IMPORTANT NOTICE

NOT FOR DISTRIBUTION DIRECTLY OR INDIRECTLY IN OR INTO THE UNITED STATES OR TO A U.S. PERSON.

IMPORTANT: **You must read the following disclaimer before continuing.** The following disclaimer applies to the attached base offering circular (the "**Base Offering Circular**") and you are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the Base Offering Circular. In accessing the Base Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access. You acknowledge that this electronic transmission and the delivery of the Base Offering Circular is confidential and intended only for you and **you agree you will not forward, reproduce or publish this electronic transmission or the Base Offering Circular to any other person.**

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE OR SOLICITATION IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES DESCRIBED IN THE BASE OFFERING CIRCULAR HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE U.S. AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S")), OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE BASE OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE BASE OFFERING CIRCULAR IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN.

Any securities described in the Base Offering Circular which do not constitute "alternative finance investment bonds" ("**AFIBs**") within the meaning of Article 77A of the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2010 will represent interests in a collective investment scheme (as defined in the Financial Services and Markets Act 2000, as amended (the "**FSMA**")) which has not been authorised, recognised or otherwise approved by the United Kingdom Financial Conduct Authority. Accordingly, the securities must not be marketed in the United Kingdom to the general public and the Base Offering Circular is not being distributed to, and must not be passed on to, the general public in the United Kingdom.

The distribution in the United Kingdom of the Base Offering Circular, any Pricing Supplement (as defined herein) and any other marketing materials relating to the securities is being addressed to, or directed at: (A) if the distribution of the securities (whether or not such securities are AFIBs) is being effected by a person who is not an authorised person under the FSMA, only the following persons: (i) persons outside the United Kingdom; (ii) persons who are Investment Professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "**Financial Promotion Order**"); (iii) persons falling within any of the categories of persons described in Article 49 (high net worth companies, unincorporated associations, etc.) of the Financial Promotion Order; and (iv) any other person to whom it may otherwise lawfully be made in accordance with the Financial Promotion Order; and (B) if the securities are not AFIBs and the distribution is effected by a person who is an authorised person under the FSMA, only the following persons: (i) persons outside the United Kingdom; (ii) persons falling within one of the categories of Investment Professional as defined in Article 14(5) of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 (the "**Promotion of CISs Order**"); (iii) persons falling within any of the categories of person described in Article 22 (high net worth companies, unincorporated associations, etc.) of the Promotion of CISs Order;

and (iv) any other person to whom it may otherwise lawfully be promoted (all such persons together being referred to as "**relevant persons**"). Persons of any other description in the United Kingdom may not receive and should not act or rely on the Base Offering Circular, any Pricing Supplement or any other marketing materials in relation to any securities described herein.

Confirmation of your representation: By accessing the Base Offering Circular you confirm to Arada Developments LLC (the "**Obligor**" or "**Arada**"), to Arada Sukuk 2 Limited (in its capacities as issuer of the securities and as trustee for the holders of the securities, the "**Trustee**") and to each of Emirates NBD Bank PJSC and Standard Chartered Bank (the "**Arrangers**") and to each of Emirates NBD Bank PJSC and Standard Chartered Bank and any other dealers appointed under the Programme (as defined herein) from time to time by the Obligor and the Trustee, which appointment may be for a specific issue of securities or on an ongoing basis (together, the "**Dealers**") that: (i) you understand and agree to the terms set out herein; (ii) you are a relevant person; (iii) you are not a U.S. person (within the meaning of Regulation S), or acting for the account or benefit of a U.S. person, and, to the extent that you purchase the securities described herein, you will be doing so pursuant to Regulation S, and that the electronic mail address that you have given is not located in the United States (including any state of the United States and the District of Colombia), its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands); (iv) you are a person who is permitted under applicable law and regulation to receive the Base Offering Circular; (v) you consent to delivery of such Base Offering Circular and any supplements thereto by electronic transmission; (vi) you will not transmit the Base Offering Circular (or any copy of it or part thereof) or disclose, whether orally or in writing, any of its contents to any other person; and (vii) you acknowledge that you will make your own assessment regarding any credit, investment, legal, taxation, *Shari'a* or other economic considerations with respect to your decision to subscribe or purchase any of the securities.

You are reminded that the Base Offering Circular has been delivered to you on the basis that you are a person into whose possession the Base Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver or disclose the contents of the Base Offering Circular to any other person. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions.

The Base Offering Circular does not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that an offering of securities described herein be made by a licensed broker or dealer and the Arrangers and the Dealers or any affiliate of the Arrangers or the Dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Arranger or Dealer or such affiliate on behalf of the Obligor, the Trustee or holders of the applicable securities in such jurisdiction.

Recipients of the Base Offering Circular who intend to subscribe for or purchase the securities described herein are reminded that any subscription or purchase may only be made on the basis of the information contained in the Base Offering Circular, the applicable Pricing Supplement and/or supplement(s) to the Base Offering Circular (if any).

The distribution of the Base Offering Circular in certain jurisdictions may be restricted by law. Persons into whose possession the Base Offering Circular comes are required by the Obligor, the Trustee, the Arrangers and the Dealers to inform themselves about, and to observe, any such restrictions.

The Base Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Obligor, the Trustee, the Arrangers nor the Dealers nor any person who controls them nor any director, officer, employee nor agent of them or any affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Base Offering Circular distributed to you in electronic format and the hard copy version available to you on request from the Obligor, the Trustee, the Arrangers and the Dealers. Please ensure that your copy is complete. Any reply e-mail communications, including those you generate by using the "reply" function on your e-mail software, will be ignored or rejected. You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk, and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

Each of the Arrangers and the Dealers are acting exclusively for the Obligor and the Trustee and no one else in connection with any offer of the securities described in the Base Offering Circular. They will not regard any other person (whether or not a recipient of the Base Offering Circular) as their client in relation to any offer of the securities described in the Base Offering Circular and will not be responsible to anyone other than the Obligor and the Trustee for providing the protections afforded to their clients nor for giving advice in relation to any offer of the securities described in the Base Offering Circular or any transaction or arrangement referred to herein.

Base Offering Circular

ARADA SUKUK 2 LIMITED

(incorporated as an exempted company with limited liability in the Cayman Islands)

U.S.$1,000,000,000
Trust Certificate Issuance Programme

Under the U.S.$1,000,000,000 trust certificate issuance programme described in this Base Offering Circular (the "**Programme**"), Arada Sukuk 2 Limited (in its capacities as issuer of the Trust Certificates (as defined below) and trustee for the Certificateholders (as defined below) (the "**Trustee**")), subject to compliance with all relevant laws, regulations and directives, may from time to time issue trust certificates (the "**Trust Certificates**") in any currency agreed between the Trustee and the relevant Dealer(s) (as defined below). Trust Certificates may only be issued in registered form. The maximum aggregate face amount of all Trust Certificates from time to time outstanding under the Programme will not exceed U.S.$1,000,000,000 (or its equivalent in other currencies, calculated as provided for in the Dealer Agreement described herein), subject to increase as described herein.

The Trust Certificates may be issued on a continuing basis to one or more of the Dealers specified under "*Overview of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Trustee (each a "**Dealer**" and together the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this Base Offering Circular to the relevant Dealer(s) shall, in the case of an issue of Trust Certificates being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe for such Trust Certificates.

The Trust Certificates will be limited recourse obligations of the Trustee. An investment in Trust Certificates issued under the Programme involves certain risks. For a discussion of these risks, see "*Risk Factors*".

Each Tranche (as defined herein) of Trust Certificates issued under the Programme will be constituted by: (i) a master declaration of trust (the "**Master Declaration of Trust**") dated 4 June 2024 entered into between the Trustee, Arada Developments LLC (the "**Obligor**" or "**Arada**") and The Law Debenture Trust Corporation p.l.c. as delegate of the Trustee (in such capacity, the "**Delegate**"); and (ii) a supplemental declaration of trust (the "**Supplemental Declaration of Trust**" and, together with the Master Declaration of Trust, the "**Declaration of Trust**") in relation to the relevant Tranche. Trust Certificates of each Series (as defined herein) confer on the holders of the Trust Certificates from time to time (the "**Certificateholders**") the right to receive certain payments (as more particularly described herein) arising from the assets of a trust declared by the Trustee in relation to the relevant Series (the "**Trust**") over the relevant Trust Assets (as defined herein).

Application has been made to the London Stock Exchange plc (the "**London Stock Exchange**") for Trust Certificates issued under the Programme during the period of 12 months from the date of this Base Offering Circular to be admitted to the London Stock Exchange's International Securities Market (the "**ISM**"). The ISM is not a United Kingdom ("**UK**") regulated market for the purposes of Regulation (EU) No 600/2014 on markets in financial instruments as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**") ("**UK MiFIR**"). This Base Offering Circular does not comprise a prospectus for the purposes of Article 6 of Regulation (EU) 2017/1129 as it forms part of domestic law of the UK by virtue of the EUWA (the "**UK Prospectus Regulation**").

The ISM is a market designated for professional investors. Trust Certificates admitted to trading on the ISM are not admitted to the Official List of the UK Financial Conduct Authority. The London Stock Exchange has not approved or verified the contents of this Base Offering Circular.

This Base Offering Circular has been approved by the Dubai Financial Services Authority (the "**DFSA**") under the DFSA's Markets Rule 2.6 and is therefore an Approved Prospectus for the purposes of Article 14 of the DFSA's Markets Law 2012. Application has also been made to the DFSA for certain Trust Certificates issued under the Programme during the period of 12 months from the date of this Base Offering Circular to be admitted to the official list of securities maintained by the DFSA (the "**DFSA Official List**") and to Nasdaq Dubai for admission to trading on Nasdaq Dubai.

The DFSA does not accept any responsibility for the content of the information included in this Base Offering Circular, including the accuracy or completeness of such information. The liability for the content of this Base Offering Circular lies with the Trustee and the Obligor. The DFSA has also not assessed the suitability of the Trust Certificates issued under the Programme to any particular investor or type of investor and has not determined whether they are *Shari'a* compliant. If you do not understand the contents of this Base Offering Circular or are unsure whether the Trust Certificates issued under this Base Offering Circular are suitable for your individual investment objectives and circumstances, you should consult an authorised financial adviser.

References in this Base Offering Circular to Trust Certificates being "admitted to trading" (and all related references) shall mean that such Trust Certificates have been admitted to trading on the ISM and/or Nasdaq Dubai so far as the context permits. References in this Base Offering Circular to Trust Certificates being "**listed**" (and all related references) shall mean that such Trust Certificates have been admitted to the DFSA Official List.

The Programme provides that Trust Certificates may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Trustee, Arada and the relevant Dealer(s). However, unlisted Trust Certificates may also be issued pursuant to the Programme. The applicable Pricing Supplement relating to the relevant Tranche (the "**applicable Pricing Supplement**" or "**Pricing Supplement**") in respect of the issue of any Trust Certificates will specify whether or not such Trust Certificates will be (a) admitted to trading on the ISM and/or Nasdaq Dubai (or any other stock exchange) and (b) in the case of Trust Certificates admitted to trading on Nasdaq Dubai only, listed on the DFSA Official List.

The Trust Certificates will be delisted from the ISM, the DFSA Official List and/or any other or further stock exchanges or markets on which the Trust Certificates have been listed following the occurrence of a Tangibility Event (as defined herein), see Condition 11.6 (*Dissolution at the Option of the Certificateholders (Tangibility Event Put Right)*).

The Programme is expected to be rated BB- by Fitch Ratings Limited ("**Fitch**") and B1 by Moody's Deutschland GmbH ("**Moody's**"). Arada has been assigned a long-term rating of B+ with a stable outlook by Fitch and a long-term rating of B1 with a stable outlook by Moody's. Fitch is established in the UK and is registered under Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the EUWA (the "**UK CRA Regulation**"). Fitch is not established in the European Union ("**EU**") and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the "**EU CRA Regulation**"). The ratings issued by Fitch have been endorsed by Fitch Ratings Ireland Limited. Fitch Ratings Ireland Limited is established in the EU and registered under the EU CRA Regulation. As such, Fitch Ratings Ireland Limited is included in the list of credit rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website (at https://www.esma.europa.eu/supervision/credit-rating-agencies/risk) in accordance with the EU CRA Regulation. Moody's is established in the EU and is registered under the EU CRA Regulation. As such, Moody's is included in the list of credit rating agencies published by the ESMA on its website (at https://www.esma.europa.eu/supervision/credit-rating-agencies/risk) in accordance with the EU CRA Regulation. Moody's is not established in the UK and has not applied for registration under the UK CRA Regulation. The ratings issued by Moody's have been endorsed by Moody's Investors Service Ltd. Moody's Investors Service Ltd. is established in the UK and is registered under the UK CRA Regulation.

A Series of Trust Certificates to be issued under the Programme may be rated or unrated. Where a Series of Trust Certificates is rated, such rating will be disclosed in the applicable Pricing Supplement and will not necessarily be the same as the rating applicable to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

The Trust Certificates have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act ("**Regulation S**")), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Trust Certificates may be offered or sold solely to persons who are not U.S. persons outside the United States in reliance on Regulation S. Each purchaser of the Trust Certificates is hereby notified that the offer and sale of any Trust Certificates to it is being made in reliance on the exemption from the registration requirements of the Securities Act provided by Regulation S.

Each Series of Trust Certificates will be initially represented by interests in a global trust certificate in registered form (each, a "**Global Trust Certificate**"). The Global Trust Certificates will be deposited with, and registered in the name of a nominee of, a common depositary (the "**Common Depositary**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**"). Interests in the Global Trust Certificates will be shown on, and transfers thereof will be effected only through, records

maintained by Euroclear and Clearstream, Luxembourg. Definitive Trust Certificates evidencing holdings of interests in the Trust Certificates will be issued in exchange for interests in the relevant Global Trust Certificate only in certain limited circumstances described therein.

The transaction structure relating to the Trust Certificates (as described in this Base Offering Circular) has been approved by the Internal Shariah Supervision Committee of Emirates NBD Islamic and the Global Shariah Supervisory Committee of Standard Chartered Bank. Prospective Certificateholders should not rely on such approvals in deciding whether to make an investment in the Trust Certificates and should consult their own *Shari'a* advisers as to whether the proposed transaction described in such approvals is in compliance with their individual standards of compliance with *Shari'a* principles. None of the Trustee, the Obligor, the Arrangers, the Dealers, the Delegate or any of the Agents makes any representation as to the *Shari'a* compliance of any Trust Certificates and/or any trading thereof.

Arrangers

Emirates NBD Capital **Standard Chartered Bank**

Dealers

Emirates NBD Capital **Standard Chartered Bank**

The date of this Base Offering Circular is 4 June 2024

IMPORTANT NOTICES

This Base Offering Circular comprises admission particulars for the purpose of the International Securities Market Rulebook effective as of 1 January 2021 (as may be modified and/or supplemented and/or restated from time to time). This Base Offering Circular does not comprise a prospectus for the purposes of either Regulation (EU) 2017/1129 (the "**EU Prospectus Regulation**") or the UK Prospectus Regulation and has not been approved as such by the competent authority in any member state of the European Economic Area (the "**EEA**") or by the UK Financial Conduct Authority (the "**FCA**").

This Base Offering Circular complies with the requirements in Part 2 of the Markets Law (DIFC Law No. 1 of 2012) and Chapter 2 of the Markets Rules.

Each of the Trustee and Arada accepts responsibility for the information contained in this Base Offering Circular and the applicable Pricing Supplement for each Series of Trust Certificates issued under the Programme. Having taken all reasonable care to ensure that such is the case, the information contained in this Base Offering Circular is, to the best of the knowledge of each of the Trustee and Arada, in accordance with the facts and contains no omission likely to affect its import.

This Base Offering Circular must be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Base Offering Circular shall be read and construed on the basis that such documents are incorporated and form part of this Base Offering Circular. In addition, this Base Offering Circular should be read and construed together with any supplements hereto and, in relation to any Tranche of Trust Certificates, should be read and construed together with the applicable Pricing Supplement.

The information on the websites to which this Base Offering Circular refers does not form part of this Base Offering Circular and has not been scrutinised or approved by the FCA.

None of the Arrangers, the Dealers (each as specified under "*Overview of the Programme*"), the Agents (as defined in the "*Terms and Conditions of the Trust Certificates*") or the Delegate (as specified under "*Overview of the Programme*") or their respective affiliates have independently verified the information contained herein. Accordingly, none of the Arrangers, the Dealers, the Agents, the Delegate or their respective affiliates accepts any responsibility or liability for and makes no representation, warranty or undertaking, express or implied, as to: (i) the accuracy or completeness of the information contained or incorporated by reference in this Base Offering Circular, (ii) any acts or omissions of the Trustee, Arada or any other person in connection with this Base Offering Circular or the issue and offering of the Trust Certificates or (iii) any other information provided in connection with the Trustee, Arada, the Programme, any Trust Certificates issued thereunder or their distribution. Each Arranger, Dealer, Agent, the Delegate and their respective affiliates accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Base Offering Circular or any other information provided by the Trustee or Arada in connection with the Programme, the Trust Certificates or their distribution.

