appoint a representative of the company. If the company is in liquidation, the liquidator shall initiate the action. Where any liquidation proceeding is opened against the company in accordance with the bankruptcy regime, the filing of such action shall be by its representative.</p> <p>2- One or more shareholders representing (5%) of the company's capital may file the company's liability lawsuit if the company fails to do so, bearing in mind that the main purpose of the lawsuit is to achieve the company's interests, that the action is based on a valid basis, and that the plaintiff is in good faith and a partner or shareholder in the company at the time of the filing of the action.</p> <p>3- The condition of proceedings referred to in paragraph (2) of this Article shall be required to inform the members of the BoD of the intention to file the action at least (fourteen) days before the date of its filing.</p> <p>The shareholder may be filing a liability lawsuit against the members of the board of directors if the error they made would cause the shareholder particular harm</p>
	Chapter IX Dissolution and liquidation of the company	
Company Expiration	<p>Article 50</p> <p>The Company, as soon as it expires, enters into the phase of liquidation and retains the legal personality to the extent necessary for the liquidation and issuance of optional liquidation resolution by the Extraordinary General Assembly. The liquidation decision shall indicate the appointment of liquidator, its powers, fees and restrictions as well as the period required for liquidation. The optional liquidation period shall not exceed five (5) years and shall not be extended beyond that period except by court order. The powers of the BoD shall cease upon the dissolution of the Company. However, the BoD shall continue to manage the company and</p>	<p>Article 45</p> <p>A company shall expire because of one of the causes of expiration contained in the corporate system and its expiration shall enter into liquidation in accordance with the provisions of the corporate system. If the company has lapsed and its assets are insufficient to pay its debts or are in default in accordance with the bankruptcy system, it shall submit to the competent judicial authority for the opening of any liquidation proceedings under the bankruptcy system</p>

	considered by others as acting liquidators until a liquidator is appointed. On the other hand, the general assemblies shall remain during the liquidation, continuing to carry out their functions that do not conflict with the powers of the liquidator.	
	Chapter X Final provisions	
system Companies	Article 51 The Companies Law and its implementing regulations shall apply on all the provisions of these Articles of Association.	Article 46 A company shall be subject to the regulations in force in the Kingdom of Saudi Arabia. Any provision that contravenes the provisions of this bylaw shall not be deemed valid. Any provision in the company system and any provision that is not stipulated in this bylaw shall be applied in respect of it.
Deploym ent	Article 52 These Articles of Association shall be deposited, distributed and published in accordance with the provisions of the Companies Law.	Article 47 This Law shall be deposited and published in accordance with the provisions of the Companies Law and its implementing regulations

The Audit Committee Charter

Preamble:

The work regulation for the audit committee of the Dar Al-Arkan Real Estate Development Company has been developed in implementation of the provisions of the Corporate Governance Regulations issued by the Board of the Capital Market Authority pursuant to resolution No. (8-16-2017) dated 16/5/1438H, 13/2/2017, and any subsequent amendments issued based on the decisions of the Capital Market Authority and the provisions of the company's laws, its Implementing Regulation of the Companies Law and the company's article of association.

1. Objectives:

This regulation aims to define the controls and procedures of the Audit Committee, its scope of work and responsibilities, and the mechanism for taking its decisions and tasks.

2. Formation of the Audit Committee:

1. the audit committee shall be formed by a resolution of the company's Board of directors from shareholders or others, provided that at least one of them is an independent member and does not include any of the executive board members, provided that the number of members of the committee is not less than three and not more than five members. Among them should be a specialist in financial and accounting matters.
2. the board of Directors shall select the members of the Audit Committee based on the recommendation of the Remuneration and Nomination Committee and the board may re-appoint them. The selection criteria should be taken into account, including the suitability and adequacy of skills and practical experience that fit with the company's strategy and activities in the real estate development and investment sector.
3. the General Assembly of the Company shall, upon a proposal from the board of Directors, issue the work regulations of the audit committee, provided that these regulations include the controls and procedures of the committee, its tasks, the rules for selecting its members, how to nominate them, the term of their membership, their remuneration, and the mechanism for appointing its members temporarily in the event of a vacancy of one of the seats of the committee.
4. the members of the committee shall elect the chairman of the audit committee from among its members at its first meeting, if he is not appointed by the board of directors.
5. no one who works or has been working during the past two years in the executive or financial management of the company, or with the company's auditor, may be a member of the audit committee.
6. it is stipulated that a member of the audit committee should not be a member of audit committees in more than five joint stock companies listed on the market at the same time.

3. Membership:

1. the term of membership in the audit committee shall be for a period of four (4) years in accordance with the term of membership of the board of directors and as applicable in the case

of extension of the term of membership of the board of directors, and the board may re-appoint the members of the committee for another period or similar periods.

2. the chairman of the board of Directors may not be a member of the audit committee.
3. if the position of one of the committee members becomes vacant during the term of membership, the board of Directors shall have the right to appoint a member to the vacant position provided that he meets the conditions of membership, provided that the Capital Market Authority and the competent authorities are notified of this during the statutory period and the new member completes the term of his predecessor.

4. The Audit Committee's terms of reference, its powers and responsibilities:

The Audit Committees are concerned with monitoring the company's business and verifying safety and integrity of reports, financial statements and internal control systems therein. The committee's tasks in particular include the following:

a) Financial reports:

- 1) Examine the company's preliminary and annual financial statements before submitting them to the Board of Directors to express their opinion and recommendation thereon, to ensure its integrity, fairness and transparency.
- 2) Provide technical opinion – upon the request of the Board of Directors – whether the report of the Board of Directors and the financial statements of the company are fair balanced and include information that allows shareholders and investors to assess the financial position of the company, its performance, its business model and strategy.
- 3) Examination of any important or unfamiliar matters involved in the financial reports.
- 4) Carefully examine any issues raised by the company's financial manager, or the one who is in charge of his duties, the company's committing officer or auditor.
- 5) Verification of accounting estimates for the fundamental issues presented in the financial reports.
- 6) Examine the accounting policies used in the company, and express opinion and recommendations to the Board of Directors regarding them.

b) Internal audit:

- 1) Examine and review the company's internal and financial control and risk management systems.
- 2) Examine the internal audit reports and follow up on the implementation of the corrective actions of the observations contained therein.
- 3) Control and supervise the performance and activities of the internal auditor and managing the company's internal audit; to verify the availability of the necessary resources and their effectiveness in doing business and tasks assigned to them.
- 4) Recommend to the Board of Directors to appoint the directors of the internal audit department or the internal auditor and propose his remuneration.
- 5) Approve the annual internal audit plan and the estimated budget for the internal audit management.

c) Auditor:

- 1) Recommendation to the Board of Directors to nominate and remove the auditors, determine their fees and evaluate their performance after verifying their independence and reviewing their scope of work and contractual conditions with them.

- 2) Verify the auditor's independence, objectivity and fairness, and the effectiveness of the audit work, taking into account relevant rules and standards.
- 3) Reviewing the company's auditor's plan and work, verifying that it does not provide technical or administrative work outside the scope of the audit work, and expressing his views on this.
- 4) Answer the company's auditor inquiries.
- 5) Examine the auditor's report and his observations on the financial statements and follow up on what has been taken in their regard.

d) Ensure commitment:

- 1) Review the results of the reports of the regulatory authorities and verify that the company has taken the necessary measures in this regard.
- 2) Verify the company's commitment with relevant laws, regulations, policies and instructions.
- 3) Review the contracts and transactions proposed by the company with the relevant parties, and provide their views thereon to the Board of Directors.
- 4) Submit any matters you deem necessary to take action on it to the Board of Directors, and make recommendations on the actions to be taken.

5. The occurrence of a conflict between the Audit Committee and the Board of Directors:

If there is a conflict between the recommendations of the audit committee and the decisions of the Board of Directors, or if the board refuses to adopt the committee's recommendation regarding appointing and dismissing the company's auditor and determining its fees and assessing its performance or appointing the internal auditor, the board's report must include the committee's recommendation and justifications, and the reasons for not taking it.

6. Arrangements for submitting observations.

- 1) The audit committees shall establish a mechanism that allows employees of the company to provide their observation on any abuse in financial or other reports in confidence.
- 2) The committee shall verify the application of this mechanism by conducting an independent investigation commensurate with the kind of the mistake or the abuse and adopt appropriate follow-up procedures.

7. Powers of the Audit Committee:

In order for the committee to be able to fulfill its responsibilities, it will be empowered with the following powers:

- 1) The committee has the right to review the company records and documents.
- 2) The committee has the right to request any clarification or statement from the members of the Board of Directors or executive management.
- 3) The Committee has the right to request the Board of Directors to call the general assembly of the company to convene if the Board of Directors hinders its work or the company suffers severe damage or losses.

8. Meetings of the Audit Committee:

- 1) for the validity of the meeting of the Audit Committee, the presence of a majority of its members is required, and its decisions are issued by a majority of the votes of those present, and when the votes are equal, the side with which the chairman of the meeting voted is likely.
- 2) the audit committee shall meet periodically, provided that its meetings are not less than four meetings during the company's financial year.

- 3) the audit committee meets periodically with the company's auditor, and with the company's internal auditor.
- 4) the internal auditor and the auditor request to meet with the audit committee whenever the need arises.
- 5) the audit committee may hold its meetings by modern technical means.
- 6) if the chairman of the committee is absent from any of the meetings of the committee, the members present shall choose a chairman for the meeting from among them.
- 7) the resolutions of the committee may be adopted by passing by means of modern technical means, provided that the resolution is submitted to the audit committee at the first subsequent meeting to prove it in the minutes of that meeting.
- 8) the resolutions taken by the committee are presented to the board of directors.

9. Remunerations of the members:

- 1) Members of the committee are entitled to the remunerations and allowance established in the policy of the Board of Directors and the committees and executives remunerations by the General Assembly of the company, taking into account the relevant regulatory requirements and the company's system.
- 2) The committee members remunerations are examined and determined based on the recommendation from the Remuneration and Nomination Committee. This recommendation is submitted to the Board of Directors

10. Report of the Audit Committee:

- 1) The report of the Audit Committee should include details of its performance of its functions and tasks stipulated in the corporate system and its executive regulations, provided that it includes its recommendations and opinion on the adequacy of the internal and financial control and risk management system of the company.
- 2) The board of directors must deposit sufficient copies of the report of the audit committee in the company's head office and publish it on the company's website and the market website when publishing the invitation to hold the general assembly; to enable shareholders who wish to obtain a copy. The summary of the report is read out during the General Assembly.

11. Committee Secretary responsibilities:

- 1) in the event that a special secretary of the audit committee is not appointed from among its members or from the company's employees, the secretary of the board shall carry out the administrative tasks and responsibilities assigned to the secretary of the committee
- 2) the remuneration and allowances of the secretary of the committee or the secretary of the board shall be determined by a decision of the board of directors or as stated in the company's articles of association or in accordance with the company's contracting system or the relevant company policies.
- 3) the Secretary shall document the meetings of the committee and prepare minutes for them including the discussions and deliberations and document the recommendations of the committee and the results of voting. the meetings of the committee may be signed by means of modern technical means.

12. Amendment of the charter:

This regulation may be modified after its issuance, provided that the General Assembly approves any amendment at its first meeting.