None of the Arrangers or the Dealers will regard any actual or prospective holders of Trust Certificates (whether or not a recipient of this Base Offering Circular and/or the applicable Pricing Supplement) as their client in relation to the offering described in this Base Offering Circular and/or the applicable Pricing Supplement and will not be responsible to anyone other than the Trustee for providing the protections afforded to its clients nor for providing the services in relation to the offering described in this Base Offering Circular and/or the applicable Pricing Supplement or any transaction or arrangement referred to herein or therein.

No person is or has been authorised by the Trustee or Arada to give any information or to make any representation not contained in or not consistent with this Base Offering Circular or any other information supplied in connection with the Programme or the issue or sale of the Trust Certificates and, if given or made, such information or representation must not be relied upon as having been authorised by Arada, the Trustee, the Delegate, the Arrangers, any Dealer or any Agent.

Neither this Base Offering Circular nor any other information supplied in connection with the Programme or any Trust Certificates: (a) is intended to provide the basis of any credit or other evaluation; or (b) should be considered as a recommendation by Arada, the Trustee, the Delegate, any Arranger, any Dealer, or any Agent that any recipient of this Base Offering Circular or any other information supplied in connection with

the Programme or any Trust Certificates should purchase any Trust Certificates. Each investor contemplating purchasing Trust Certificates should determine for itself the relevance of the information contained in this Base Offering Circular, make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of the Trustee and Arada and its purchase of any Trust Certificates should be based upon such investigation as it deems necessary. Neither this Base Offering Circular nor any other information supplied in connection with the Programme or the issue of any Trust Certificates constitutes an offer or invitation by or on behalf of Arada, the Trustee, the Delegate, the Arrangers, any Dealer or the Agents to any person to subscribe for or to purchase any Trust Certificates. None of the Dealers, the Arrangers, the Agents or the Delegate undertakes to review the financial condition or affairs of the Trustee or Arada during the life of the arrangements contemplated by this Base Offering Circular nor to advise any investor or potential investor in the Trust Certificates of any information coming to the attention of any of the Dealers, the Arrangers, the Agents or the Delegate.

Neither the delivery of this Base Offering Circular nor the offering, sale or delivery of any Trust Certificates shall, under any circumstances, imply that there has been no change in the affairs of the Trustee, Arada or Arada's subsidiaries and affiliates taken as a whole (the "**Group**") since the date hereof or that the information contained herein concerning the Trustee and/or Arada and/or the Group is correct as at any time subsequent to the date of this Base Offering Circular or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Arrangers, the Dealers, the Agents and the Delegate expressly do not undertake to review the financial condition or affairs of the Trustee, Arada or the Group during the life of the Programme or to advise any investor in the Trust Certificates issued under the Programme of any information coming to their attention or that there has been no change in the affairs of any party mentioned herein since that date.

This Base Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Trust Certificates in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Offering Circular and the offer or sale of Trust Certificates may be restricted by law in certain jurisdictions. Arada, the Trustee, the Delegate, the Arrangers, the Dealers and the Agents do not represent that this Base Offering Circular may be lawfully distributed, or that any Trust Certificates may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by Arada, the Trustee, the Delegate, the Arrangers, the Dealers or the Agents, which is intended to permit a public offering of any Trust Certificates or distribution of this Base Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Trust Certificates may be offered or sold, directly or indirectly, and neither this Base Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Offering Circular or any Trust Certificates may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Offering Circular and the offering and sale of Trust Certificates. In particular, there are restrictions on the distribution of this Base Offering Circular and the offer or sale of Trust Certificates in the United States, the UK, the EEA, the Kingdom of Bahrain, the Sultanate of Oman, the Kingdom of Saudi Arabia, the State of Qatar (including the Qatar Financial Centre), the Cayman Islands, the United Arab Emirates (the "**UAE**") (excluding the Dubai International Financial Centre (the "**DIFC**") and the Abu Dhabi Global Market (the "**ADGM**")), the DIFC, the ADGM, the State of Kuwait, Hong Kong, Singapore and Malaysia (and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Trust Certificates) (see "*Subscription and Sale*").

No comment is made or advice given by Arada, the Trustee, the Delegate, the Arrangers, any Dealer or the Agents in respect of taxation or *Shari'a* matters relating to any Trust Certificates or the legality of the purchase of Trust Certificates by an investor under applicable or similar laws.

Any *Shari'a* non-compliant terminology or terms used in this Base Offering Circular has been used to give the correct meaning to a particular definition or a clause and do not impact the *Shari'a* compliant nature of the Transaction Documents.

EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN TAX ADVISER, LEGAL ADVISER, BUSINESS ADVISER AND *SHARI'A* ADVISER AS TO TAX, LEGAL,

BUSINESS, *SHARI'A* AND RELATED MATTERS CONCERNING THE PURCHASE OF TRUST CERTIFICATES.

The Trust Certificates are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Trust Certificates which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Trust Certificates will perform under changing conditions, the resulting effects on the value of such Trust Certificates and the impact this investment will have on the potential investor's overall investment portfolio.

The Trust Certificates may not be a suitable investment for all investors. Generally, investment in emerging markets such as the UAE is only suitable for sophisticated investors who fully appreciate the significance of the risks involved in, and are familiar with, investing in emerging markets. Each potential investor in Trust Certificates must determine the suitability of an investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisors, whether it:

(a) has sufficient knowledge and experience to make a meaningful evaluation of the Trust Certificates and the complex structure thereof, the merits and risks of investing in the Trust Certificates and the information contained in this Base Offering Circular or any applicable supplement;

(b) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Trust Certificates and the impact the Trust Certificates will have on its overall investment portfolio;

(c) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Trust Certificates, including where the currency of payment is different from the potential investor's currency;

(d) understands thoroughly the terms of the Trust Certificates and is familiar with the behaviour of any relevant indices and financial markets;

(e) is able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic and other factors that may affect its investment and its ability to bear the applicable risks; and

(f) is able to evaluate the compliance of the Trust Certificates with *Shari'a* principles.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Trust Certificates are legal investments for it, (2) the Trust Certificates can be used as collateral for various types of financing and (3) other restrictions apply to its purchase or pledge of any Trust Certificates. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Trust Certificates under any applicable risk-based capital or similar rules.

None of the Trustee, Arada, the Arrangers, the Dealers, the Delegate or any Agent makes any representation to any investor in the Trust Certificates regarding the legality of its investment under any applicable laws. Any investor in the Trust Certificates should be able to bear the economic risk of an investment in the Trust Certificates for an indefinite period of time.

NOTICE TO UK RESIDENTS

Any Trust Certificates to be issued under the Programme which do not constitute "alternative finance investment bonds" ("**AFIBs**") within the meaning of Article 77A of the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2010 will represent interests in a collective investment scheme (as defined in the Financial Services and Markets Act 2000, as amended (the "**FSMA**")) which has not been authorised, recognised or otherwise approved by the FCA. Accordingly, any Trust Certificates to be issued under the Programme must not be marketed in the United Kingdom to the general public and this Base Offering Circular is not being distributed to, and must not be passed on to, the general public in the United Kingdom.

The distribution in the United Kingdom of this Base Offering Circular, any Pricing Supplement and any other marketing materials relating to the Trust Certificates is being addressed to, or directed at: (A) if the distribution of the Trust Certificates (whether or not such Trust Certificates are AFIBs) is being effected by a person who is not an authorised person under the FSMA, only the following persons: (i) persons who are Investment Professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Financial Promotion Order**"); (ii) persons falling within any of the categories of persons described in Article 49 (high net worth companies, unincorporated associations, etc.) of the Financial Promotion Order; and (iii) any other person to whom it may otherwise lawfully be made in accordance with the Financial Promotion Order; and (B) if the Trust Certificates are not AFIBs and the distribution is effected by a person who is an authorised person under the FSMA, only the following persons: (i) persons falling within one of the categories of Investment Professional as defined in Article 14(5) of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 (the "**Promotion of CISs Order**"); (ii) persons falling within any of the categories of person described in Article 22 (high net worth companies, unincorporated associations, etc.) of the Promotion of CISs Order; and (iii) any other person to whom it may otherwise lawfully be made in accordance with the Promotion of CISs Order.

Persons of any other description in the United Kingdom may not receive and should not act or rely on this Base Offering Circular, any Pricing Supplement or any other marketing materials in relation to the Trust Certificates.

Prospective investors in the United Kingdom in any Trust Certificates are advised that all, or most, of the protections afforded by the United Kingdom regulatory system will not apply to an investment in such Trust Certificates and that compensation will not be available under the United Kingdom Financial Services Compensation Scheme.

Any prospective investor intending to invest in any investment described in this Base Offering Circular should consult its professional adviser and ensure that it fully understands all the risks associated with making such an investment and that it has sufficient financial resources to sustain any loss that may arise from such investment.

EU MIFID II PRODUCT GOVERNANCE / TARGET MARKET

The applicable Pricing Supplement in respect of any series of Trust Certificates will include a legend entitled "EU MiFID II Product Governance" which will outline the target market assessment in respect of the Trust Certificates and which channels for distribution of the Trust Certificates are appropriate. Any person subsequently offering, selling or recommending the trust certificates (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to EU MiFID II is responsible for undertaking its own target market assessment in respect of the Trust Certificates (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance Rules under EU Delegated Directive 2017/593 (the "**EU MiFID Product Governance Rules**"), any Dealer subscribing for any Trust Certificates is a manufacturer in respect of such Trust Certificates, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the EU MiFID Product Governance Rules**.**

UK MIFIR PRODUCT GOVERNANCE / TARGET MARKET

The applicable Pricing Supplement in respect of any Series of Trust Certificates will include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Trust Certificates and which channels for distribution of the Trust Certificates are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the UK MiFIR Product Governance Rules is responsible for undertaking its own target market assessment in respect of the Trust Certificates (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR product governance rules set out in the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**"), any Dealer subscribing for any Trust Certificates is a manufacturer in respect of such Trust Certificates, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules."

PRODUCT CLASSIFICATION PURSUANT TO SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT 2001 (2020 REVISED EDITION), AS AMENDED OR MODIFIED FROM TIME TO TIME

The applicable Pricing Supplement in respect of any Series of Trust Certificates may include a legend entitled "Singapore Securities and Futures Act Product Classification" which will state the product classification of the Trust Certificates pursuant to section 309B(1) of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**"). If applicable, the Trustee will make a determination and, prior to making any offering of Trust Certificates in Singapore, provide the appropriate written notification to "relevant persons" (as defined in section 309A(1) of the SFA) in relation to each issue about the classification of the Trust Certificates being offered for purposes of section 309B(1)(a) and section 309B(1)(c) of the SFA.

VOLCKER RULE

The Volcker Rule, which became effective on 1 April 2014, but was subject to a conformance period for certain entities that concluded on 21 July 2015, generally prohibits "banking entities" (which is broadly defined to include U.S. banks and bank holding companies and many non-U.S. banking entities, together with their respective subsidiaries and other affiliates) from: (a) engaging in proprietary trading; (b) acquiring or retaining an ownership interest in or sponsoring a "covered fund"; and (c) entering into certain relationships with "covered funds". The general effects of the Volcker Rule remain uncertain; any prospective investor in the Trust Certificates and any entity that is a "banking entity" as defined under the Volcker Rule which is considering an investment in the Trust Certificates should consult its own legal advisers and consider the potential impact of the Volcker Rule in respect of such investment. If investment by "banking entities" in the Trust Certificates is prohibited or restricted by the Volcker Rule, this could impair the marketability and liquidity of such Trust Certificates. No assurance can be made as to the effect of the Volcker Rule on the ability of certain investors subject thereto to acquire or retain an interest in the Trust Certificates, and accordingly none of Arada, the Trustee, the Arrangers, the Dealers, the Delegate or the Agents, or any of their respective affiliates makes any representation regarding: (i) the status of the Trustee under the Volcker Rule (including whether it is a "covered fund" for their purposes); or (ii) the ability of any purchaser to acquire or hold the Trust Certificates, now or at any time in the future.

NOTICE TO RESIDENTS OF THE KINGDOM OF BAHRAIN

In relation to investors in the Kingdom of Bahrain, Trust Certificates issued in connection with this Base Offering Circular and related offering documents may only be offered in registered form to existing accountholders and accredited investors (each as defined by the Central Bank of Bahrain (the "**CBB**")) in the Kingdom of Bahrain where such investors make a minimum investment of at least U.S.$100,000 or any equivalent amount in any other currency or such other amount as the CBB may determine.

This Base Offering Circular does not constitute an offer of securities in the Kingdom of Bahrain pursuant to the terms of Article (81) of the Central Bank and Financial Institutions Law 2006 (decree Law No. 64 of 2006). This Base Offering Circular and any related offering documents have not been and will not be registered as a prospectus with the CBB. Accordingly, no Trust Certificates may be offered, sold or made the subject of an invitation for subscription or purchase nor will this Base Offering Circular or any other related document or material be used in connection with any offer, sale or invitation to subscribe or purchase securities, whether directly or indirectly, to persons in the Kingdom of Bahrain, other than to accredited investors (as such term is defined by the CBB) for an offer outside the Kingdom of Bahrain.

The CBB has not reviewed, approved or registered this Base Offering Circular or any related offering documents and it has not in any way considered the merits of the Trust Certificates to be offered for investment, whether in or outside the Kingdom of Bahrain. Therefore, the CBB assumes no responsibility for the accuracy and completeness of the statements and information contained in this Base Offering Circular and expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the content of this Base Offering Circular. No offer of Trust Certificates will be made to the public in the Kingdom of Bahrain and this Base Offering Circular must be read by the addressee only and must not be issued, passed to, or made available to the public generally.

NOTICE TO RESIDENTS OF OMAN

The information contained in this Base Offering Circular does not constitute an offer of securities in Oman as contemplated by the Commercial Companies Law of Oman (Royal Decree 18/19, as amended) (the "**Commercial Companies Law**") or Article 3 of the Capital Market Law of Oman (Royal Decree 80/98, as amended) nor does it constitute a sukuk offering pursuant to the Sukuk Regulation issued by the Oman Capital Market Authority (CMA Decision 3/2016). This Base Offering Circular will only be made available to investors in Oman in accordance with Article 139 of the Executive Regulations of the Capital Market Law (CMA Decision 1/2009, as amended) (the "**Executive Regulations**") by an entity duly licensed by the Oman Capital Market Authority to market non- Omani securities in Oman.

This Base Offering Circular has not been (and will not be) filed with the Oman Capital Market Authority (except in accordance with Article 139 of the Executive Regulations), the Central Bank of Oman or any other regulatory authority in Oman and neither the Oman Capital Market Authority nor the Central Bank of Oman assumes responsibility for the accuracy and adequacy of the statements and information contained in this Base Offering Circular and shall not have any liability to any person for damage or loss resulting from reliance on any statements or information contained herein.

KINGDOM OF SAUDI ARABIA NOTICE

This Base Offering Circular may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority of the Kingdom of Saudi Arabia (the "**Capital Market Authority**").

The Capital Market Authority does not make any representations as to the accuracy or completeness of this Base Offering Circular, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Base Offering Circular. Prospective purchasers of Trust Certificates issued under the Programme should conduct their own due diligence on the accuracy of the information relating to the Trust Certificates. If you do not understand the contents of this Base Offering Circular, you should consult an authorised financial adviser.

NOTICE TO RESIDENTS OF THE STATE OF QATAR

Any Trust Certificates to be issued under the Programme will not be offered or sold at any time, directly or indirectly, in the State of Qatar (including the Qatar Financial Centre) in a manner that would constitute a public offering. This Base Offering Circular has not been and will not be reviewed or approved by, or registered with, the Qatar Financial Markets Authority, the Qatar Central Bank, the Qatar Stock Exchange or the Qatar Financial Centre Regulatory Authority in accordance with their regulations or any other regulations in the State of Qatar (including the Qatar Financial Centre). The Trust Certificates are not and will not be traded on the Qatar Stock Exchange. The Trust Certificates and interests therein will not be offered to investors domiciled or resident in Qatar (including the Qatar Financial Centre) and do not constitute debt financing in the State of Qatar under the Commercial Companies Law No. (11) of 2015 or otherwise under the laws of the State of Qatar (including the Qatar Financial Centre).

NOTICE TO RESIDENTS OF THE CAYMAN ISLANDS

No invitation, whether directly or indirectly, may be made to any member of the public in the Cayman Islands to subscribe for any Trust Certificates issued under the Programme and this Base Offering Circular shall not be construed as an invitation to any member of the public of the Cayman Islands to subscribe for any Trust Certificates issued under the Programme.