List of Before and After Articles of the Audit Committee Charter

Before amendment	After amendment
<p>2. Formation of the Audit Committee:</p> <ol style="list-style-type: none"> 1. By a decision of the general assembly of the company, an Audit Committee shall be formed from the shareholders or others based on the nomination of the Board of Directors, at least one of them should be an independent member and not to include any of the executive Board members. The number of members of the Audit Committee must not be less than three members, including a specialist in financial and accounting affairs. 2. The nomination of the Audit Committee members should be based on the recommendation of the Remuneration and Nomination Committee, and that recommendation should be submitted to the Board of directors. The selection criteria should be taken into account, including the appropriateness and adequacy of the candidate's, qualifications, skills, practical experiences in relation to the company's strategy and activities in the Real Estate development and investing. 4. The Committee appoints the Chairman from the members of the audit committee at the first meeting. 	<p>2. Formation of the Audit Committee:</p> <ol style="list-style-type: none"> 1. the audit committee shall be formed by a resolution of the company's Board of directors from shareholders or others, provided that at least one of them is an independent member and does not include any of the executive board members, provided that the number of members of the committee is not less than three and not more than five members. Among them should be a specialist in financial and accounting matters. 2. the board of Directors shall select the members of the Audit Committee based on the recommendation of the Remuneration and Nomination Committee and the board may re-appoint them. The selection criteria should be taken into account, including the suitability and adequacy of skills and practical experience that fit with the company's strategy and activities in the real estate development and investment sector. 4. the members of the committee shall elect the chairman of the audit committee from among its members at its first meeting, if he is not appointed by the board of directors.
<p>3.Membership:</p> <ol style="list-style-type: none"> 1. The term of membership of the Audit Committee is (3) three years. 3. If the position of one of the members of the committee becomes vacant during the membership period, the Board may appoint a member for the vacant position, provided that he meets the conditions for membership. The appointment shall be presented to the Ordinary General 	<p>3. Membership:</p> <ol style="list-style-type: none"> 1. the term of membership in the audit committee shall be for a period of four (4) years in accordance with the term of membership of the board of directors and as applicable in the case of extension of the term of membership of the board of directors, and the board may re-appoint the members of the committee for another period or similar periods.

Before amendment	After amendment
Assembly at its first meeting following it, and the new member shall complete the term of his predecessor.	3. if the position of one of the committee members becomes vacant during the term of membership, the board of Directors shall have the right to appoint a member to the vacant position provided that he meets the conditions of membership, provided that the Capital Market Authority and the competent authorities are notified of this during the statutory period and the new member completes the term of his predecessor.
8. Meetings of the Audit Committee:	8. Meetings of the Audit Committee: 6) if the chairman of the committee is absent from any of the meetings of the committee, the members present shall choose a chairman for the meeting from among them. 7) the resolution of the committee may be adopted by passing by means of modern technical means, provided that the resolution is submitted to the audit committee at the first subsequent meeting to prove it in the minutes of that meeting. 8) the resolutions taken by the committee are presented to the board of directors.
11. Committee Secretary responsibilities:	11. Committee Secretary responsibilities: 3) the Secretary shall document the meetings of the committee and prepare minutes for them including the discussions and deliberations and document the recommendations of the committee and the results of voting. the meetings of the committee may be signed by means of modern technical means.

- Attached to Item No. (12) The proposed amendments to the Remuneration and Nomination Committee Charter

Remuneration and Nomination Committee Charter

Introduction

This regulation aims to define the scope of work of the Remuneration and Nomination Committee in the Dar Al-Arkan Real Estate Development Company, in application of the provisions of Corporate Governance Regulation issued by the Board of the Capital Market Authority under Resolution No. (8-16-2017), dated 16/5/1438H, 13/2/2017.

1. Objectives

The objectives of forming the Remuneration and Nomination Committee (the Committee) are to assist the Board of Directors (the Board), of Dar Al-Arkan Real Estate Development Company (the company) in exercising its responsibilities in nominating and independence the members of the Board of Directors and the affiliate committees.

2. General provisions

Formation of the committee

1. The Remuneration and Nominations Committee shall be formed by a decision of the company's Board of Directors who are not members of the executive Board of Directors, provided that at least one of them is an independent member.
2. The General Assembly of the company shall issue – based on the proposal of the Board of Directors – the work regulations of the Remuneration and Nominations Committee, provided that this regulation includes the controls and procedures for the work of the committee, its tasks, the rules for selecting its members, the duration of their membership, and remunerations.
3. The Board of Directors shall form the Remunerations and Nominations Committee according to the following:
 - 1) The company's need, circumstances and conditions, to enable it to perform its duties effectively.
 - 2) The formation of the committee shall be according to general procedures established by the Board, which include defining the mission of the Committee, the duration of its work, the power vested in it during this period, and how the Board of Directors controls it. The Committee shall inform the Board of Directors of its results or take decisions transparently. The Board of Directors shall follow up on the work of this Committee regularly to verify the exercise of the tasks assigned to it.
 - 3) The committee is responsible for its actions before the Board of Directors, without prejudice to the Board's responsibility for those actions and the power or authorities delegated to it.

- 4) The number of Committee members should not be less than three and not more than five.
 - 5) The head of the Committee or his delegate from among its members, must attend the general assemblies to answer the shareholders' questions.
 - 6) The company shall notify the Commission of the names of the members of the Committee and their membership status within five working days from the date of their appointment and any changes to that within five working days from the date of the changes.
4. the term of membership in the Remuneration and Nominations Committee shall be for a period of (4) four years in accordance with the term of membership of the board of directors and as applicable in case of extension of the term of membership of the board of directors, the board may re-appoint the members of the committee for another period or similar periods
 5. if the position of one of the committee members becomes vacant during the term of membership, the board may appoint a member to the vacant position provided that he meets the conditions of membership, provided that the Capital Market Authority and the competent authorities are notified of this during the regular term and the new member completes the term of his predecessor.
 6. the board of Directors may increase the number of members of the committee by not exceeding the maximum limit in accordance with the rules and regulations.

Chairman the Committee

1. A member of the Committee works as a head of the Committee and his person will be appointed by the Board of Directors or appointed by the committee members through an affirmative vote for the majority of the committee members.
2. The head of the Committee determines its agenda, the number and duration of its meetings, and he has the right to meet the company's management and access all their information. This head may also draw up any other regulations that he deems necessary for the functioning of the Committee.
3. The head of the Committee shall prepare the agenda for the meetings of the Committee, and the schedule of meetings shall be distributed – whenever practicable – the agenda of the meetings to the members at least one week before the date of the meeting.

Secretary (secretary of the Committee)

The Committee appoints a secretary who is responsible for keeping records of the Committee's procedures and minutes in order to provide the Board of Directors with reports of the work of the Committee, in addition to performing other tasks assigned to him from time to time by the committee or under the guidance of one of their members. This secretary is not to be a member of the Board of Directors.

3. Membership of the Committee

a) A sufficient number of no-executive Board members must be appointed to the Committee as it is concerned with the tasks that may give rise to conflict of interest, such as ensuring the integrity of financial and non-financial reports, reviewing the deals of related parties, nominating for membership in the Board of Directors, appointing senior executives, and determining remunerations. The head and members of the Committee shall adhere to the principles of honesty, loyalty care and attention to the interests of the company and the shareholders, and put them before their personal interest.

b) the company takes into account when forming the Committee that it is members are from the independent Board members, and it is permissible to seek the help of non executive members or persons who are not members of the Board, whether they are shareholders or others.

c) the Chairman of the Board of Directors may participate in the membership of the Committee, provided that he does not held the position of head in this Committee.

4. Subjects

- a) The Committee studies the subjects that are related to it or that are referred to it by the Board of Directors, and submits its recommendations to the Board to take a decision thereon, or to take decisions if the Board authorized it to do so.
- b) The Committee may seek assistance from experts and specialists from within the company or outside it within the limits of its validity, provided that this should be included in the minutes of the Committee meeting, with the name of the expert mentioned and his relationship to the company or the executive management.

5. Meeting of the Committee

- a) The Committee, meets periodically at least every six months.
- b) No member of the Board of Directors or executive management, except for the Committee's secretary and members of the committee, has the right to attend its meetings unless the Committee requests to hear his opinion or obtain his advice.
- c) In order for the committee's meeting to be valid, a majority of its members must be present. Its decision shall be issued by the majority of the votes of those present, and in the case of equal votes, the Chairman shall have the casting vote.
- d) The Committee's meetings must be documented and its minutes prepared include discussion and deliberation, document the committee's recommendations and voting results, keep them in a special and organized record, and indicate the names of the members present and the reservations they make – if any -, and signing these minutes from all the members present.

6. Remuneration

Committee terms of reference regarding remuneration

The committee shall be responsible for the following:

- 1) Prepare a clear policy for the remuneration for members of the Board of Directors and the committees emanating from the Board and executive

management, and submit it to the Board of Directors for consideration in preparation for approval by the General Assembly, provided that this policy follows the standard related to performance, disclosure and verification of their implementation.

- 2) Clarity the relationship between the remuneration granted and the applicable remuneration policy, and indicate any substantial deviation from the policy.
- 3) Periodically review the remuneration policy and evaluate its effectiveness in achieving the objectives expected of it.
- 4) To recommend to the Board of Directors the remuneration of the members of the Board of Directors, the Committee emanation from it the senior executive of the company in accordance with the approved policy.

Remuneration policy

Without prejudice to the provisions of the corporate and financial market regulation and their executive regulations, the remuneration policy must take into account the following:

- 1) Its consistence with the company's strategy and objectives.
- 2) To offer remuneration for the purpose of urging members of the Board of Directors and executive management to make the company successful on the long term, such as linking the changing part of the remuneration to long-term performance.
- 3) Remuneration are determined based on the level of post, tasks, and responsibilities assigned to them, educational qualifications, work experience, skills and level of performance.
- 4) Its consistency with the scale, nature and degree of risk of the company.
- 5) Taking into account the practices of other companies in determining remunerations, while avoiding the unjustified rise in remunerations and compensation that may result from that.
- 6) To aim for attracting, maintaining and motivating professional competencies, without any exaggeration.
- 7) To be prepared upon new appointments.
- 8) Cases of stopping the exchange of the remuneration or its refund if it is determined that it was decided on the basis of inaccurate information provided by a member of the Board of Directors or executive management; This is to prevent the employment situation from being used to obtain unpaid remuneration.
- 9) Regulating the granting of shares in the company to the members of the Board of Directors and executive management, whether it is a new issue or shares bought by the company.

Disclosure of remuneration

- a) The Board of Directors shall comply with the following:
 - 1) Disclosure of remuneration policy and how to determine the remuneration of the members of the Board and the executive management of the company.

- 2) Disclose accurately, transparently and in the report of the Board of Directors, the remuneration granted to members of the Board of Directors and the executive management directly or indirectly, without concealment or deception, whether they are amounts, benefits or advantages, whatever their nature and names. If benefits are shares in the company, then the value entered for the shares is the market value at the due date.
- 3) Clarify the relationship between the remuneration granted and the applicable remuneration policy, and indicate any substantial deviation from this policy.
- 4) Indicate the necessary details regarding the remuneration and the compensation paid to each of the following separately:
 - a. Board of Directors
 - b. Five of the senior executives who received the highest remuneration from the company, including the CEO and CFO.
 - c. Committee members.
- b) The disclosure in this paragraph shall be included in the report of the Board of Directors.

7. Nominations

Committee term of reference regarding nominations

The committee shall be responsible for the following:

- 1) Proposing clear policies and standards for membership of the Board of Directors and executive management.
- 2) Recommendation to the Board of Directors to nominate members and re-nominate them in accordance with the approved policies and standards, taking into consideration that no person previously convicted of an offence prejudicial to integrity is nominated.
- 3) Preparing a description of the capabilities and qualifications required for membership of the Board of Directors and filling executive management positions.
- 4) Determine the time that the member must allocate to the work of the Board of Directors.
- 5) Annual review of the necessary skills or appropriate experiences for Board membership and executive management positions.
- 6) Review the structure of the Board of Directors and executive management and provide recommendations regarding changes that can be made.
- 7) Annual verification of the independence of the independent members, and the absence of any conflict of interest if the member is a member of the Board of Directors of another company.
- 8) Job description for executives, non-executive members, independent members, and senior executives.
- 9) Establishing special procedures in the event of vacancy of the position of member of the Board of Directors or senior executives.
- 10) Identify weaknesses and strengths in the Board of Directors, and propose solutions to address them in a manner consistent with the company's interest.