STABILISATION

IN CONNECTION WITH THE ISSUE OF ANY TRANCHE OF TRUST CERTIFICATES, THE DEALER OR DEALERS (IF ANY) NAMED AS STABILISATION MANAGER(S) (OR ANY PERSONS ACTING ON BEHALF OF ANY STABILISATION MANAGER(S)) IN THE APPLICABLE PRICING SUPPLEMENT MAY EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE TRUST CERTIFICATES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILISATION ACTION MAY NOT NECESSARILY OCCUR. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE ISSUE DATE OF THE RELEVANT TRANCHE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS

AFTER THE ISSUE DATE OF THE RELEVANT TRANCHE OF TRUST CERTIFICATES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE RELEVANT TRANCHE OF TRUST CERTIFICATES. ANY STABILISATION ACTION MUST BE CONDUCTED BY THE RELEVANT STABILISATION MANAGER(S) (OR PERSONS ACTING ON BEHALF OF ANY STABILISATION MANAGER(S)) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Presentation of Financial Information

Historical financial statements

The financial statements relating to the Group and included in this Base Offering Circular are:

- the audited consolidated financial statements as at and for the year ended 31 December 2023, including comparative financial information as at and for the year ended 31 December 2022 (the "**2023 Financial Statements**"); and

- the audited consolidated financial statements as at and for the year ended 31 December 2022, including comparative financial information as at and for the year ended 31 December 2021 (the "**2022 Financial Statements**" and, together with the 2023 Financial Statements, the "**Financial Statements**").

The Financial Statements have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board ("**IFRS**") and applicable requirements of UAE law.

Arada's financial year ends on 31 December and references in this Base Offering Circular to "**2023**", "**2022**", and "**2021**" are to the 12-month period ending on 31 December in each such year.

Auditors and unaudited information

The Financial Statements have been audited by KPMG Lower Gulf Limited in accordance with International Standards on Auditing, who have issued unqualified reports on the Financial Statements.

Certain financial information in this Base Offering Circular contained in "*Selected Financial Information—Selected alternative performance measures*" is unaudited financial information which has been extracted without material adjustment from the accounting records of the Group which form the underlying basis of the Financial Statements. This information also constitutes alternative performance measures for the purposes of the ESMA Guidelines on Alternative Performance Measures ("**APMs**"). None of this financial information is subject to any audit or review by independent auditors.

EBITDA

The Group's APMs included in this Base Offering Circular are Adjusted EBITDA, gross profit margin and net profit margin, which are not measures of financial performance under IFRS. In determining "**EBITDA**", the Group adds back to profit for the year/period the following items:

- finance cost; and

- depreciation and amortisation,

and subtracts finance income from profit for the year/period.

The Group then makes adjustments in respect of its property valuation gains and losses to determine "**Adjusted EBITDA**", as these gains and losses do not form part of the operational cash flow generated by the Group.

Arada believes that the presentation of these APMs is helpful to investors because these and other similar measures are widely used by certain investors, security analysts and other interested parties as supplemental measures of performance and liquidity. However, these APMs should not be considered in isolation or as

a substitute for operating profit, cash flow from operating activities or other financial measures of the Group's results of operations or liquidity computed in accordance with IFRS. Other companies, including those in the Group's industry, may calculate these APMs differently from the Group. As all companies do not calculate these APMs in the same manner, the Group's presentation of these APMs may not be comparable to other similarly titled measures of other companies. See further "*Selected Financial Information—Selected alternative performance measures*".

Some of the limitations of using Adjusted EBITDA as a financial measure are:

- it does not reflect the Group's cash expenditures or future requirements for capital expenditure or contractual commitments;
- it does not reflect changes in, or cash requirements for, the Group's working capital needs; and
- although depreciation and amortisation are non-cash charges, the assets being depreciated and amortised will often have to be replaced in the future, and the measure does not reflect any cash requirements for such replacement.

For a reconciliation of reported profit for the period to Adjusted EBITDA for each of the years ended 2023, 2022 and 2021, see "*Selected Financial Information*".

Presentation of Other Information

Currencies

Unless otherwise indicated, in this Base Offering Circular, all references to:

- "**dirham**" and "**AED**" are to the lawful currency of the UAE; and
- "**U.S. dollars**" and "**U.S.$**" are to the lawful currency of the United States.

Unless otherwise indicated, the financial information contained in this Base Offering Circular has been expressed in dirham. The Group's functional currency is dirham and the Group prepares its financial statements in dirham.

The dirham has been pegged to the U.S. dollar since 22 November 1980. The mid-point between the official buying and selling rates for the dirham is at a fixed rate of AED 3.6725 = U.S.$1.00.

Third party data

This Base Offering Circular contains information regarding the Group's business and the industry in which it operates and competes, which the Group has obtained from third party sources. Where third party information has been used in this Base Offering Circular, the source of such information has been identified.

Statistical information relating to the UAE included in this Base Offering Circular has been derived from official public sources, including the Federal Competitiveness and Statistics Centre (the "**FCSC**"). All such statistical information may differ from that stated in other sources for a variety of reasons, including the use of different definitions and cut-off times. This data may subsequently be revised as new data becomes available and any such revised data will not be circulated by the Group to investors who have purchased Trust Certificates.

Where information has not been independently sourced, it is the Group's own information.

No incorporation of website information

Arada's website is www.arada.com. The information on this website or any other website mentioned in this Base Offering Circular or any website directly or indirectly linked to these websites has not been verified and is not incorporated by reference into this Base Offering Circular, and investors should not rely on it.

Definitions

In this Base Offering Circular:

- "**Federal Government**" means the federal government of the UAE;
- "**Government**" means the government of Sharjah;
- "**Sharjah**" means the Emirate of Sharjah;
- "**GCC**" means the Gulf Cooperation Council (comprising Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE); and
- "**MENA region**" means the region comprising the Middle East and North Africa.

In this Base Offering Circular, the following terms refer to the Group's development projects:

- "**Nasma Residences**" means the project described at "*Description of the Group's Business—Business—Projects—Nasma Residences*";
- "**Aljada**" means the project described at "*Description of the Group's Business—Business—Projects—Aljada*";
- "**Masaar**" means the project described at "*Description of the Group's Business—Business—Projects—Masaar*";
- "**Jouri Hills**" means the project described at "*Description of the Group's Business—Business—Projects—Jouri Hills*";
- "**Armani Beach Residences**" means the project described at "*Description of the Group's Business—Business—Projects—Armani Beach Residences*"; and
- "**Dubai Harbour**" means the project described at "*Description of the Group's Business—Business—Projects—Dubai Harbour*".

Rounding

The Financial Statements present the Group's results in AED. Certain financial statement data in this Base Offering Circular has been expressed in thousands, millions or billions of AED. As a result of such rounding, the totals of financial statement data presented in tables in this Base Offering Circular may vary slightly from the arithmetic totals of such data. Where used in tables, the figure "0" means that the data for the relevant item has been rounded to zero and the symbol "—" means that there is no data in respect of the relevant item.

In addition, all percentage data in this Base Offering Circular has been rounded to one decimal place, with 0.050 being round up.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Some statements in this Base Offering Circular may be deemed to be forward looking statements. The words "anticipate", "believe", "expect", "plan", "intend", "targets", "aims", "seeks", "estimate", "project", "will", "would", "may", "could", "continue", "should" and similar expressions are intended to identify forward looking statements. All statements other than statements of historical fact included in this Base Offering Circular, including, without limitation, those regarding the financial position of the Group, or the business strategy, management plans and objectives for future operations of the Group, are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the Group's actual results, performance or achievements, or industry results, to be materially different from those expressed or implied by these forward-looking statements. These forward-looking statements are contained in the sections entitled "*Risk Factors*" and "*Description of the Group's Business*" and other sections of this Base Offering Circular. Arada has based these forward-looking statements on the current view of its management with respect to future events and financial performance.

These forward-looking statements are based on numerous assumptions regarding Arada's present, and future, business strategies and the environment in which Arada expects to operate in the future. Important factors that could cause the Group's actual results, performance or achievements to differ materially from those in the forward-looking statements are discussed under "*Risk Factors*".

Forward-looking statements speak only as at the date of this Base Offering Circular and, without prejudice to any requirements under applicable laws and regulations, the Trustee and Arada expressly disclaim any obligation or undertaking to publicly update or revise any forward-looking statements in this Base Offering Circular to reflect any change in the expectations of the Trustee or Arada or any change in events, conditions or circumstances on which these forward-looking statements are based. Given the uncertainties of forward-looking statements, the Trustee and Arada cannot assure potential investors that projected results or events will be achieved and the Trustee and Arada caution potential investors not to place undue reliance on these statements.

CONTENTS

Page

OVERVIEW OF THE PROGRAMME 1
RISK FACTORS 10
STRUCTURE DIAGRAM AND CASHFLOWS 33
DOCUMENTS INCORPORATED BY REFERENCE 35
USE OF PROCEEDS 36
DESCRIPTION OF THE TRUSTEE 37
SELECTED FINANCIAL INFORMATION 39
FINANCIAL REVIEW 42
DESCRIPTION OF THE GROUP'S BUSINESS 58
MANAGEMENT AND EMPLOYEES 77
FORM OF THE TRUST CERTIFICATES 84
FORM OF PRICING SUPPLEMENT 86
TERMS AND CONDITIONS OF THE TRUST CERTIFICATES 93
SUMMARY OF THE PRINCIPAL TRANSACTION DOCUMENTS 134
TAXATION 145
SUBSCRIPTION AND SALE 147
GENERAL INFORMATION 153

OVERVIEW OF THE PROGRAMME

Words and expressions defined in the "*Terms and Conditions of the Trust Certificates*", (the "**Conditions**") and elsewhere in this Base Offering Circular shall have the same meanings in this overview.

Issuer, Trustee and Lessor	Arada Sukuk 2 Limited, an exempted limited liability company incorporated in the Cayman Islands under the Companies Act (As Revised) of the Cayman Islands. The Trustee has been incorporated solely for the purpose of participating in the transactions contemplated by the Transaction Documents (as defined below) to which it is a party.
Ownership of the Trustee	The issued share capital of the Trustee is comprised of 250 ordinary shares of U.S.$1.00 par value each. All of the issued shares are fully-paid and are held by Walkers Fiduciary Limited as Share Trustee under the terms of the Share Declaration of Trust. See "Description of the Trustee".
Administration of the Trustee	The affairs of the Trustee are managed by Walkers Fiduciary Limited (the "**Trustee Administrator**"), who will provide, amongst other things, corporate administrative services and director services pursuant to the corporate services agreement dated 4 June 2024 and made between, *inter alia*, the Trustee and the Trustee Administrator (the "**Corporate Services Agreement**").
Trustee's Legal Entity Identifier (LEI)	254900QJ8SRKQPBY4V77
Obligor and Lessee	Arada Developments LLC.
Servicing Agent	Arada Developments LLC.
Arrangers	Emirates NBD Bank PJSC Standard Chartered Bank
Dealers	Emirates NBD Bank PJSC Standard Chartered Bank and any other Dealers appointed in accordance with the Dealer Agreement.
Delegate	The Law Debenture Trust Corporation p.l.c.
Registrar	Citibank Europe plc.
Principal Paying Agent and Transfer Agent	Citibank N.A., London Branch.
Sellers	Aljada Developments LLC and/or Masaar Developments LLC
Initial Programme Size	Up to U.S.$1,000,000,000 (or its equivalent in other currencies calculated as described in the Dealer Agreement) outstanding at any time. The size of the Programme may be increased in accordance with the terms of the Dealer Agreement.
Trustee Covenants	The Trustee has agreed to certain restrictive covenants. See Condition 7 (*Trustee Covenants*).

Obligor Covenants	Arada has agreed to certain covenants, including a negative pledge. See Condition 5 (*Obligor Covenants*).
Status of the Trust Certificates	Each Trust Certificate evidences an undivided ownership interest of the Certificateholders in the Trust Assets subject to the terms of the Declaration of Trust and the Conditions, and is a direct, unsubordinated, unsecured and limited recourse obligation of the Trustee. Each Trust Certificate will rank *pari passu*, without any preference or priority, with all other Trust Certificates. The payment obligations of Arada (in any capacity) under the Transaction Documents to which it is a party in respect of each Series of Trust Certificates will be direct, unconditional, unsubordinated and (subject to the negative pledge provisions described in the Purchase Undertaking) unsecured obligations of Arada and (save for such exceptions as may be provided by applicable legislation and subject to the negative pledge provisions described in the Purchase Undertaking) at all times rank at least *pari passu* with all other present and future unsecured and unsubordinated obligations of Arada from time to time outstanding, provided, further, that Arada shall have no obligation to effect equal or rateable payment(s) at any time with respect to any such other obligations and, in particular, shall have no obligation to pay such other obligations at the same time or as a condition of paying sums due under the Transaction Documents to which it is a party and *vice versa*.
Further Issues	On the relevant Issue Date of any additional Tranche of Trust Certificates issued in accordance with Condition 22 (*Further Issues*): (i) Aljada Developments LLC and/or Masaar Developments LLC (in their capacity as sellers, and each a seller) and the Trustee (in its capacity as purchaser) may enter into a Supplemental Purchase Agreement for the sale, transfer and conveyance of the relevant Additional Assets; and (ii) **provided that** the value of Additional Asset(s) (if any) is less than the aggregate face amount of the additional Trust Certificates on receipt of a purchase order from Arada (acting as buyer) and in accordance with the Master Murabaha Agreement, Arada may purchase commodities from Arada Sukuk 2 Limited at a Deferred Sale Price equal to the aggregate of: (i) the Murabaha Percentage of the aggregate face amount of the additional Trust Certificates; and (ii) the relevant Profit Amount (as defined in the Master Murabaha Agreement). The Trustee will execute a Declaration of Commingling of Assets for and on behalf of the holders of the relevant existing Trust Certificates and the holders of such additional Trust Certificates so created and issued, declaring that the relevant Additional Asset(s) (if any) and the relevant Lease Asset(s) (if any) in respect of the relevant Series as in existence immediately prior to the creation and issue of the additional Trust Certificates and the Commodity Murabaha Investments (if any) relating to the relevant Series (and all rights arising under or with respect to such Commodity Murabaha Investments, including the right to receive payment of the relevant Deferred Sale Price) is/are commingled and shall collectively comprise part of the Trust Assets for the benefit of the holders of such existing Trust

	Certificates and the holders of such additional Trust Certificates.
Use of Proceeds	The net proceeds of each Tranche of Trust Certificates issued under the Programme will be applied by the Trustee pursuant to the terms of the relevant Transaction Documents on the relevant Issue Date in the following proportion: (a) the Ijara Percentage of the aggregate face amount of the Trust Certificates of such Tranche as specified in the applicable Pricing Supplement towards the purchase from Aljada Developments LLC and/or Masaar Developments LLC of all of their respective rights, title, interests, benefits and entitlements, present and future, in, to and under (in the case of the first Tranche) the Asset(s) and, if applicable (in the case of each subsequent Tranche) the Additional Asset(s) pursuant to the relevant Supplemental Purchase Agreement; and (b) if applicable, the Murabaha Percentage of the aggregate face amount of the Trust Certificates of such Tranche as specified in the applicable Pricing Supplement towards the purchase of commodities to be sold to Arada pursuant to the Master Murabaha Agreement. The proceeds received by Arada in consideration for the transactions entered into with the Trustee as set out above will be applied by Arada to settle existing financings and for its general corporate purposes.
Risk Factors	There are certain factors that may affect the Trustee's and Arada's ability to fulfil its respective obligations under the Trust Certificates and the Transaction Documents to which it is a party. See "*Risk Factors*".
Issuance in Series	Trust Certificates will be issued in Series. Each Series may comprise one or more Tranches issued on different Issue Dates. The Trust Certificates of each Series will have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of Periodic Distribution Amounts thereon and the date from which Periodic Distribution Amounts start to accrue.
Distribution	Trust Certificates may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies	Subject to any applicable legal or regulatory restrictions, any currency agreed between the Trustee, Arada and the relevant Dealer(s).
Maturities	The Trust Certificates will have such maturities as may be agreed between the Trustee, Arada and the relevant Dealer(s), subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Trustee, Arada or the relevant Specified Currency.
Denominations	The Trust Certificates will be issued in such denominations as may be agreed between the Trustee, Arada and the relevant Dealer(s), save that: (i) the minimum denomination of each Trust Certificate will be such amount as may be allowed or required from time to time by the relevant central bank (or