Nomination procedures

- a) When nomination members of the Board of Directors, the committee shall observe the conditions and provisions stated in this regulation, and requirements determined by the committee.
- b) The number of nominees for the Board of Directors whose names appear before the General Assembly must exceed the number of available seats so that the General Assembly has the opportunity to choose from among the nominees.

Posting the nomination announcement

The company shall publish the nomination announcement on the company's website, the website of the market and in any other means determined by the authority; this is invite people who wish to run for membership in the Board of Directors, provided that all nomination will remain open for at least one month from the date of the announcement.

The right of the shareholder to stand for nomination

The provisions of these regulations shall not prejudice the right of every shareholder in the company to nominate himself or others to membership in the Board of directors in accordance with the provisions of the companies Law and its executive regulations.

Election of the members of the Board of Director

- a) The company announces, on the market's website, information about the nominees for membership in the Board of Directors when publishing or inviting the general assembly. This information should include a description of the nominees 'experiences, qualification, skills, jobs and previous and current membership. The company must provide a copy of this information in its headquarters and website.
- b) The cumulative vote must be used in the election of the Board of Directors, so that the right to vote per share may not be used more than once.
 - Cumulative voting: a voting method for selecting members of the Board of Directors that gives each shareholder the ability to vote with the number of shares they hold; so that he has the right to vote for one nominee or divide it among his chosen nominees without repeating these votes.
- c) Voting in the general assembly is restricted to the nominees for membership in the Board of Directors whose information was announced by the company in accordance with paragraph (a).

8. Reporting

1. The committee shall regularly provide the board of directors with a report on its work and any reports requested by the board.
2. Each committee meeting must be followed by a report on the outcomes of the meeting, which will be submitted to the Board of Directors.

9. Remuneration and compensation of the chairman and members of the committee

1. the chairman and members of the committee shall be entitled to the bonuses and allowances determined in accordance with the remuneration policy of the board of directors and the committees emanating from it and the executive management approved by the General Assembly of the company, taking into account the relevant statutory requirements and the company's articles of association.
2. the remuneration and allowances of the committee members shall be studied and determined and that recommendation shall be submitted to the board of directors.

10. Annual performance evaluation

1. The Board of Directors evaluates the performance and work of this committee and its members.
2. On the proposal of the Remuneration and Nominations Committee, the Board of Directors sets the necessary mechanisms to evaluate the performance of the Committee members annually. That is through appropriate performance measurement indicators related to extent of achieving the strategic goals of the company and the quality of risk management and the adequacy of internal control systems and others, provided that the weaknesses and strengths are identified and the proposal to address them in consistence with the company's interest.
3. The committee shall annually assess its performance of its duties and the obligations of the Committee members towards its activities and duties stipulated in this regulation, and refer the results of those evaluations to the Board of Directors.
4. The performance evaluation procedures must be written, clear, and disclosed to the Committee members.

11. Delegation

1. The Board of Directors of the company is responsible for its activities and if it delegates the Committee, entities or individuals to exercise some of its power. In all cases, the Board of Directors may not issue a general or indefinite delegation.
2. The Committee may, according to a written decision or power of attorney, Delegate all or some of its power to one or some of its members.

12. Confidentiality

The work of the committee must be kept completely confidential and without obtaining written permission from the head of the committee. It is permissible for any member to disclose any information related to what took place in the meeting he attended or what was taken in it.

List of Before and After Articles of the Remuneration and Nomination Committee Charter

Before amendment	After amendment
<p>2. Formation of the committee</p>	<p>2. Formation of the committee</p> <ol style="list-style-type: none"> 4. the term of membership in the Remuneration and Nominations Committee shall be for a period of (4) four years in accordance with the term of membership of the board of directors and as applicable in case of extension of the term of membership of the board of directors, the board may re-appoint the members of the committee for another period or similar periods 5. if the position of one of the committee members becomes vacant during the term of membership, the board may appoint a member to the vacant position provided that he meets the conditions of membership, provided that the Capital Market Authority and the competent authorities are notified of this during the regular term and the new member completes the term of his predecessor. 6. the Board of Directors may increase the number of members of the committee by not exceeding the maximum limit in accordance with the rules and regulations.
<p>9. Remuneration and compensation of the chairman and members of the committee</p>	<p>9. Remuneration and compensation of the chairman and members of the committee</p> <ol style="list-style-type: none"> 1. the chairman and members of the committee shall be entitled to the bonuses and allowances determined in accordance with the remuneration policy of the board of directors and the committees emanating from it and the executive management

Before amendment	After amendment
	<p>approved by the General Assembly of the company, taking into account the relevant statutory requirements and the company's articles of association.</p> <p>2. the remuneration and allowances of the committee members shall be studied and determined and that recommendation shall be submitted to the board of directors.</p>

Attached to Item No. (13) The proposed amendments to the Policies, Standards and Procedures for the Membership in the Board of Directors

Policies, Standards and Procedures for the Membership in the Board of Directors

Introduction

These policies aim to establish clear and specific criteria and procedures for membership in the board of Directors of Dar Al Arkan Real Estate Development Company in accordance with the requirements contained in the corporate governance regulation issued by the CMA Council by Resolution No (8-16-2017), dated 16/5/1438H, 13/2/2017.

1. Formation of the Board of Directors

The formation of the Board of Directors shall take into account the following:

- 1) The Board of Directors consists of a sufficient number of members in accordance with the articles of association of the company.
- 2) The majority of it shall be non-executive members.
- 3) The number of its independent members must not be less than two members or a third of the members of the Board, whichever is more.

2. Appointment of members of the Board of Directors

- a) the General Assembly shall elect the members of the board of directors for a period not exceeding four (4) years in accordance with the period stipulated in the company's articles of association. The members of the board of Directors may be re-elected for one or more times in accordance with the election and nomination procedures based on the relevant regulations and controls set by the competent authority.
- b) It is stipulated that a member of the Board of Directors does not hold the membership of the Board of Directors of more than five joint stock companies listed on the market at the same time.
- c) The company shall notify the Capital Market Authority of the names of the members of the Board of Directors and their membership status with five working days from the date of the beginning of the session of the Board of Directors, or from the date of their appointment – whichever comes first – and any changes in their membership within five working days from the date of the changes.

3. Terms of membership of the Board of Directors

The member of the Board of Directors must be of professional competence who met the highest standards of the experience, knowledge, skill and necessary independence, in order to enable him to exercise his duties efficiently and competently, and the following must be met in particular:

- 1) Leadership capacity: By having leadership skills to grant powers in a manner, that stimulates performance and the application of best practices in the field of effective management and adherence to professional values and ethics.
- 2) Efficiency: By having scientific qualifications, appropriate professional and personal skills, the level of training, and scientific experiences related to the current and future activities of the company, administration, economics, accounting, law or governance, as well as the desire to learn and train.
- 3) Guidance capacity: By having the technical, leadership and administrative capabilities and speed in decision-making, and to absorb the technical requirements related to the workflow, and to be able to provide strategic direction, planning and a clear future vision.
- 4) Financial literacy: By being able to read and understand financial statements and reports.
- 5) Physical fitness: By not having a health condition that impedes him from exercising his duties and powers. The general assembly shall take into consideration when electing the members of the Board of directors the recommendations of the Remuneration and Nomination committee, and the availability of personal and professional components necessary to perform their duties effectively in accordance with what is stated in this article.

4. Standards and procedures for membership in the Board of Directors

1. The Remuneration and committee coordinates with executive management of the company to announce the opening of the nominations period for the membership of the company's Board of Directors in accordance with the corporate law and corporate governance regulations.
2. The Remuneration and Nominations Committee submit its recommendation to the Board of Directors regarding the nomination for membership of the Board in accordance with the policies and standards mentioned above.
3. Anyone who wishes to run for membership in the company's Board of Directors must announce his wish by notice to the company's management according to the periods and dates stipulated in the applicable laws, regulations, circulars and decisions. In addition, he must attach to his application an applicant profile that includes his CV, qualifications and work experience.
4. The nominee, who previously served as a member of the Board of Directors of a joint stock company, must indicate the number and history of the Board of Directors of the companies that he is one of their members.
5. The nominee, who previously held the membership of the company's Board of Directors, must attach to the nomination notice a statement from the company's management on the last session in which he assumed the Board's membership including the following information:
 - a) The number of Board meetings that took place during each year of the session.
 - b) The number of meetings attended by the member on its own behalf, and the percentage of his attendance to the total meetings.
 - c) The standing committees in which the member participated, the number of meetings held by each of these committees during each year of the session, the

number of meetings he attended, and the percentage of his attendance to the total meetings.

- d) The status of membership must be clarified, i.e. if the member is an executive, a non-executive, or an independent member.
 - e) The nature of membership must be clarified, i.e. if the member is nominated in his personal capacity or on behalf of a legal person.
6. The Remuneration and Nomination Committee, in accordance with the executive management of the company, shall provide the Capital Market Authority with the CVs of the nominees for the membership of the company's Board of Directors, following the nominee CV form for the membership of the Board of Directors of a joint stock company listed in the Saudi capital market.
 7. The Remuneration and Nominations Committee must respond to any comments received from the competent authorities about any nominee.
 8. Voting in the General Assembly is restricted to those who nominated themselves according to the aforementioned policies, standards and procedures.

5. Vacant position in the Board

If the position of one of the members of the Board of Directors becomes vacant, the Board may appoint a temporary member to the vacant position at their discretion, provided that he meets the highest standards of experience and competence. The Ministry of Commerce and Investment and the Capital Market Authority shall be notified within five working days from the date of appointment, and the appointment shall be presented at the Ordinary Assembly on its first meeting, and the new member shall complete the term of his predecessor. If the conditions for convening the Board of Directors are not fulfilled due to the lack of the number of its members below the minimum stipulated in the corporate system or the articles of association of the company, the rest of the members must invite the Ordinary General Assembly to convene within sixty days to elect the necessary number of members.

6. The nominee discloses a conflict of interest

Anyone who wishes to run for membership in the Board of Directors must disclose to the Board and the General Assembly any conflict of interest – according to the procedures established by the Capital Market Authority – and include:

- a) In case of a direct or indirect interest in the business and contracts made for the company.
- b) Participating in a work that would compete with the company, or compete with it in one of the branches of its activity.

7. Review and update this charter

The board of Directors shall review this charter periodically whenever necessary and these amendments should be approved in accordance with any subsequent amendments issued based on decisions of the CMA and the relevant rules and regulations.

List of Before and After Articles of the Policies, Standards and Procedures for the Membership in the Board of Directors

Before amendment	After amendment
<p>2. Appointment of members of the Board of Directors</p> <p>a) The General Assembly shall elect the members of the board of directors for the period stipulated in the Company's Articles of Association, provided that it does not exceed three years. They may be re-elected unless the Company's Articles of Association stipulate otherwise.</p>	<p>2. Appointment of members of the Board of Directors</p> <p>a) the General Assembly shall elect the members of the board of directors for a period not exceeding four (4) years in accordance with the period stipulated in the company's articles of association. The members of the board of Directors may be re-elected for one or more times in accordance with the election and nomination procedures based on the relevant regulations and controls set by the competent authority.</p>
	<p>7. Review and update this charter</p> <p>The board of Directors shall review this charter periodically whenever necessary and these amendments should be approved in accordance with any subsequent amendments issued based on decisions of the CMA and the relevant rules and regulations.</p>

- Attached to Item No. (14) The proposed amendments to the Remunerations Regulation for Members of the Board of Directors, Committees Emanating from the Board and Executive Management

Remunerations Regulation for Members of the Board of Directors, Committees Emanating from the Board and Executive Management

Introduction

The remuneration regulation for the members of the Board of Directors and the committees emanating from the Board and the executive management of the company, has been prepared on the basis of what is stipulated in the Corporate Governance Regulations issued by the Board of the Capital Market Authority dated 13/2/2017 and based on the corporate system issued by Royal Decree No. (3\M) dated 28/1/1437H, and the guidance document for controls and procedures issued in implementation of the regulations of stock companies.