	equivalent body) or any laws or regulations applicable to the Specified Currency; and (ii) unless otherwise permitted by such current laws and regulations, Trust Certificates (including Trust Certificates denominated in sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Trustee in the UK or whose issue otherwise constitutes a contravention of section 19 of the FSMA will have a minimum denomination of £100,000 (or, if the Trust Certificates are denominated in a currency other than sterling, the equivalent amount in such currency, as calculated on the Issue Date of the relevant Tranche).
Issue Price	Trust Certificates may be issued at any price on a fully paid basis, as specified in the applicable Pricing Supplement. The price and amount of Trust Certificates to be issued under the Programme will be determined by the Trustee, Arada and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.
Form of Trust Certificates	The Trust Certificates will be issued in registered form as described in "*Form of the Trust Certificates*".
Clearing Systems	Certificateholders must hold their interest in the relevant Global Trust Certificate in book-entry form through Euroclear and/or Clearstream, Luxembourg in relation to any Series, such other clearing system in which the relevant Global Trust Certificate is held. Transfers within and between each of Euroclear or Clearstream, Luxembourg will be in accordance with the usual rules and operating procedures of the relevant clearing system.
Periodic Distributions	Certificateholders are entitled to receive Periodic Distribution Amounts calculated on the basis specified in the applicable Pricing Supplement.
Redemption of Trust Certificates on Scheduled Dissolution Date	Trust Certificates shall be redeemed on the Scheduled Dissolution Date at the relevant Final Dissolution Amount specified in the applicable Pricing Supplement.
Optional Dissolution	If so specified in the applicable Pricing Supplement, a Series of Trust Certificates may be redeemed prior to its Scheduled Dissolution Date at the Optional Dissolution Amount (Call) or the Clean Up Call Right Dissolution Amount, as applicable, in the circumstances set out in "*Terms and Conditions of the Trust Certificates — Dissolution at the Option of Arada (Optional Dissolution Call Right)*" or "*Terms and Conditions of the Trust Certificates — Dissolution at the Option of Arada (Clean Up Call Right)*", as applicable.
Dissolution Events	Upon the occurrence of any Dissolution Event, the Trust Certificates may be redeemed on the Dissolution Event Redemption Date at the Dissolution Event Amount (which shall include any accrued but unpaid Periodic Distribution Amount) and the Return Accumulation Period may be adjusted accordingly, as described in "*Terms and Conditions of the Trust Certificates — Dissolution Events*".
Early Dissolution for Tax Reasons	Where the Trustee has or will become obliged to pay any additional amounts in respect of the Trust Certificates pursuant to Condition 13 (*Taxation*) or Arada has or will

	become obliged to pay any additional amounts in respect of amounts payable pursuant to any Transaction Document to which it is a party as a result of a change in the laws of a Relevant Jurisdiction and where such obligation cannot be avoided by the Trustee or Arada, as applicable, taking reasonable measures available to it, the Trustee shall, upon receipt of an exercise notice from Arada pursuant to the Sale and Substitution Undertaking, redeem the Trust Certificates in whole but not in part at the Tax Dissolution Amount on the relevant Dissolution Date in accordance with Condition 11.2 (*Early Dissolution for Tax Reasons*).
Certificateholder Put Right	If so specified in the applicable Pricing Supplement, Certificateholders may, in the circumstances set out in Condition 11.5 (*Dissolution at the Option of the Certificateholders (Certificateholder Put Right)*) elect to redeem their Trust Certificates on any Certificateholder Put Right Date(s), **provided that** such date is a Periodic Distribution Date, unless otherwise specified in the applicable Pricing Supplement at the applicable Optional Dissolution Amount (Put) specified in, or determined in the manner specified in, the applicable Pricing Supplement together with all accrued and unpaid Periodic Distribution Amounts in accordance with Condition 11.5 (*Dissolution at the Option of the Certificateholders (Certificateholder Put Right)*).
Change of Control Put Right	Upon the occurrence of a Change of Control and provided that a Change of Control Notice has been received by the Trustee in accordance with Condition 11.7 (*Dissolution at the Option of the Certificateholders (Change of Control Put Right)*), Certificateholders may elect to redeem their Trust Certificates on the Change of Control Put Right Date at the Change of Control Dissolution Amount in accordance with Condition 11.7 (*Dissolution at the Option of the Certificateholders (Change of Control Put Right)*). A "**Change of Control**" shall occur if at any time any person other than H.R.H. Prince Khalid Bin Alwaleed Bin Talal Alsaud or H.R.H. Sheikh Sultan bin Ahmed Al Qasimi or their respective lineal descendants acquires, directly or indirectly, more than 50 per cent. of the issued share capital of Arada.
Clean Up Call Right	If 75 per cent. or more of the aggregate face amount of the Trust Certificates then outstanding have been redeemed and/or purchased and cancelled pursuant to Condition 11 (*Capital Distributions of Trust*) or Condition 12 (*Purchase and Cancellation of Trust Certificates*), the Trustee shall, upon receipt of an exercise notice from Arada in accordance with the Sale and Substitution Undertaking, redeem the Trust Certificates in whole but not in part, at the Clean Up Call Right Dissolution Amount on the Clean Up Call Right Dissolution Date, subject to and in accordance with Condition 11.8 (*Dissolution at the Option of Arada (Clean Up Call Right)*)
Tangibility Event Put Right:	If a Tangibility Event occurs, Certificateholders may, in the circumstances set out in Condition 11.6 (*Dissolution at the Option of the Certificateholders (Tangibility Event Put Right)*) exercise their option to redeem their Trust Certificates on any Tangibility Event Put Right Date at the Tangibility

Event Dissolution Amount by delivering a Tangibility Event Put Notice within the Tangibility Event Put Period, subject to and in accordance with Condition 11.6 (*Dissolution at the Option of the Certificateholders (Tangibility Event Put Right)*).

On the date falling 15 days following the Tangibility Event Put Right Date, the Trust Certificates will be delisted from any stock exchange (if any) on which the Trust Certificates have been admitted to listing.

Total Loss Event

Save where the relevant Lease Asset(s) is/are replaced in accordance with the Servicing Agency Agreement by no later than the 60th day after the occurrence of a Total Loss Event, the occurrence of a Total Loss Event will result in the redemption of the Trust Certificates of that Series and the consequent dissolution of the relevant Trust no later than close of business in London on the 61st day after the occurrence of such Total Loss Event (being the Total Loss Dissolution Date) in accordance with Condition 11.4 (*Dissolution following a Total Loss Event*).

If a Total Loss Event occurs, the Servicing Agent shall be responsible for ensuring that all proceeds of Insurances in respect thereof (if any) are each paid in the Specified Currency directly into the Transaction Account by no later than the 60th day after the occurrence of the Total Loss Event.

If a Total Loss Event occurs and the relevant Lease Asset(s) is/are not replaced as discussed above, and the amount of the proceeds of Insurances (if any) paid into the Transaction Account is less than the Full Reinstatement Value (the difference between the Full Reinstatement Value and the amount paid into the Transaction Account being the "**Loss Shortfall Amount**"), the Servicing Agent shall be responsible for paying the Loss Shortfall Amount directly into the Transaction Account by no later than close of business in London on the 61st day after the Total Loss Event has occurred, such that the amount standing to the credit of the Transaction Account on the Total Loss Dissolution Date represents the aggregate of the proceeds of Insurances payable in respect of a Total Loss Event (if any) and the Loss Shortfall Amount payable by the Servicing Agent in accordance with the terms of the Servicing Agency Agreement.

Rental payments under the Supplemental Lease Agreement and, therefore, Periodic Distribution Amounts, shall cease to accrue with effect from the date on which a Total Loss Event occurs, and shall only resume from the Replacement Date if the Lease Assets are replaced pursuant to a Lease Assets Amendment Agreement. The amount of profit payable on the first Periodic Distribution Date following the acquisition of the Replacement Lease Asset(s) shall be increased to include the amount of profit that would have accrued prior to the Replacement Date had such Total Loss Event not occurred.

	Upon the occurrence of a Total Loss Event and from the date of the Trading Notice and until any further notice from the Trustee stating otherwise, in consultation with the *Shari'a* Adviser, the Trust Certificates should be tradable only in accordance with the *Shari'a* principles of debt trading (such as the principle that debt is to be traded against tangible assets and/or eligible commodities on a spot settlement basis).
Partial Loss Event	If a Partial Loss Event shall occur with respect to any of the Lease Assets and provided that: (a) the Lease Assets have not been replaced pursuant to the Servicing Agency Agreement and a notice of termination of the lease on the 61st day after the Partial Loss Event Date (a "**Partial Loss Termination Notice**") has been delivered by the Lessee to the Lessor within a period of 30 days after the Partial Loss Event Date; or (b) such Lease Assets have not been replaced pursuant to the Servicing Agency Agreement, without prejudice to any right or remedy that the Lessor may have under any Transaction Document or by law, the Lease shall automatically terminate on the 61st day after the Partial Loss Event Date (the "**Partial Loss Termination Date**") and further rental payments shall cease to be due on such Partial Loss Termination Date in accordance with the Supplemental Lease Agreement and the Lessor will be entitled to all proceeds of the insurances payable as a result of the Partial Loss Event. The termination of the Lease on the Partial Loss Termination Date as a result of either of the circumstances described in (a) or (b) above shall constitute an Arada Event.
Substitution of Lease Asset(s)	Pursuant to the Sale and Substitution Undertaking, Arada may, at any time, exercise its right to require the Trustee to substitute on any Substitution Date some or all of the relevant Lease Asset(s) with New Asset(s) (as specified in the relevant Substitution Notice, and each as defined in the Sale and Substitution Undertaking) having a value which is equal to or greater than the value of the relevant Lease Asset(s) being substituted.
Taxation	All payments in respect of Trust Certificates shall be made in the Specified Currency without set-off or counterclaim of any kind and free and clear of, and without withholding or deduction for, any Taxes of whatever nature imposed, levied, collected, withheld or assessed by or within the Relevant Jurisdiction, unless the withholding or deduction is required by law. In that event, the Trustee shall, save in the limited circumstances provided in Condition 12 (*Taxation*), be required to pay such additional amounts as will result in the receipt by the Certificateholders of such amounts as would have been received by them, had no such withholding or deduction been required. All payments by Arada (in any capacity) under the Transaction Documents to which it is a party shall be made in the Specified Currency without set-off or counterclaim of any kind and free and clear of, and without withholding or deduction for, any Taxes of whatever nature imposed, levied, collected, withheld or assessed by or within the Relevant Jurisdiction unless the withholding or deduction is required by law. In that event, Arada shall be required to pay such additional amounts as will result in the receipt by the Trustee or the Delegate (as applicable) of such amounts as would

	have been received by it, had no such deduction or withholding been required.
Ratings:	Arada has been assigned a long-term rating of B+ with a stable outlook by Fitch and a long-term rating of B1 with a stable outlook by Moody's. The ratings assigned to each Series of Trust Certificates (if any) to be issued under the Programme will be specified in the applicable Pricing Supplement. A rating is not a recommendation to buy, sell or hold the Trust Certificates (or beneficial interests therein) and may be subject to revision, reduction, downgrade, suspension or withdrawal at any time by the assigning rating organisation. Whether or not each any credit rating applied for in relation to the relevant Series of Trust Certificates will be issued by a credit rating agency established in the EEA or the UK and registered under the EU CRA Regulation or the UK CRA Regulation will be disclosed in the applicable Pricing Supplement.
Certificateholder Meetings	A summary of the provisions for convening meetings of Certificateholders to consider matters relating to their interests as such is set out in Condition 18 (*Meetings of Certificateholders; Modification*).
Listing and Admission to trading	Application has been made to: (i) London Stock Exchange for the Trust Certificates issued under the Programme to be admitted to trading on the ISM during the period of 12 months after the date hereof; and (ii) the DFSA for the Trust Certificates issued under the Programme to be admitted to listing on the DFSA Official List and to Nasdaq Dubai for Trust Certificates issued under the Programme to be admitted to trading on Nasdaq Dubai. Trust Certificates may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Trustee, Arada and the relevant Dealer(s) in relation to the relevant Series. Trust Certificates which are neither listed nor admitted to trading on any market may also be issued. The applicable Pricing Supplement will state whether or not the relevant Trust Certificates are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.
Governing Law and Dispute Resolution	The Trust Certificates shall be governed by, and construed in accordance with, English law. The Master Declaration of Trust, each Supplemental Declaration of Trust, the Dealer Agreement, each Subscription Agreement, the Agency Agreement, the Master Murabaha Agreement, the Servicing Agency Agreement, the Purchase Undertaking and the Sale and Substitution Undertaking and any non-contractual obligations arising out of or in connection with any such Transaction Document, shall be governed by and construed in accordance with English law. In respect of any dispute under any such Transaction Document to which it is a party, Arada has agreed to arbitration in London under the rules of arbitration of the London Court of International Arbitration (the "**LCIA**") (with the seat in London). Arada has also agreed to

	submit to the exclusive jurisdiction of the courts of England at the option of the Trustee or the Delegate (as the case may be), in respect of any dispute under any such Transaction Document (subject to the right of the Delegate or the Trustee (as the case may be) to require any dispute to be resolved by any other court of competent jurisdiction). The Master Purchase Agreement, each Supplemental Purchase Agreement, the Master Lease Agreement, each Supplemental Lease Agreement and each Sale Agreement will be governed by the laws of the Emirate of Sharjah and, to the extent applicable in the Emirate of Sharjah, the federal laws of the UAE, and will be subject to the exclusive jurisdiction of the Sharjah courts, subject to the right of the Trustee or the Delegate (as the case may be) to require any dispute to be resolved by any other court of competent jurisdiction.
Waiver of Immunity	Arada has agreed in the Transaction Documents to which it is a party that to the extent that it may claim, in any jurisdiction, for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that such immunity (whether or not claimed) may be attributed in any jurisdiction to it or its assets or revenues, it shall not claim and irrevocably and unconditionally waives such immunity to the fullest extent permitted by the laws of such jurisdiction in relation to any proceedings or disputes.
Limited Recourse	Each Trust Certificate represents solely an undivided ownership interest in the Trust Assets of the relevant Series. No payment of any amount whatsoever shall be made in respect of the Trust Certificates of each Series except to the extent that funds for that purpose are available for the Trust Assets of that Series, as described in "*Terms and Conditions of the Trust Certificates — Status and Limited Recourse*".
Selling Restrictions	There are restrictions on the distribution of this Base Offering Circular and the offer, sale and transfer of Trust Certificates in the United States, the UK, the EEA, the Kingdom of Bahrain, the Sultanate of Oman, the Kingdom of Saudi Arabia, the State of Qatar (including the Qatar Financial Centre), the Cayman Islands, the UAE (excluding the DIFC and the ADGM), the DIFC, the ADGM, the State of Kuwait, Hong Kong, Singapore and Malaysia and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Trust Certificates, see "*Subscription and Sale* " below.

RISK FACTORS

An investment in the Trust Certificates involves risks. Accordingly, prospective investors should carefully consider, amongst other things, the risks described below, as well as the detailed information set out elsewhere in this Base Offering Circular, and reach their own views before making an investment decision. The risks and uncertainties described below are not the only risks and uncertainties related to the Trustee, Arada *and the Trust Certificates. Additional risks and uncertainties not presently known, or currently believed to be immaterial, could also impair the ability to make payments on the Trust Certificates. If any of the following risks actually materialise, the financial condition and prospects of the Trustee and/or* Arada *could be materially adversely affected. If that were to happen, the trading price of the Trust Certificates could decline, and investors may lose all or part of their investment. Prospective investors should also read the detailed information set out elsewhere in this Base Offering Circular and reach their own views prior to making any investment decision. Words and expression defined elsewhere in this Base Offering Circular (including in the Conditions) shall have the same meanings in this section.*

Risk Factors Relating to the Trustee

Factors that may affect the Trustee's ability to fulfil its obligations under or in connection with the Trust Certificates issued under the Programme

The Trustee has limited operating history and no material assets and will depend on receipt of payments from Arada to make payments to Certificateholders

The Trustee was incorporated under the laws of the Cayman Islands on 17 October 2023 as an exempted company with limited liability. The Trustee has not and will not engage in any business activity other than the issuance of the Trust Certificates under the Programme, the acquisition of Trust Assets as described herein, acting in the capacity as Trustee, the issuance of shares in its capital and other activities incidental or related to the foregoing as required under the relevant Transaction Documents relating to each Series. Because the Trustee is a Cayman Islands company, it may not be possible for Certificateholders to effect service of process on it outside the Cayman Islands.

The Trustee's only material assets, which will be held on trust for Certificateholders, will be the Trust Assets relating to each Series of Trust Certificates, including the obligation of Arada to make payments to the Trustee under the relevant Transaction Documents to which it is a party relating to each Series. Therefore, the Trustee is subject to all the risks to which Arada is subject to the extent that such risks could limit Arada's ability to satisfy in full and on a timely basis its obligations under the Transaction Documents.

The ability of the Trustee to pay amounts due on the Trust Certificates will therefore be dependent upon receipt by the Trustee from Arada of amounts to be paid pursuant to the Transaction Documents (which may not be sufficient to meet all claims under the Trust Certificates and the Transaction Documents). As a result, the Trustee is subject to all the risks to which the Group and its business are subject, as described below, to the extent such risks could limit Arada's ability to satisfy in full and on a timely basis, its obligations under the Transaction Documents to which it is a party.

Recourse to the Trustee in respect of the Trust Certificates is limited to the Trust Assets relating to each Series; see "*Risk Factors Relating to the Trust Certificates – The Trust Certificates are limited recourse obligations*".

Risk Factors Relating to the Group's Business and Arada's Ability to Fulfil its Obligations under the Transaction Documents

The concentration of the Group's property portfolio exposes it to fluctuations in demand for residential real estate in the UAE

Almost all of the Group's developed property is located in Sharjah and all of its developed property and property under construction is located in the UAE. As an increasing number of real estate developments are launched and reach completion in the UAE, the number of residential properties available in the UAE market may exceed the demand for such properties, leading to saturation. If the UAE property market were to become saturated, or demand for residential properties in Sharjah were to decline or to be lower than expected, the Group might have to sell its properties at reduced prices, or at a loss, or may not be able to sell them at all. In addition, a large portion of the Group's customers purchase properties as investments, generally with a view to selling them for profit or leasing them for rental income. Any perceived or actual

oversupply of residential properties in the UAE for sale may result in potential customers experiencing difficulty selling properties purchased from the Group, either for an expected profit or at all. In addition, any perceived or actual over supply of residential rental properties in the UAE, or a decrease in demand for rental properties, may cause rental rates to decline. This could result in a decrease in demand for the Group's properties from customers who expect to receive revenue from the part- or full-time rental of their properties.

As at 31 December 2023, the Group's sales backlog (determined as the value of units that have been sold but not yet recognised as revenue under IFRS) was AED 8,016.2 million (compared to AED 4,189.2 million as at 31 December 2022). The Group delivered 2,610 residential units in 2023 and is scheduled to deliver 1,497 residential units during 2024. There can be no assurance that the Group's sales backlog will be realised or that there is sufficient demand in the Sharjah residential real estate market to absorb all of the residential units that the Group will deliver at the prices it anticipates or at all. As the Group's revenue is currently derived almost entirely from the sale of residential units in Sharjah, any adverse change in demand for residential units for the reasons set out above or otherwise could have a material adverse effect on the Group's business, financial condition and results of operations.

All of the Group's completed is located in Sharjah and all of its completed and under development properties are located in the UAE, and the Group's financial performance is therefore dependent on economic and political conditions in the UAE and the surrounding regions

Almost all of the Group's completed and under development projects are located in Sharjah. Consequently, the Group's business, results of operations and financial condition could be adversely affected by changes in economic, political or social conditions in Sharjah, the UAE and the surrounding regions.

The UAE, as well as many of the GCC countries from which the Group sources its customers, depend in particular on revenue from oil and oil products, the prices of which were materially adversely affected in 2020 and have generally been volatile, principally as a result of the global outbreak of coronavirus in 2020 (the "**COVID-19 pandemic**"), the escalation of the Russo-Ukrainian war in February 2022 (the "**Russo-Ukrainian War**") and the escalation of the Israel-Hamas war in October 2023. In addition, the economies of the UAE and Sharjah are heavily dependent upon expatriate workers, who have also historically constituted a significant portion of Arada's customers. If the economies of the UAE or Sharjah suffer another decline, or if government intervention fails to support or otherwise restricts or limits the economic growth of the expatriate or general real estate investment community in the UAE or Sharjah, the Group's business, results of operations and financial condition could be adversely affected.

The property and construction markets in the UAE are affected by macroeconomic factors that are beyond the Group's control, such as real estate market conditions generally, changes in interest rates, consumer spending, inflation rates, real estate taxes, and the availability and cost of financing.

The real estate markets in the UAE have also experienced significant levels of volatility following the global financial crisis. There can be no assurance that the current demand and pricing levels for real estate in Sharjah will persist. In addition, the governments of a number of emirates in the UAE have incurred significant deficits and reduced their development expenditure in light of the COVID-19 pandemic and any failure to reduce the deficits and resume previous levels of development expenditure in future years could generate a negative perception of the UAE's development prospects generally and its real estate markets in particular. Any resulting decrease in demand or pricing could cause the Group's financial performance to deteriorate.

Since 2011, the MENA region has experienced (and in some cases, is still experiencing) increased levels of political instability, civil unrest, violence and armed conflict. This has ranged from public demonstrations to terrorist acts and armed conflict and has given rise to increased political uncertainty across the region. These situations have caused significant disruptions to the economies of affected countries and have had a destabilising effect on international oil and gas prices. For example, an escalation in the armed conflict between Israel and Hamas (particularly in and around Gaza) since October 2023 has resulted in an increase in geopolitical tensions in the region and may have far reaching effects on the global economy, current exchange rates and regional economies. Furthermore, attacks on shipping lines in the Red Sea by the Houthis has led to the diversion of shipping and has resulted in a military response from a number of countries including the United States.

Continuing instability and unrest in the MENA region may significantly affect the UAE and Sharjah. Although the UAE has not been directly affected by the unrest in the MENA region to date, it is unclear

what impact this unrest could have on the regional economy, levels of foreign direct investment in the UAE and Sharjah's attractiveness as a residential destination. The occurrence of any or all of these factors could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group was adversely affected by the measures taken in response to the COVID-19 pandemic

The macroeconomic environment (both globally and within the UAE) was materially adversely affected in 2020 by the COVID-19 pandemic and the measures taken by governments globally to try to contain the spread of the virus. The Group's business was adversely impacted by COVID-19 pandemic in 2020 and, to a lesser extent, in 2021, principally through the impact of the lockdown imposed in April and May 2020 which resulted in an immediate shift to working from home, slowing site activity due to the inability of contractor teams to move between emirates and obstructions in the supply chain for building materials.

The Group may continue to be impacted by the COVID-19 pandemic and future outbreaks of communicable disease if new measures are imposed both in the UAE and abroad in response to such diseases or variants of COVID-19, particularly to the extent that they impact the real estate sector or demand for residential property in the UAE and/or any impact on the UAE's economy and government expenditure more generally which may continue to be felt in the long term.

The continued success of the Group's business is dependent in part upon the wealth of domestic and international investors, as well as the continued appeal of Sharjah and the UAE as real estate investment markets

The Group's business is dependent on the levels of disposable income and investment capital of individuals in the UAE who accounted for 24.7 per cent. of its sales of residential units by value in 2022 and 8.5 per cent. in 2023. In addition, the Group benefits from a strong base of repeat customers, who in 2023, purchased 779 of its residential units and accounted for 25.0 per cent. of its sales of residential units by value in that year (compared to 791 residential units being 28.1 per cent. of sales in 2022). The wealth of these individuals is affected, in part, by the performance of the international real estate, financial and consumer markets, and the deployment of their disposable income is affected by a variety of factors, including alternative investment opportunities and returns, the availability of financing, including mortgages, as well as foreign currency exposure, interest rates, inflation and tax rates. Any factors that adversely affect the wealth of residential real estate investors and/or the desirability of the Sharjah real estate market as an investment outlet for domestic and international investors could have a material adverse effect on the Group's business, financial condition and results of operations.

The due diligence process that the Group undertakes in connection with new projects may not reveal all relevant facts

Before implementing a new project, the Group conducts due diligence to the extent it deems reasonable and appropriate based on the applicable facts and circumstances. The objective of the due diligence process is to identify attractive investment opportunities and to prepare a framework that may be used from the date of investment to drive operational performance and value creation. When conducting due diligence, the Group evaluates a number of important business, financial, tax, accounting, regulatory, environmental and legal issues in determining whether or not to proceed with a project. Outside consultants, including legal advisers, accountants, investment banks and industry experts, are generally involved in the due diligence process in varying degrees depending on the type of project or investment. Nevertheless, when conducting due diligence and making an assessment regarding a project, the Group can only rely on resources available to it, including, in some circumstances, third party investigations. In some cases, information cannot be verified by reference to the underlying sources to the same extent as the Group could for information produced from its own internal sources. The due diligence process may at times be subjective and the Group can offer no assurance that any due diligence investigation it carries out with respect to any project will reveal or highlight all relevant facts that may be necessary or helpful in evaluating such opportunity. Any failure by the Group to identify relevant facts through the due diligence process may mean that projected rates of return and other relevant factors considered by the Group in making investment decisions prove to be significantly inaccurate over time.

The Group's projects may be delayed, suspended, terminated or materially changed in scope, resulting in delayed recognition of revenue and damage to its reputation

There are a number of construction, financing, operating and other risks associated with property development. Due to their extensive nature, the Group's projects require considerable capital expenditure

during the initial phases. The Group recognises revenue from its projects on the basis of the percentage completion of the construction process. Payments by its customers are also tied to construction milestones. Material delays in the construction process will, consequently, delay payments due from customers, as well as the revenue the Group is able to recognise. While the Group frequently experiences construction delays in the ordinary course of business and, save in the case of the delays caused by the COVID-19 pandemic, such delays have generally been made up in subsequent stages of a project, delays can have a significant impact on the associated timing of revenue recognition, which could lead to potentially significant fluctuations in the Group's financial results on a semi-annual basis. This is particularly true with respect to high value projects where even a small delay in construction progress can result in delays in large amounts of revenue being recognised. The time taken and the costs involved to complete construction can be adversely affected by many factors, including:

- delays in obtaining all, or refusals of any, necessary zoning, land use, building, development, occupancy and other required governmental permits, licences, approvals and authorisations (including due to new regulatory frameworks);
- unforeseen engineering, environmental or geological problems;
- the Group's inability to obtain necessary financing arrangements on acceptable terms, or at all, and otherwise fund construction and capital improvements and provide any necessary performance guarantees;
- defaults by, or the bankruptcy or insolvency of, contractors and other counterparties;
- inadequate supporting infrastructure, including as a result of failure by third parties to provide utilities and transportation and other links that are necessary or desirable for the successful operation of a project;
- design or construction defects and otherwise failing to complete projects according to design specification;
- shortages of, or defective, materials and/or equipment, labour shortages, shortages of other necessary supplies and/or disputes with contractors or sub-contractors;
- increases in the cost of construction materials (for example, raw materials such as steel and other commodities common in the construction industry (the cost of which has increased in the last 12 months as a result of logistical issues being experienced worldwide)), energy (the cost of which has also increased recently), building equipment (including, in particular, cranes), labour and/or other necessary supplies (due to rising commodity prices or inflation or otherwise);
- shortages of project managers, contractors and construction specialists, both internally and externally, to ensure that planned projects are delivered both on time and on budget;
- strikes and work stoppages or other labour disputes or disturbances affecting the Group's projects, contractors, sub-contractors or suppliers;
- the failure of contractors to meet agreed timetables, in particular with respect to more complex or technically challenging developments (for example, due to the scale, height or complex design of a development);
- adverse weather conditions, natural disasters, pandemics (such as the COVID-19 pandemic), accidents, force majeure events and/or changes in governmental priorities;
- increases in the supply of properties from competitors; and
- changes in demand trends due to, among other things, a shift in buyer preferences, a downturn in the economy, a change in the surrounding environment of the project, including the location or operation of transportation hubs or population density or otherwise.

Any of these factors could give rise to delays in the completion of construction and/or result in construction costs exceeding budgeted amounts. Projects subject to delays or cost overruns may take longer or fail to generate the revenue, cash flow and profit margins that were originally anticipated. In addition, the targeted

return on the investment in the project may not be realised. There can be no assurance that the revenue that the Group is able to generate from its projects will be sufficient to cover the associated construction costs. The occurrence of any of the foregoing factors could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group's off-plan sales model exposes it to reputational risks and liabilities

The Group's business model is based on selling a significant number of its residential units "off-plan" or in the early stages of construction. The completion of a given project is dependent on a number of factors, including macroeconomic conditions, timely delivery on the part of the Group's contractors and sub-contractors and the absence of any force majeure. If a project with pre-sale commitments from customers is delayed or cancelled, customers may bring civil claims against the Group. Even where customers have no contractual right to terminate their contract with the Group and/or to demand repayment of monies paid, if the Group fails to deliver a residential unit, under Sharjah law, a customer may seek to claim reimbursement from the Group together with interest. In addition, the Group's projects comprise master-planned destinations, which contain amenities and conveniences such as retail areas, supermarkets, clinics and medical centres, schools and parks. If substantial parts of these amenities are delayed, cancelled or changed, customers who have acquired residential units in affected developments may not be able to enjoy the services or the overall environment which they may have expected when the project was originally launched. Delays in completion or cancellation of all or a portion of a project could also adversely affect the Group's reputation and ability to attract future customers. Any of the foregoing factors could have a material adverse effect on the Group's business, results of operations and financial condition.

Real estate valuation is inherently subjective

The Group performs valuations of its property portfolio in connection with the preparation of its annual financial statements. These valuations are conducted annually by an independent professionally qualified valuation firm with experience in property valuations in the locations and segments of the properties being valued and comply with the Appraisal and Valuation Standards published by the Royal Institution of Chartered Surveyors. The Group's property valuations provide a hypothetical value of its properties, based on the assumptions made therein which are not confirmed or investigated by the valuer or any other third party. These assumptions include, among others, special assumptions relating to the status of title, encumbrance of interests and the estimated timing of completion of infrastructure works. Any valuations of the Group's properties stated in this Base Offering Circular may exceed the value that could be obtained in connection with a concurrent sale of the properties.

The Group's properties are inherently difficult to value. Factors such as changes in regulatory requirements and applicable laws (including in relation to building and environmental regulations, taxation and planning), political conditions, the condition of financial markets and real estate markets, the financial condition of customers, potential adverse tax consequences, and interest and inflation rate fluctuations all mean that valuations are subject to uncertainty. The judgement of the Group's management and its valuers significantly impacts the determination of the value of its properties. As a result, any valuations contained in this Base Offering Circular are subject to substantial uncertainty and are made on the basis of assumptions which may not be correct. No assurance can be made that the valuations of the Group's properties will reflect actual sale prices, even where any such sale occurs shortly after the relevant valuation date. Neither should the valuations be taken as an indication of the availability of financing for the potential sale of any of the Group's properties or an indication of continuing demand for any of its properties. Significant differences between valuations and actual sales prices could have a material adverse effect on the Group's business, financial condition and results of operations.

In addition, a key component of determining the value of a property is based on the assessment by management and the valuer of real estate market conditions in the relevant jurisdiction. The Sharjah real estate market is in turn affected by many factors such as general economic conditions, availability of financing, interest rates and other factors, including supply and demand, that are beyond the Group's control and may adversely impact projects after their most recent valuation date. As a result, any material decline in the real estate market in Sharjah could have a material adverse effect on the Group's business, results of operations and financial condition.

Real estate investments are illiquid

Because real estate investments are generally illiquid, and due to the cyclicality of real estate markets, the Group's ability to promptly sell one or more of its projects in response to changing political, economic,

financial and investment conditions is limited. The real estate market is affected by many factors that are beyond the Group's control. In addition, to the extent that the Group requires third-party funding to develop its projects, the Group may be required to grant a mortgage over certain projects, or parts thereof, to secure its payment obligations, which could preclude the Group from selling such projects or affected residential units in the event of a default under such financing arrangements. There can be no assurance that the sale of units in any of the Group's projects will be at a price which reflects the most recent valuation of the relevant project, particularly if the Group is forced to sell in adverse economic conditions. Any of these factors, alone or in combination, could have a material adverse effect on the Group's real estate portfolio, which could in turn have a material adverse effect on its business, results of operations and financial condition.

The Group faces competition in property development

The Group faces competition for the development of real estate from numerous other property developers operating in the UAE. Competition may affect the Group's ability to sell the residential units in its projects at expected prices, if at all. The Group's competitors may lower their pricing for comparable developments, which could result in downward pricing pressure. In addition, certain of the Group's competitors are supported in differing degrees by the governments of various emirates in the UAE. The Group also faces the risk that competitors may anticipate and capitalise on certain potential investment opportunities in advance of the Group doing so. Increased competition may also increase the Group's costs of financing, materials, contractors and sub-contractors. Reflecting its relatively recent incorporation, many of the Group's competitors have greater financial, technical, marketing or other resources, including in some cases significant land banks, and greater geographical diversity in their operations and, therefore, may be able to withstand increased costs, price competition and volatility more successfully. Any oversupply or increase in competition in the Group's market could have a material adverse effect on the Group's business, results of operations and financial condition.

Property developers may also consolidate to achieve economies of scale. If consolidation in the UAE real estate markets were to occur, there is a risk that the Group would have to operate in a more competitive marketplace and against larger competitors. Furthermore, given economic downturns in recent years, investors may seek to diversify their investments and re-examine the robustness of various real estate markets in the region, which may result in reduced demand for the Group's developments. These circumstances could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group's business depends on its ability to successfully develop its projects and manage its growth

The Group's business plan envisages the completion of existing projects, the launch of new projects both in Sharjah and elsewhere in the UAE and the diversification of its revenue through the ownership and either operation or leasing of assets in its master-planned destinations such as schools, retail concepts, hotels and entertainment facilities.