1. Objectives of the charter

The remuneration and compensation regulation for the members of the Board of Directors, committees and executive management, aims to define clear criteria for remuneration and compensation that are approved and disbursed according to performance, and ensure disclosure and verification of policy implementation. It also aims to attract professional competencies and maintain their motivation.

2. General criteria for remuneration

- 1) Its consistency with the company's strategy and objectives.
- 2) To offer remuneration for the purpose of urging members of the Board of Directors and executive management to make the company successful on the long term, such as linking the changing part of the remuneration to long-term performance.
- 3) Remuneration are determined based on the level of post, tasks and responsibilities assigned to them, educational qualifications, work experience, skills and level of performance.
- 4) Its consistency with the scale, nature and degree of risk of the company.
- 5) Taking into account the practices of other companies in determining remunerations, while avoiding the unjustified rise in remuneration and compensation that may result from that.
- 6) To aim for attracting, maintaining and motivating professional competencies, without any exaggeration.
- 7) To be prepared, in coordination with the Remuneration and Nomination Committee, upon new appointments.
- 8) Cases of stopping the exchange of the remuneration or its refund if it is determined that it was decided on the basis of inaccurate information provided by a member of the Board of Directors or executive management; This is to prevent the employment situation from being used to obtain unpaid remuneration.

- 9) Regulating the granting of shares in the company to the members of the Board of Directors and executive management, whether it is a new issue or shares bought by the company.

3. Remuneration of the members of the Board of Directors and Committees

1. The Board of Directors must take into account in determining and disbursing remuneration obtained by each of its members, the relevant provisions mentioned in the Companies Law and the Corporate Governance Regulations, in addition to the following criteria:
 1. The remuneration should be fair and commensurate with the member's powers, actions, and responsibilities undertaken and assumed by the members of the Board of Directors, in addition to the objectives set by the Board of Directors to be achieved during the fiscal year.
 2. The remuneration should be based on the recommendation of the Remuneration and Nomination Committee.
 3. The remuneration should be commensurate with the company's activity and the skill needed to manage it.
 4. Taking into consideration the sector in which the company operates, its scale and the experience of the members of the Board of Directors.
 5. The remuneration is reasonably sufficient to attract, motivate and retain Board members with appropriate competence and experience.
2. The members of the Board of Directors may not vote on the item of remuneration of the members of the Board of Directors at the General Assembly meeting.
3. C) a member of the board of Directors may receive remuneration for any additional executive, technical, administrative or consulting jobs or positions – under a professional license – assigned to him in the company, in addition to the remuneration that he can receive as a member of the board of directors and in the committees formed by the board of directors, in accordance with the companies law and the company's bylaws.
4. The remuneration of the members of the Board of Directors may be of varying amount to reflect the member's experience, terms of reference, tasks assigned to him, his independence, the number of sessions he attends and other considerations.
5. The remuneration of the independent members of the Board of Directors must not be a percentage of the profits achieved by the company or be based directly or indirectly on the profitability of the company.
6. If the general assembly decides to terminate the membership of a member of the Board of Directors due to his absence from attending three consecutive meetings of the Board without a legitimate excuse, this member is not entitled to any remuneration for the period following the last meeting he attended, and he must return all the remunerations that were disbursed to him for that period.
7. the board of Directors determines and approves the membership bonuses of its committees, attendance allowances and other benefits based on the recommendation of the remuneration and Nominations Committee in line with the company's bylaws, the company's articles of association and the regulations and instructions in force from the relevant authorities.
8. the remuneration of the members of the board and the membership of the committees may be an annual lump sum and/or attendance allowances for the sessions and/or benefits in kind and/or a percentage of the net profits in accordance with the relevant

regulations and may be combined two or more of the above upon the recommendation of the remuneration and Nominations Committee.

9. provided that the amount of the meeting Attendance Allowance is (5000) five thousand Saudi riyals for each session of the council and committees.

4. Remuneration of the Executive Management

The following criteria must be taken into account when determining executive management remuneration:

1. The remuneration should be fair and commensurate with the powers, actions, and responsibilities of the members of the Board of Directors, in addition to the objective set by the Board of Directors to be achieved during the fiscal year.
2. The Remuneration and Nomination Committee should evaluate the salary scale for executive management positions in accordance with the job description and the general market and comparison criteria for other similar companies.
3. On the recommendation of the Remuneration and Nomination Committee, the Board of Directors determines the types of remuneration granted to the senior executives of the company - for example: fixed remuneration, performance-related remuneration, and incentive remuneration - in a manner that does not conflict with the controls and regulatory procedures issued to joint-stock companies.
4. The remuneration of senior executives should be consistent with the company's strategic objectives and commensurate with the company's activity and the skills needed to manage it, taking into account the sector in which the company operates and its scale.
5. The Remuneration and Nomination Committee reviews the incentives schemes of senior executives on an ongoing basis and submits the recommendation to the Board of Directors for approval.
6. The Remunerations aim to provide the competitive situation required to attract and retain qualified employees and maintain the high level of skills the company needs.

5. Refund of the remuneration

1. If the Audit Committee or the Commission found that the remuneration paid to any of the members of the Board of Directors is based on incorrect or misleading information that was presented to the General Assembly or included in the annual report of the Board of Directors, he must return it to the company, and the company has the right to ask for its refund.