The successful implementation of its strategy will require the Group to maintain its leadership position in the Sharjah residential real estate market and, over time, establish a strong position in the wider UAE residential real estate markets, actively managing its projects to deliver value for customers, preserving positive working relationships with its joint venture partners and other counterparties and maintaining its sound financial position. Successful development of current and future projects will depend significantly on the Group's ability to complete milestones on time and within budget and on the availability of adequate external financing or cash in hand. As at 31 December 2023, the Group had a sales backlog of AED 8,016.2 million (compared to AED 4,189 million as at 31 December 2022). The Group delivered 2,610 residential units in 2023 and expects to deliver 1,497 residential units in 2024. There can be no assurance that the Group's sales backlog will be realised in full, or that it will deliver all of the planned residential units on time or sell them at expected margins. In addition, while the Group plans to acquire additional land and launch future projects, and there can be no assurance that land will always be available at prices that are attractive to the Group or that any announced projects will be developed within the Group's expected timeframe or at all.

The Group's master-planned destinations take a substantial amount of time to complete, from the initial master planning phase to the completion of construction, and the Group's ability to make changes to its development plans in response to changing consumer tastes and preferences is limited. While the Group's projects cover a wide range of residential property options, including villas, townhouses and mid- and high-rise apartments, with a variety of community amenities, there can be no assurance that they will remain

attractive to prospective customers. In addition, the Group's communities are anchored around educational facilities, retail concepts and entertainment complexes. If these amenities are not viewed positively within the communities in which they are situated because of the existence of better facilities elsewhere in Sharjah or their mix of educational, retail, entertainment and other amenities, the attractiveness of the Group's communities to prospective purchasers could also decrease, which could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group has expanded rapidly since 2017 in terms of residential units delivered in its projects and it has ambitious plans to diversify its revenue in the coming years. Management of growth requires, among other things, the Group's continued application of stringent control over financial systems and operations, the continued development of management controls, the hiring and training of new personnel and continued access to funds to finance the growth. It also may increase costs, including the cost of recruiting, training and retaining a sufficient number of professionals and the cost of compliance arising from exposure to additional activities and jurisdictions.

These challenges will increase as the Group launches new projects and continues to expand into new businesses. As the Group expands its operations, it may become subject to legal uncertainties or regulations to which it is not currently subject or from which it is currently exempt, which may lead to greater exposure to risk or higher compliance costs. There can be no assurance that the Group's existing systems and resources will be adequate to support the growth of its operations.

The Group's revenue diversification strategy may not be successful

The Group's business activity has been focused on real estate development in Sharjah and to the date of this Base Offering Circular, the Group's revenue has been almost entirely derived from the sale of residential properties developed by it. One element of the Group's strategy aims to diversify its revenue streams through the generation of recurring revenue both from elements of its projects and through new businesses. For example, the Group has constructed and leased a school at Aljada and is planning two further schools, and it has agreed with the Emaar Hospitality Group to build three hotels at Aljada which will be owned by the Group and operated on its behalf by Emaar Hospitality. In addition, it is building a portfolio of retail assets and, as at 31 December 2023, owned and leased 146 retail units, which were 99 per cent. leased as at 31 December 2023 (compared to 124 retail units which were 85 per cent. leased as at 31 December 2022). The Group also established Wellfit in October 2020 which operated six fitness centres as at 31 December 2023, as well as food trucks in Aljada and Masaar and a farmers market which, as at the date of this Base Offering Circular, operated in nine locations (including Nasma Residences and Aljada).

For the year ended 31 December 2023, these businesses (being other revenue from contracts with customers and lease income) together generated revenue of AED 128.05 million, equal to 4.62 per cent. of the Group's total revenue (compared to 2.2 per cent. of its total revenue in 2022). Although the Group expects to increase its recurring revenue significantly over time as it constructs and leases further schools, builds more hotels, leases more retail space and develops further retail and entertainment concepts, there can be no assurance that these businesses will all prove successful or that the recurring revenue it generates will not be adversely affected by adverse economic conditions or such other factors described herein.

The Group relies on experienced third-party contractors and sub-contractors to construct its projects

All construction activities associated with the Group's projects are undertaken by third-party contractors and sub-contractors. While the Group has historically had access to experienced contractors there can be no guarantee that it will continue to have such access in the future, or that the costs associated with hiring experienced contractors will not increase due to higher levels of competition for their services or otherwise. Furthermore, the Group's property developments are complex, and in addition to its reliance on the main contractors who oversee their construction and assist in elements of the design and planning process, the Group is also dependent on access to numerous specialist sub-contractors to complete its projects in accordance with its high standards. Accordingly, there can be no assurance that the quality of construction of the Group's completed and ongoing projects will be maintained on its future projects, particularly if the Group has difficulty accessing the specialist sub-contractors that it requires and especially in light of recent bankruptcies or defaults of contractors and sub-contractors. Although the Group believes that it has a strong reputation for developing high quality projects, any difference in the quality of construction from project to project could adversely affect the Group's brand and have a material adverse effect on its business, results of operations or financial condition.

The Group's contractors typically provide 365-day defects protection against flaws in workmanship or failures in execution methodology for which the contractor is directly liable and generally remain liable for structural defects for a period of 10 years. The contractors are also required to provide extended warranties or manufacturer warranties on certain mechanical, electrical and plumbing equipment, which may vary from two to five years in length. The Group, in turn, typically offers its customers a one-year warranty on the workmanship in their residential unit and all extended warranties or manufacturer warranties it has received from the contractors and generally remains liable for structural defects for a period of 10 years. If a contractor defaults on its warranty or liability in relation to the correction of a workmanship-related or structural defect which is discovered during the relevant period, the Group may not be able to locate another suitably qualified contractor to rectify the defect in a timely manner or at all and may not be able to recover the cost of any repairs from the defaulting contractor. Furthermore, if a significant number of customers encounter workmanship or structural defects and these are not rectified in a timely and satisfactory manner, the Group's reputation may be adversely affected, which could have a material adverse effect on its business, results of operations and financial condition.

The Group has experienced and may continue to experience contract prices that exceed its original budgets which may affect the profitability of its developments

There have been significant increases in commodity and other prices driven by both supply chain disruptions caused by the COVID-19 pandemic and increased international uncertainty driven by the Russo-Ukrainian War. For example, freight costs continue to increase which has driven up the prices of imported materials and equipment, higher gas supply and other raw material prices have resulted in increased prices of finished materials, a limited number of pre-cast contractors has resulted in higher prices for precast elements and copper and steel prices continue to rise which is driving up the price of related construction materials and finished equipment. Particularly if prices remain high for an extended time and the Group is unable to pass on these increases in full to its customers, this is likely to adversely affect the Group's profitability and margins in future periods.

If the Group's contractors' relationships with their employees deteriorate, the Group may be faced with labour shortages or stoppages, which could adversely affect its ability to develop its projects

The Group's projects may in the future, be impacted by strikes and work stoppages by its contractors' employees. The contractors that the Group engages for the construction of its projects source the majority of their workers from countries outside of the UAE using recruitment agencies. In recent years, the policies and practices with respect to the recruitment, compensation and treatment of construction workers in the UAE and other GCC countries has come under increased scrutiny. While the Group seeks to impose standards for the compliance with all relevant laws and regulations by its contractors through the Group's agreements with them, the treatment and status of their workers is ultimately outside of the Group's control. The Group's contractors' relations with their employees could deteriorate due to disputes related to the level of wages, accommodation or benefits or their response to changes in government regulation of workers and the workplace. In addition, changes in regulations such as more restrictive visa requirements or immigration laws relating to the employment in Sharjah of unskilled labour could lead to a shortage of workers available to the Group's contractors. As the Group relies heavily on its contractors to provide a high-quality service, any labour shortage or stoppage could adversely affect the Group's ability to complete its projects on time, which could expose the Group to liability and damage its reputation.

The Group is exposed to the risk of default by its contractors

The market for contractors in the UAE has become increasingly difficult driven by price escalation making their existing contracts unprofitable and resulting in contractors failing to pay their employees on a timely basis (which has resulted in strikes and other forms of employee protest) and delaying payments to their suppliers. In addition, an increasing number of bond calls has impacted the affected contractors financially and resulted in their inability to perform contracted work. In mid-2021, Arabtec Construction (which is a major contractor in the MENA region) was declared bankrupt and other bankruptcies and contractor defaults may also occur.

Should one of the Group's contractors or suppliers default on its arrangements with the Group for any reason, including as a result of its bankruptcy or insolvency, or if the Group's relationship with a contractor or supplier deteriorates, the Group may not be able to find a suitably qualified replacement promptly, on similar terms or at all. In addition, any new contractor or supplier may need time to familiarise itself with the ongoing project and may also face significant challenges in obtaining the necessary supplies needed to progress the project, causing a further delay in the completion of the project. The Group may also be

exposed to the risk that the alternative contractor or supplier fails to meet the Group's high standards for workmanship and quality. In addition, some contractors may require licences or permits to work for the Group and there can be no assurance that a successor contractor could be found in a timely manner with the requisite approvals and licences. If any of these events were to occur, it could affect the Group's ability to complete the affected project, which could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group's projects may be subject to delays due to utility and road infrastructure providers' inability to provide required services and connections to its developments within project delivery times

Access to certain of the Group's projects is dependent on the completion of connecting infrastructure, such as roads and utilities for which third party government utilities and agencies are responsible. There can be no assurance that material delays in delivering the Group's projects will not occur as a result of delays in the connection of infrastructure. For example, across the UAE, the demand for electricity, water and gas has increased substantially in the past decade and may continue to increase in the future if the development and population of the UAE continues to expand. The Group's current projects may be delayed and future projects may be hindered due to the inability of utility providers to provide the required levels of water and power generation and connections for these utilities in a timely manner. Any delays in the Group's projects, even when outside the Group's control, may adversely affect the Group's brand and reputation, as well as increase the costs associated with affected projects, and could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group's business model relies on cash from off-plan sales to substantially fund construction, and any significant decrease in the level of these sales could lead to the delay in completion or cancellation of projects

The Group finances its projects principally through borrowings and internally generated cash flows that result primarily from the pre-sale of residential units. The Group may also require financing to fund land acquisitions, initial project development costs and capital expenditures and to support the ongoing development and future growth of its project portfolio.

The Group may not have sufficient capital to undertake future land acquisitions and other investments that it may deem necessary or desirable. Where presales of residential units in a particular project are insufficient to fund its completion, the Group may have to seek external financing. The Group's ability to obtain external financing and the cost of such financing are dependent on numerous factors, including general economic and capital market conditions, interest rates, credit availability from banks or other lenders, investor confidence in the Group and its business focus, the success of the Group's business, provisions of tax and securities laws that may be applicable to the Group's ability to raise capital and political and economic conditions in the UAE. There can be no assurance that additional financing, either on a short-term or long-term basis, will be available or, if available, that the Group will be able to obtain such financing on favourable terms. The Group may also be required to provide security over its assets to obtain any such financing and/or agree to contractual limitations on the operations of its business. An inability to obtain additional financing on terms favourable to the Group or at all could result in defaults on existing contracts, construction delays and damage to the Group's reputation as a reliable contractual counterparty, which, in turn, could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group is exposed to the risk of customers defaulting on their purchase price instalments

The Group begins selling its projects when they are still off-plan. Upon buying a residential unit, the customer contractually agrees to pay the Group the purchase price in instalments on a pre-agreed payment schedule. The cash deposits and subsequent purchase price instalments are used to fund construction of the project. If, due to poor economic conditions, declines in property values or otherwise, a significant portion of customers were to default on paying their subsequent instalments at any particular stage in the construction of a project, the Group would be required to rely on local laws and regulations to seek to recover monies owed, which can be a costly and time-consuming process. If the Group is unsuccessful, and is unable to obtain the relevant funds, this could jeopardise the completion of the project, which could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group's projects could be exposed to catastrophic events or acts of terrorism over which it has no control

The Group's projects could be adversely affected or disrupted by natural disasters (such as earthquakes, floods, tsunamis, hurricanes and fires) or other catastrophic events, including:

- changes to predominant natural weather, hydrologic and climatic patterns, including sea levels;
- major accidents, including chemical, radioactive or other material environmental contamination;
- major epidemics or pandemics affecting the health of persons in the MENA region and travel into the MENA region (for example, see "*– The Group was adversely affected by the measures taken in response to the COVID-19 pandemic*");
- fires resulting from faulty construction materials; and/or
- criminal acts or acts of terrorism.

The occurrence of any of these events at one or more of the Group's projects, or projects in the UAE or MENA region more generally, may cause disruptions to the Group's operations, which could have a material adverse effect on its business, results of operations and financial condition. In addition, such an occurrence may increase the costs associated with the Group's projects, may subject the Group to liability or impact its brand and reputation and may otherwise hinder the normal operation of the Group's projects.

The effect of any of these events on the Group's financial condition and results of operations may be exacerbated to the extent that any such event involves risks for which the Group is uninsured or not fully insured.

The Group relies on its senior management team, certain employees and external sales agencies

The Group relies on its senior management for the implementation of its strategy and its day-to-day operations. The Group's continued success will depend on its ability to continue to retain and attract appropriately qualified personnel, including those with the relevant technical expertise in the real estate development sector, to operate its business. Competition for appropriately qualified technical, marketing and support personnel with the relevant expertise in the property development sector in the UAE is intense, and there can be no assurance that the Group will continue to be able to successfully recruit such personnel. Should the Group experience the loss of one or more of its key members of management or staff and be unable to replace them in a timely fashion (or at all) with other appropriately qualified and experienced individuals, this may result in (among other things): (a) a loss of organisational focus; (b) poor execution of operations and the Group's corporate strategy; and (c) an inability to identify and execute potential strategic initiatives such as future projects. These adverse results could, among other things, reduce potential revenue, expose the Group to downturns in the markets in which it operates and/or otherwise adversely affect the Group's business, results of operations and financial condition.

In addition, as at 31 December 2023, the Group contracted with approximately 434 sales agencies in the UAE and internationally to market its projects, and such agencies were responsible for the sales of more than 66 per cent. of the Group's residential units in 2023. The Group's arrangements with these agencies are non-exclusive and on a commission basis. Although no single agency or group of affiliated agencies accounted for more than 10 per cent. of the Group's sales in 2023, the loss of one or more of the Group's most successful third-party sales agencies could adversely affect its business.

The Group has significant capital expenditure commitments and is likely to continue to have material funding requirements and the availability of financing to the Group may be limited

The Group has incurred, and anticipates that it will in the future, continue to incur, significant capital expenditure and that it may have material funding needs in relation to particular projects or to refinance existing indebtedness. The Group intends to fund its future capital expenditures and its financial obligations (including Arada's obligations to pay amounts due under the Transaction Documents) principally through operating cash flows, borrowings from third parties (including by way of the issue of Trust Certificates, through project financing and using committed bank funding lines) and asset sales (principally developed residential units). The availability of operating cash flow to the Group may, in certain cases, be limited. See

"*—The terms of the Group's current and any future financings may restrict it from entering into certain transactions and/or limit its ability to respond to changing market conditions*" below.

The Group's ability to obtain external financing and the cost of such financing are dependent on numerous factors including general economic and market conditions, international interest rates, credit availability from banks or other lenders, regulatory or central bank policy changes, investor confidence in the Group and the success of its business. There can be no assurance that external financing, either on a short-term or long-term basis and whether to fund new projects or to repay existing financing, will be available or, if available, that such financing will be obtainable on terms that are not onerous to the Group.

In the event that appropriate sources of financing are not available or are only available on onerous terms and the Group does not have sufficient operating cash flow or cash generated from asset monetisation, this could adversely affect the Group's business through increased borrowing costs and reductions in capital expenditure. In addition, the Group may be forced, amongst other measures, to (a) delay or reduce capital expenditures; (b) forgo business opportunities, including new projects and joint ventures; (c) sell assets on less than optimal terms; and/or (d) restructure or refinance all or a portion of its debt on or before maturity.

The terms of the Group's current and any future financings may restrict it from entering into certain transactions and/or limit its ability to respond to changing market conditions

The Group's current financing arrangements contain various covenants that limit its ability to engage in specified types of transactions, including, among other things, its ability to incur or guarantee additional financial indebtedness and/or grant security or create any security interests, in addition to maintaining certain financial ratios. These provisions may restrict the Group's ability to respond to adverse economic conditions, which could have a material adverse effect on its business, results of operations and financial condition.

If the Group fails to satisfy any of its debt service obligations or breaches any related financial or operating covenants, the lender could declare the full amount of the indebtedness to be immediately due and payable and could foreclose on any assets pledged as collateral. In the case of any borrowing by the Group's joint ventures, this failure could arise through actions taken by one or more of the Group's joint venture partners. As a result, any default under any indebtedness to which the Group is party could result in a substantial loss to the Group.

Furthermore, if the Group obtains additional funding in the future, such funding would increase its leverage and could thereby limit its ability to (a) raise further funding or (b) react to changes in the economy or the markets in which the Group operates and/or could prevent the Group from meeting its debt obligations. Additionally, incurring further debt could also, among other things:

- increase the Group's vulnerability to general economic and industry conditions;
- increase the risk that the Group may be unable to pay the interest, profit payments or principal on any outstanding obligations;
- require the Group to provide additional security over certain of its assets;
- require a substantial portion of cash flow from operations to be dedicated to the payment of financing costs and repayment of principal on the Group's indebtedness, thereby reducing its ability to use its cash flow to fund its operations, capital expenditures and future business opportunities;
- restrict the Group from making strategic acquisitions or cause it to make non-strategic divestitures;
- limit the Group's ability to obtain additional financing for working capital, capital expenditures, project development, debt service requirements, acquisitions and general corporate or other purposes; and
- limit the Group's ability to adjust to changing market conditions and place it at a competitive disadvantage compared to its competitors who are less highly leveraged.

Any of the foregoing consequences could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group is required to maintain and renew numerous licences and permits to operate

The Group's operations are required to comply with numerous laws and regulations, both at the Emirati and federal level, and require the maintenance and renewal of commercial licences and permits to conduct its business from the launch of a master plan, through construction to sales and marketing. Because of the complexities involved in procuring and maintaining numerous licences and permits, as well as in ensuring continued compliance with different and sometimes inconsistent Emirati and federal licensing regimes, the Group cannot give any assurance that it will at all times be in compliance with all of the requirements imposed on each of its projects, although the Group is not aware of any material breaches that currently exist. The Group's potential failure to comply with applicable laws and regulations or to obtain and maintain requisite approvals, certifications, permits and licences, whether intentional or unintentional, could lead to substantial sanctions, including criminal, civil or administrative penalties, revocation of the Group's licences and/or increased regulatory scrutiny, and liability for damages. It could also result in contracts to which the Group is a party being deemed to be unenforceable or invalidate or increase the cost of the insurance that the Group maintains for its project portfolio. For the most serious violations, the Group could also be forced to suspend operations until it obtains the required approvals, certifications, permits or licences or otherwise bring its operations into compliance. In addition, any adverse publicity resulting from any compliance failure, particularly as regards the safety of projects, could negatively impact the Group's reputation and have a material adverse effect on its business, results of operations and financial condition.

Furthermore, changes to existing, or the introduction of new laws, regulations or licensing requirements are beyond the Group's control and may be influenced by political or commercial considerations not aligned with the Group's interests. Any such laws, regulations or licensing requirements could adversely affect the Group's business by reducing its revenue and/or increasing its operating costs, and the Group may be unable to mitigate the impact of such changes. Any of these occurrences could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group may incur unanticipated costs related to compliance with health and safety and environmental laws and regulations

The Group has adopted safety standards to comply with applicable laws and regulations, and safety requirements are contractually agreed with the Group's contractors. If the Group and/or its contractors fail to comply with the relevant standards, either or both may be liable for penalties and the Group's business and/or reputation might be materially and adversely affected.

In addition, the Group seeks to ensure that it and its contractors comply with all applicable environmental, health and safety laws. While the Group believes that it is in material compliance with such laws, there can be no assurance that it will not be subject to potential liability, including remediation obligations with respect to contaminated project sites or liability in the event of an accident at one of its projects. If an environmental liability arises in relation to, or an accident occurs at, any project owned or developed by the Group and it is not remedied, is not capable of being remedied or is required to be remedied at the Group's cost, this may have a material adverse effect on the relevant project, the Group's reputation and its business, results of operations and financial condition, either because of the cost implications for the Group or because of disruption to services provided at the relevant project. Moreover, it may result in a reduction of the value of the relevant project or affect the Group's ability to dispose of residential units in such project.

Amendments to existing laws and regulations relating to health and safety standards and the environment may impose more onerous requirements on the Group and subject its developments to more rigorous scrutiny than is currently the case. The Group's compliance with such laws or regulations may necessitate further capital expenditure or subject it to other obligations or liabilities, which could have a material adverse effect on its business, results of operations and financial condition.

The Group may not have adequate insurance to cover potential losses

Although the Group seeks to ensure that its projects are appropriately insured, no assurance can be given that any of its existing insurance policies will be sufficient to cover losses arising from certain events or will be renewed on equivalent, commercially reasonable terms or at all. In addition, given the volatility and complexity of the Group's market, certain types of risks and losses are either uninsurable or uneconomical to insure (for example, among others, risks or losses relating to war, terrorism, geo-political climate, threats to cyber security, currency fluctuation, general economic crisis and inadequate succession planning). Furthermore, it may be difficult to identify appropriate insurance solutions to cover these risks, given the vast variety and complexity of products offered in the insurance market in recent years.

The Group's properties and business could suffer physical damage from fire or other causes, resulting in losses (including loss of future income) that may not be fully compensated by insurance. If the Group experiences an uninsured or uninsurable loss in the future or if any insurance proceeds which it receives are insufficient to repair or replace a damaged or destroyed property, the Group could incur significant capital expenditure and its business results could be materially adversely affected. The Group may also remain liable for any debt or mortgage, indebtedness or other financial obligations related to the relevant project. Any significant insurance claims in respect of incidents at any of its projects could also result in significantly increased insurance premiums or make the relevant insurance more difficult to obtain.

Where the Group experiences an insured-against event, it cannot be certain that the proceeds of insurance which it receives will fully cover its loss including, for example, in the case where a financing document provides that any insurance proceeds should be used to prepay the lenders. The Group's insurance policies may be subject to deductibles or exclusions that could materially reduce the amount that it recovers and, in certain circumstances, the policies could be void or voidable at the option of the insurer. In addition, the Group's insurers may become insolvent and therefore not be able to satisfy any claim in full or at all.

The occurrence of any of these events could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group is dependent on its IT systems, which may fail or be subject to disruption

The Group's operations are dependent on its information technology ("**IT**") systems, and there is a risk that these systems could fail. The Group cannot be certain that its IT systems will be able to support the volumes of online traffic it may experience. Although the Group maintains business continuity procedures and security measures in the event of IT failures or disruption, including backup IT systems for business critical systems, these procedures and measures may not anticipate, prevent or mitigate a network failure or disruption and will not protect against an incident to the extent that there is no alternative system or backed-up data in place.

The Group's staff and its IT systems process sensitive personal customer data (including name, address, bank details and credit card details) and therefore must comply with strict data protection and privacy laws. Such laws and regulations restrict the Group's ability to collect and use personal information relating to customers and potential customers including the use of that information for marketing purposes. The Group is also at risk from cyber-crime. Whilst it has implemented procedures to ensure compliance with the relevant data protection regulations by its employees and third party service providers, and has implemented security measures to help prevent cyber-crime, the Group remains exposed to the risk that sensitive data is wrongfully appropriated, lost or disclosed in breach of applicable regulation. In such a case, the Group could face liability under data protection laws or sanctions by card merchants. This could also result in the loss of customer goodwill and deter new customers which could materially adversely affect the Group's business, results of operations and financial condition.

The Group is exposed to interest rate volatility and inflation

Interest rates are highly sensitive to factors beyond the Group's control, including the interest rate and other monetary policies of governments and central banks where its customers and potential customers are located and in whose currencies the Group borrows. If interest rates increase, the Group will be obliged to pay a higher rate of return on its financing, all of which carries floating rates of return. Paying a higher rate of return on its financing would result in an increase in the Group's finance expense and may have a material adverse effect on its business, results of operations and financial condition.

Interest rates may also impact the attractiveness of real estate as an investment opportunity. If interest rates increase materially, investment in real estate may become less appealing as an alternative to traditional financial investment products and could also deter potential customers from seeking mortgage financing to purchase the Group's properties, which could have a material adverse effect on the Group's business, results of operations and financial condition.

Inflation can also adversely affect the Group's business by increasing its costs for material and labour, which the Group may not be able to subsequently pass on to its customers. Consumer price inflation in the UAE was 0.18 per cent. in 2021, minus 2.0 per cent. in 2022 and 1.6 per cent. in 2023, according to the UAE Federal Competitiveness and Statistics Authority. In addition, inflation is often accompanied by higher interest rates, which could have a negative impact on demand for the Group's properties and the cost of its debt financing. Should inflation or interest rates continue to increase in the future, which may be

likely in light of recent energy and commodity price increases, the Group's business, results of operations and financial condition could be adversely affected by (a) decreasing sales as a result of decreased spending levels; (b) increasing materials, labour and financing costs, and an inability to receive reimbursement from customers for their share of the increased expenses; (c) higher contractual obligations due to exchange rate fluctuations; and/or (d) other cost overruns.

Any infringement of the Group's trademarks and other intellectual property could materially adversely affect its business

The Group relies on brand recognition and the goodwill associated with the Arada brand and the other brands which it is creating, such as Aljada, Masaar, ZAD, Manbat, Wellfit, Jouri Hills, Artal, Yalla and Hungry Wolves. A deterioration of the value of the Arada brand or of any its other brands, whether due to property related issues, customer complaints, adverse publicity, legal action, third party infringements or other factors, could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group may be subject to risks associated with its joint ventures

To allow the Group to acquire land with a minimal upfront cash cost, the Group has entered a number of joint ventures whereby a third party contributes land to the joint venture project for the Group to develop. Such joint ventures may be structured as corporate joint ventures, established as joint venture companies with separate legal personality, or contractual joint ventures, by the signing of a RERA standard form development agreement. As at 31 December 2023, two of the Group's joint ventures were established as joint venture companies with separate legal personality. As at the date of this Base Offering Circular, no corporate joint ventures are being negotiated. However, the development agreements in respect of the Dubai Harbour and DIFC projects are currently being finalised. To the extent the Group enters into these types of joint venture as it grows, co-operation and agreement with its joint venture partners on the projects to be implemented will be essential for the smooth operation and financial success of those projects and the Group's future business.

However, there is a risk that the Group's future joint venture partners may have economic or business interests or goals that are inconsistent with those of the Group, may be unable or unwilling to fulfil their obligations under the relevant joint venture or may experience financial or other difficulties. In addition, disputes with the Group's future joint venture partners could arise that may adversely affect its joint venture projects.

In addition, the Group's ability to expand in the future will continue to depend upon the availability to it of land plots, including plots provided by suitable and willing joint venture partners. The Group cannot give any assurance that it will be successful in establishing any future land plot-based joint ventures or that, once established, any such joint venture will be profitable. If a joint venture is unsuccessful, the Group may be unable to recoup its initial investment. In addition, the Group's inability to realise joint venture opportunities may result in it losing access to premium plots of land which might be developed by its competitors and/or require the Group to incur significant capital expenditure to acquire land plots in the future.

Any of these factors, alone or in combination, could adversely impact the Group's future growth.

Risks Relating to the UAE, the MENA Region and Emerging Markets

The regulatory framework governing the UAE and Sharjah real estate market may be subject to change

The Group cannot predict the contents of any future legislation that is imposed or implemented by the Sharjah Real Estate Registration Department ("**SRERD**"), the Government, the government of other emirates or the Federal Government. While many of the real estate laws and regulations recently implemented, and to be implemented in the future, are intended to improve the real estate markets in Sharjah and the UAE, the effects of the implementation of such laws are often uncertain, there may be difficulties or delays in enforcing them, and there can be no assurance that such laws and regulations will not impose more onerous obligations on the Group or have a material adverse effect on its business, results of operations and financial condition.

Tax changes in the UAE may have an adverse effect on the Group

On 3 October 2022, the UAE introduced a corporate income tax ("**CIT**") on business profits with effect from 1 June 2023.

(Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the "**CIT Law**")). During 2023, the Cabinet of Ministers confirmed that a rate of 9 per cent. will apply to taxable income exceeding AED 375,000. Based on assessments performed in accordance with Article 61 Transition Rules of the CIT Law, Arada's management has determined that there is no significant deferred tax implications and accordingly, no impact has been accounted for in the 2023 Financial Statements. However, the implementation of tax regimes or the amendment of existing tax regimes in the UAE may have a material adverse effect on the Group's business, results of operations and financial condition and if the UAE authorities impose new tax regimes on the Group in addition to the CIT or introduce any other changes in tax laws which made doing business in the UAE less attractive, this may have a material adverse effect on the Group's business, results of operations and financial condition.

Investments in emerging markets are subject to greater risks than more developed markets, including significant political, social and economic risks

All of the Group's operations and assets are located in the UAE. While the UAE has historically not been affected by political instability, there is no assurance that any political, social, economic and market conditions affecting the MENA region generally (as well as outside the MENA region because of interrelationships within the global financial markets) would not have a material adverse effect on the Group's business, results of operations and financial condition.

Specific risks in the UAE and the MENA region that may have a material impact on the Group's business, results of operations and financial condition include:

- an increase in inflation and the cost of living;
- a devaluation in the dirham or any other currency which has an impact on the Group's business;
- external acts of warfare and civil clashes or other hostilities involving nations in the region;
- governmental actions or interventions, including tariffs, protectionism and subsidies;
- difficulties and delays in obtaining governmental or other approvals, new permits and consents for the Group's operations or renewing existing ones;
- potential lack of transparency or reliability as to title to real property;
- cancellation of contractual rights;
- lack of infrastructure;
- expropriation or nationalisation of assets;
- inability to repatriate profits and/or dividends;
- continued regional political instability and unrest, including government or military regime change, riots or other forms of civil disturbance or violence, including through acts of terrorism which could adversely affect the UAE economy;
- military strikes or the outbreak of war or other hostilities involving nations in the region;
- a material curtailment of the industrial and economic infrastructure development that is currently underway across the MENA region;
- increased government regulations, or adverse governmental activities, with respect to price, import and export controls, the environment, customs and immigration, capital transfers, foreign exchange and currency controls, labour policies, land and water use and foreign ownership;

- changing tax regimes, including the imposition of taxes in currently tax favourable jurisdictions, including the UAE;
- arbitrary, inconsistent or unlawful government action, including capricious application of tax laws and selective tax audits;
- limited availability of capital or debt financing; and
- slowing regional and global economic environment.

Any unexpected changes in the political, social, economic or other conditions in the UAE or its neighbouring countries may have a material adverse effect on the Group's business, results of operations and financial condition. It is not possible to predict the occurrence of events or circumstances such as or similar to those outlined above or the impact of such occurrences and no assurance can be given that the Group would be able to sustain its current profit levels if such events or circumstances were to occur.

Investors should also be aware that emerging markets are subject to greater risks than more developed markets, including in some cases significant legal, economic and political risks. Accordingly, investors should exercise particular care in evaluating the risks involved and must decide for themselves whether, in light of those risks, their investment is appropriate. Generally, investment in developing markets is only suitable for sophisticated investors who fully appreciate the significance of the risks involved.

Legal and regulatory systems may create an uncertain environment for investment and business activities

The UAE's institutions and legal and regulatory systems are not yet as fully matured and as established as those of Western Europe and the United States. Existing laws and regulations may be applied inconsistently with anomalies in their interpretation or implementation. Such anomalies could affect the Group's ability to enforce its rights under its contracts or to defend its business against claims by others. Changes in the UAE legal and regulatory environment, including in the ability of non-UAE residents to own property, in zoning, planning or construction regulations or building codes, in labour, welfare or benefit policies or in tax regulations could have a material impact on the Group's business.

UAE visa legislation may have an adverse effect on the Group's business

A federal decision No. 281 of 2009 issued by the Minister of the Interior in May 2009 (the "**Visa Resolution**"), which came into effect on 1 June 2009, standardised the terms of residency permits issued to expatriate residential property owners across the UAE. The Visa Resolution allows expatriate property owners to apply for renewable multiple-entry visas with a validity of six months. The residency permit does not entitle the holder to work in the UAE and is in effect a long-term visit visa. In order to successfully apply for the new permit, expatriate property owners must satisfy certain criteria, including a minimum property valuation of at least AED 1 million, earning thresholds and the maintenance of appropriate insurance. While the Visa Resolution was passed with the intention of standardising the previous rules and stimulating the domestic real estate market, it is not possible to assess whether the Visa Resolution has had a positive or negative effect on levels of foreign investment in the UAE residential property market. The UAE federal government has introduced other new visa measures to make the UAE more appealing to investors, entrepreneurs, skilled personnel and outstanding students, including the 10-year 'Golden' visa. However, any restrictive changes to the UAE's visa policies in the future may discourage foreign nationals from investing in property in the UAE, which would have an adverse effect on the Group's business, results of operations and financial condition.

Risk Factors Relating to the Lease Assets

Limitations relating to the indemnity provisions under the Purchase Undertaking and the Master Declaration of Trust

Arada has undertaken in the Purchase Undertaking and the Master Declaration of Trust that (i) if, at the time of delivery of the exercise notice in accordance with the provisions of the Purchase Undertaking, Arada remains in actual or constructive possession, custody or control of all or any part of the Lease Assets, the Certificateholder Put Right Lease Assets, the Tangibility Event Certificateholder Put Right Lease Assets or the Change of Control Put Right Lease Assets (each as defined in the Purchase Undertaking), as the case may be; and (ii) if, following delivery of the exercise notice in accordance with the provisions of the

Purchase Undertaking, the relevant Exercise Price, the Certificateholder Put Right Exercise Price, the Tangibility Event Put Right Exercise Price or the Change of Control Exercise Price, as the case may be, is not paid in accordance with the provisions of the Purchase Undertaking for any reason whatsoever, Arada shall (as an independent, severable and separately enforceable obligation) fully indemnify the Trustee for the purpose of redemption in full of the Trust Certificates then outstanding or the Certificateholder Put Right Trust Certificates, the Tangibility Event Certificateholder Put Right Trust Certificates or the Change of Control Put Right Trust Certificates (each as defined in the Purchase Undertaking), as the case may be, and, accordingly, the amount payable under any such indemnity claim will equal the Exercise Price, the Certificateholder Put Right Exercise Price, the Tangibility Event Certificateholder Put Right Exercise Price or the Change of Control Exercise Price, as the case may be.