6. General provisions

1. The remuneration of the members of the Board of Directors, committees and the Secretary is paid annually after the approval of the (audited) Consolidated Annual Financial Statements, consolidated financial statements by the general assembly of the company's shareholders.
2. Attendance allowances may be paid after every session or quarterly or with annual bonuses.
3. Allowances and other expenses are paid only once if one or more meetings are held on the same day.
4. Executive management remuneration is paid annually upon approval by the Board of Directors in accordance with a recommendation from the Remuneration and Nomination Committee.

7. Amendment of the policy

This policy may be modified after its issuance, provided that the General Assembly approves any amendment at its first meeting following the change.

List of Before and After Articles of the Remunerations Regulation for Members of the Board of Directors, Committees Emanating from the Board and Executive Management

Before amendment	After amendment
<p>3. Remuneration of the members of the Board of Directors and Committees</p> <p>3. A member of the Board of Directors may obtain a remuneration for his membership in the audit committee formed by the General Assembly, or for any additional business, executive, technical, administrative, or advisory positions - under a professional license - assigned to him in the company. This is in addition to the remuneration that can be obtained as a member of the Board of Directors and in the committees formed by the Board of Directors, in accordance with the Companies Law and the Company's Articles of Association</p>	<p>3. Remuneration of the members of the Board of Directors and Committees</p> <p>3. a member of the board of Directors may receive remuneration for any additional executive, technical, administrative or consulting jobs or positions – under a professional license – assigned to him in the company, in addition to the remuneration that he can receive as a member of the board of directors and in the committees formed by the board of directors, in accordance with the companies law and the company's bylaws.</p> <p>7. the board of Directors determines and approves the membership bonuses of its committees, attendance allowances and other benefits based on the recommendation of the remuneration and Nominations Committee in line with the company's bylaws, the company's articles of association and the regulations and instructions in force from the relevant authorities.</p> <p>8. the remuneration of the members of the board and the membership of the committees may be an annual lump sum and/or attendance allowances for the sessions and/or benefits in kind and/or a percentage of the net profits in accordance with the relevant regulations and may be combined two or more of the above upon the recommendation of the remuneration and Nominations Committee.</p>

Before amendment	After amendment
	9. provided that the amount of the meeting Attendance Allowance is (5000) five thousand Saudi riyals for each session of the council and committees.
	5.Refund of the remuneration 1. If the Audit Committee or the Commission found that the remuneration paid to any of the members of the Board of Directors is based on incorrect or misleading information that was presented to the General Assembly or included in the annual report of the Board of Directors, he must return it to the company, and the company has the right to ask for its refund.
7. Amendment of the policy a) The General Assembly has the right to amend this policy at any time. b) This policy may be modified after its issuance, provided that the General Assembly approves any amendment at its first meeting following the change.	7. Amendment of the policy This policy may be modified after its issuance, provided that the General Assembly approves any amendment at its first meeting following the change.

- Attached to Item No. (15) The Standards and controls for competition to the company's business

Standards and controls for competition to the company's business

Introduction

This standards and controls charter has been developed for Dar Al Arkan Real Estate Development Company to fulfill the requirements of the provisions of the Corporate Governance Regulations issued by the Capital Market Authority CMA by Resolution No. (2017-16-8) dated 16/5/1438H corresponding to 13/2/2017.

1. Objective

The purpose of the competition standards and controls charter for the company's business is to regulate and regulate the participation of any of the members of the board of directors or members of its committees in a business of competition for the company's activities or in one of the branches of activity that it practices.

2. Company purposes:

The purpose of the company shall be as per articles of the company's bylaws, and the company shall carry out its activities in accordance with the applicable regulations and after obtaining the necessary licenses from the related authorities, if any.

3. Concept of the Competing Businesses

The following shall be deemed a participation in any business that may compete with the company or any of its activities:

- 1) the Board members' establishing a company or a sole proprietorship or the ownership of a controlling percentage of shares or stakes in a Company or any other entity engages in business activities that are similar to the activities of the Company or its group.
- 2) accepting membership in the Board of a company, an entity that competing with the Company or its group or managing the affairs of a competing sole proprietorship or any competing company of any form, except the company's affiliates.
- 3) the Board member's acting as an overt or covert commercial agent for another company or entity competing with the Company or its group.

4. Controls of the Competing Businesses

Taking into account what is stated in the companies law and the relevant provisions in this regulation, If a member of the Board or one of its committees desires to engage in a business that may compete with the Company or any of its activities, the following shall be taken into account:

- 1) Notifying the Board fully and immediately of his/her participation, directly or indirectly, in any businesses that may compete with the Company or lead to competing with the Company, directly or indirectly, in respect of any of its activities.
- 2) The conflicted member shall abstain from voting on the related decision in the Board meeting and General Assemblies.
- 3) The Board shall inform the General Assembly, once convened, of the competing businesses that the member of the Board or members of any of its committees is engaged in, after the Board

assesses the board member's competition with the company's business or if he/she is in competition with one of the branch activities that it conducts in. Such businesses shall be assessed on an annual basis.

- 4) Obtaining an authorization of the General Assembly of the Company - or from the Board pursuant to a delegation from the General Assembly according to the relevant regulations and controls for the member to engage in the competing business.
- 5) A person who desires to nominate himself for the membership of the Board shall disclose to the Board or the General Assembly any cases of engaging in business that may compete with the Company or any of its activities.

5. Rejection to grant authorization

- 1) If the General Assembly rejects granting the authorization to the member of the Board or the member of any of its committees, then the member shall resign within a period specified by the General Assembly; otherwise, his membership in the Board shall be deemed terminated, unless he decides to withdraw from competing the company or regularize his situation in accordance with the Companies Law and its Implementing Regulations prior to the end of the period set by the General Assembly.
- 2) If the authorized Board of Directors refuses to grant the authorization, the member of the Board of Directors must submit his resignation within a period determined by the Board of Directors, otherwise his membership in the Board shall be considered terminated, unless he decides to withdraw from competing the company before the expiration of the period specified by the Board of Directors.

6. Review and update this charter

The board of Directors shall review this charter periodically whenever necessary and these amendments should be approved in accordance with any subsequent amendments issued based on decisions of the CMA and the relevant rules and regulations.