Subject to the satisfaction of the conditions in (i) and (ii) as described above, if Arada fails to pay the Exercise Price, the Certificateholder Put Right Exercise Price, the Tangibility Event Put Right Exercise Price or the Change of Control Exercise Price, as the case may be, in accordance with the Purchase Undertaking, the Delegate (on behalf of the Certificateholders) may, subject to the matters set out in Condition 14 (*Dissolution Events*) and the terms of the Master Declaration of Trust, seek to enforce, *inter alia*, the provisions of the Purchase Undertaking and the Master Declaration of Trust against Arada by commencing legal or arbitral proceedings.

However, investors should note that, in the event that Arada does not remain in actual or constructive possession, custody or control of all or any part of the Lease Assets, the Certificateholder Put Right Lease Assets, the Tangibility Event Certificateholder Put Right Lease Assets or the Change of Control Put Right Lease Assets, as the case may be, at the time of delivery of the exercise notice in accordance with the provisions of the Purchase Undertaking, the condition in (i) as described above will not be satisfied and, therefore, no amounts will be payable by Arada under the separate indemnity provisions. For the avoidance of doubt, no investigation has been or will be made by the Trustee, the Arrangers, the Dealers or the Delegate as to whether Arada has or will continue to have actual or constructive possession, custody or control of any Lease Assets.

Accordingly, in such event, the Delegate (on behalf of the Certificateholders) may be required to establish that there has been a breach of contract by Arada and to prove for damages. Such breach of contract may be due to (i) a breach by Arada of the requirement to purchase the Trustee's rights, title, interests, benefits and entitlements, present and future, in, to and under the Lease Assets on the relevant Dissolution Date pursuant to the provisions of the Purchase Undertaking; and/or (ii) a breach by Arada (acting in its capacity as Lessee pursuant to the provisions of the Master Lease Agreement) of its undertaking to maintain actual or constructive possession, custody or control of all of the Lease Assets.

As a result, the Delegate (on behalf of the Certificateholders) may not be able to recover, or may face significant challenges in recovering, an amount equal to the Exercise Price, the Certificateholder Put Right Exercise Price, the Tangibility Event Put Right Exercise Price or the Change of Control Exercise Price, as the case may be, and in turn, the amount payable to the Certificateholders upon redemption.

Ownership of the Lease Assets

In order to comply with the requirements of *Shari'a*, an ownership interest in the Lease Assets should pass to the Trustee under the Master Purchase Agreement, as supplemented by the relevant Supplemental Purchase Agreement (together, the "**Purchase Agreement**") and the Trustee will lease the Lease Assets to Arada under the Master Lease Agreement, as supplemented by the relevant Supplemental Lease Agreement. The Trustee will declare a trust in respect of the Lease Assets and the other Trust Assets in favour of the Certificateholders of the relevant Series pursuant to the Master Declaration of Trust, as supplemented by the relevant Supplemental Declaration of Trust. Accordingly, from a *Shari'a* perspective, Certificateholders should, through the ownership interest obtained by the Trustee pursuant to the terms of the Purchase Agreement, have an undivided ownership interest in the relevant Lease Assets.

Limited investigation or enquiry will be made and limited due diligence will be conducted in respect of any Lease Assets. The Lease Assets will be selected by Arada, and the Certificateholders, the Trustee, the Arrangers, the Dealers, the Delegate and the Agents will have no ability to influence such selection. Only limited representations will be obtained from Aljada Developments LLC, Masaar Developments LLC and Arada in respect of the Lease Assets. Although Aljada Developments LLC, Masaar Developments LLC and Arada have undertaken in the Master Purchase Agreement to do all acts or things as may be reasonably requested by the Trustee or required by applicable law to implement the intended purpose of the Master Purchase Agreement or otherwise to preserve or enforce the Trustee's rights under the Master Purchase

Agreement, the parties have acknowledged that the title to the Lease Assets is not intended to be registered (to the extent registrable) in the name of the Trustee and the relevant seller shall hold the registered title to the relevant Lease Assets for and on behalf of the Trustee. Therefore, other than from a *Shari'a* perspective, Certificateholders shall not have any legal interest in any Lease Assets which require perfection in order to legally transfer any ownership interest therein.

Transfer, possession, custody or control of the Lease Assets

Limited investigation has been or will be made by Arada, the Trustee, the Arrangers, the Dealers or the Delegate as to whether any interest in any Lease Assets may be transferred as a matter of the law of the jurisdiction where such assets are located or any other relevant law and no investigation has been or will be made by the Trustee, the Arrangers, the Dealers or the Delegate as to whether Arada is in actual or constructive possession, custody or control of any Lease Assets.

The occurrence of a Loss Event could result in the Trust Certificates being redeemed early

If a Partial Loss Event occurs with respect to the Lease Assets of a Series, the Lessee may, within 30 days after the Partial Loss Event (and provided that the relevant Lease Assets have not already been replaced in accordance with the Servicing Agency Agreement), deliver to the Lessor a Partial Loss Termination Notice, pursuant to which the Lease shall terminate on the 61st day after the date of the Partial Loss Event. If the Lessee does not serve a termination notice within 30 days after the Partial Loss Event and the relevant Lease Assets have not been replaced within 60 days after the date of the Partial Loss Event, the Lease shall automatically terminate on the 61st day after the Partial Loss Event occurred and such termination of the Lease in either of the circumstances set out in this paragraph shall constitute an Arada Event, following which the Trust Certificates of the relevant Series may be redeemed in full in accordance with the Conditions.

Upon the occurrence of a Total Loss Event, the Lease shall automatically terminate and, unless the Lease Asset(s) is/are replaced as provided in the Servicing Agency Agreement by no later than the 60th day after the occurrence of the Total Loss Event, the Trust Certificates shall be redeemed in full by no later than the close of business in London on the 61st day after the occurrence of the Total Loss Event (or, if such date is not a Payment Business Day, on the immediately following Payment Business Day). If, following the occurrence of a Total Loss Event, the Lease Asset(s) is/are replaced as provided in the Servicing Agency Agreement, the Trust Certificates of the relevant Series shall not be redeemed early as a result of the relevant Total Loss Event and Certificateholders will receive profit that would have otherwise accrued (had a Total Loss Event not occurred) only on the next Periodic Distribution Date following the acquisition of Replacement Lease Asset(s).

Certificateholders should note that, in circumstances where (a) rental has ceased to accrue under the Lease Agreement and profit has ceased to accrue under the Trust Certificates and (b) a Periodic Distribution Date falls on a day after the occurrence of a Total Loss Event but before the date on which Replacement Lease Assets are acquired by the Trustee (if any), they will receive, on such Periodic Distribution Date, only part of the Periodic Distribution Amounts that would have otherwise been due to them and will receive the Periodic Distribution Amounts that would have otherwise accrued (had a Total Loss Event not occurred) only on the next Periodic Distribution Date following the acquisition of such Replacement Lease Assets by the Trustee, or, if earlier, on the date on which the Trust Certificates are dissolved in accordance with the Conditions.

The occurrence of a Tangibility Event may have a significant adverse effect on the liquidity and market value of the Trust Certificates

Following the occurrence of a Tangibility Event, the Certificateholders will be promptly notified: (a) that a Tangibility Event has occurred; (b) that, as determined in consultation with the *Shari'a* Adviser, the Trust Certificates should be tradable only in accordance with the *Shari'a* principles of debt trading (such as the principle that debt is to be traded against tangible assets and/or eligible commodities on a spot settlement basis); (c) that, on the date falling 15 days following the Tangibility Event Put Right Date, the Trust Certificates will be delisted from any stock exchange on which the Trust Certificates have been admitted to trading; and (d) the Tangibility Event Put Period, during which period any Certificateholder shall have the option to require the redemption of all or any of its Trust Certificates. Upon receipt of such notice, the Certificateholders may elect, within the Tangibility Event Put Period, for all or any of their Trust Certificates to be redeemed in accordance with the Conditions. Accordingly, a Tangibility Event may have a significant adverse effect on the liquidity and market value of the Trust Certificates.

Risk Factors Relating to the Trust Certificates

The Trust Certificates are limited recourse obligations

The Trust Certificates are not debt obligations of the Trustee. Instead, the Trust Certificates represent an undivided ownership interest solely in the Trust Assets. Recourse to the Trustee in respect of the Trust Certificates is limited to the Trust Assets and the proceeds of such Trust Assets are the sole source of payments on the Trust Certificates. Upon the occurrence of a Dissolution Event, the sole rights of each of the Delegate and, through the Delegate, the Certificateholders, will be against Arada to perform its obligations under the Transaction Documents to which it is a party. Certificateholders will have no recourse to any assets of the Trustee or Arada in respect of any shortfall in the expected amounts due under the Trust Assets. Arada is obliged to make certain payments under the Transaction Documents to which it is a party directly to the Trustee, and the Delegate will have recourse against Arada to recover such payments due to the Trustee pursuant to the Transaction Documents to which it is a party. In the absence of default by the Delegate, investors have no recourse to Arada and there is no assurance that the net proceeds of any enforcement action with respect to the Trust Assets (which, as described above, will be by way of enforcing each of Arada's and the Trustee's respective obligations under the Transaction Documents to which they are a party) will be sufficient to make all payments due in respect of the Trust Certificates. After enforcing the rights in respect of the Trust Assets (in the manner described above) and distributing the net proceeds of such Trust Assets in accordance with Condition 6.2 (*Application of Proceeds from the Trust Assets*), the obligations of the Trustee in respect of the Trust Certificates shall be satisfied and neither the Delegate nor any Certificateholder may take any further steps against the Trustee to recover any further sums in respect of the Trust Certificates and the right to receive any such sums unpaid shall be extinguished. Furthermore, under no circumstances shall the Trustee, the Delegate or any Certificateholder have any right to cause the sale or other disposition of any of the Trust Assets except pursuant to the Transaction Documents. The sole right of the Trustee, the Delegate and the Certificateholders against Arada shall be to enforce the obligation of Arada under the Transaction Documents to which it is a party.

Consents to variation of the Conditions, the Trust Certificates and the Transaction Documents

The Conditions, the Trust Certificates, the provisions of the Declaration of Trust or any other Transaction Document can only be amended by the Trustee and Arada with the prior written consent of the Delegate. The Delegate may agree, without the consent of the Certificateholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the Conditions, the Trust Certificates, the Declaration of Trust or any other Transaction Document or determine, without any such consent or sanction as aforesaid, that any Dissolution Event shall not be treated as such, if, in the opinion of the Delegate:

(a) such modification is of a formal, minor or technical nature; or

(b) such modification is made to correct a manifest error; or

(c) such modification, waiver, authorisation or determination is not, in the sole opinion of the Delegate, materially prejudicial to the interests of Certificateholders and is other than in respect of a Reserved Matter,

provided that, in the case of (c) above, no such modification, waiver, authorisation or determination may be made in contravention of any express direction by Extraordinary Resolution or request in writing by the holders of at least 25 per cent. of the outstanding aggregate face amount of Trust Certificates of the relevant Series.

Any such modification, waiver, authorisation or determination may be made on such terms and subject to such conditions (if any) as the Delegate may determine, shall be binding upon the Certificateholders and shall as soon as practicable thereafter be notified by the Trustee to Certificateholders in accordance with Condition 18 (*Notices*). Further, any such modification, waiver, authorisation or determination in relation to any Trust Certificates may adversely affect their trading price.

Credit ratings assigned to Arada or any Trust Certificates do not reflect all the risks associated with an investment in the Trust Certificates and may be subject to revision or withdrawal

One or more independent credit rating agencies may assign credit ratings to Arada or the Trust Certificates issued under the Programme. The ratings may not reflect the potential impact of all risks related to the

structure, market, additional factors discussed above and any other factors that may affect the value of the Trust Certificates. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, reduction, downgrade, suspension or withdrawal at any time by the assigning rating organisation. The Trustee has no obligation to inform Certificateholders of any revision, reduction, downgrade, suspension or withdrawal of its current or future credit ratings. A revision, reduction, downgrade, suspension or withdrawal at any time of a credit rating assigned to Arada and/or the Trust Certificates may adversely affect the trading price of the Trust Certificates.

In general, European regulated investors are restricted under the EU CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction may also apply in the case of credit ratings issued by non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant non-EEA third country rating agency is certified in accordance with the EU CRA Regulation (and such endorsement action or certification, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by ESMA on its website in accordance with the EU CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Offering Circular.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to: (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended; and (b) transitional provisions that apply in certain circumstances. In the case of third country ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK, of existing pre-2021 ratings, provided the relevant conditions are satisfied.

If the status of the rating agency rating any Trust Certificates changes, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the relevant Trust Certificates may have a different regulatory treatment. This may result in relevant regulated investors selling the Trust Certificates which may impact the value of the Trust Certificates and any secondary market.

Absence of secondary market/limited liquidity

There is no assurance that a secondary market for the Trust Certificates of any Series will develop or, if it does develop, that it will provide the Certificateholders with liquidity of investment or that it will continue for the life of those Trust Certificates. Accordingly, a Certificateholder may not be able to find a buyer to buy its Trust Certificates readily or at prices that will enable the Certificateholder to realise a desired yield. The market value of the Trust Certificates may fluctuate and a lack of liquidity, in particular, can have a material adverse effect on the market value of the Trust Certificates. The Trustee and Arada have applied for Trust Certificates of certain Series to be (i) admitted to trading on the ISM and (ii) admitted to listing on the DFSA Official List and to trading on Nasdaq Dubai. However, prospective investors should note that there can be no assurance that such admission to trading will occur or, if it occurs, can be maintained or that it will enhance the liquidity of the Trust Certificates. Accordingly, the purchase of the Trust Certificates is suitable only for investors who can bear the risks associated with a lack of liquidity in the Trust Certificates and the financial and other risks associated with an investment in the Trust Certificates.

Trust Certificates where denominations involve integral multiples

In relation to any issue of Trust Certificates which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Trust Certificates may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds a face amount of less than the minimum Specified Denomination would need

to purchase an additional amount of Trust Certificates such that it holds an amount equal to at least the minimum Specified Denomination to be able to trade such Trust Certificates.

A holder who holds an amount which is less than the minimum Specified Denomination in his or her account with the relevant clearing system at the relevant time may not receive a definitive Trust Certificate in respect of such holding (should definitive Trust Certificates be printed or issued) and would need to purchase a face amount of Trust Certificates at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination in order to be eligible to receive a definitive Trust Certificate.

If definitive Trust Certificates are issued, holders should be aware that definitive Trust Certificates which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

The Trust Certificates may be subject to early dissolution

An early dissolution feature of any Trust Certificate is likely to limit its market value. During any period when Arada may elect to dissolve Trust Certificates, the market value of those Trust Certificates generally will not rise substantially above the dissolution amount payable. This also may be true prior to any dissolution period.

Arada may be expected to exercise an early redemption option when Arada's cost of financing is lower than the profit rate on the Trust Certificates. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective profit rate as high as the profit rate on the Trust Certificates being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

In addition, if the amount payable on the Trust Certificates is required to be increased to include additional amounts in certain circumstances and/or Arada is required to pay additional amounts pursuant to certain Transaction Documents, in each case as a result of certain changes affecting taxation in the Cayman Islands or the UAE (excluding the Emirate of Sharjah) or in each case any political subdivision or any authority thereof or therein having power to tax, the Trustee may redeem all but not some only of the Trust Certificates upon giving notice in accordance with the Conditions.

There is no assurance that the Trust Certificates will be compliant with the principles of Islamic finance

Each of the Internal Shariah Supervision Committee of Emirates NBD Islamic and the Global Shariah Supervisory Committee of Standard Chartered Bank have confirmed that the Transaction Documents are, in their view, compliant with the principles of *Shari'a* as applicable to, and interpreted by, them. However, there can be no assurance that the Transaction Documents or any issue and trading of any Trust Certificates will be deemed to be *Shari'a* compliant by any other *Shari'a* board or *Shari'a* scholars. None of the Trustee, Arada, the Delegate, the Arrangers, the Dealers or the Agents makes any representation to potential investors as to the *Shari'a* compliance of any Trust Certificates and/or any trading thereof, the Transaction Documents or the above pronouncements and potential investors are reminded that, as with any *Shari'a* views, differences in opinion are possible and different *Shari'a* standards may be applied by different *Shari'a* boards. In addition, none of the Delegate, the Arrangers, the Dealers or the Agents will have any responsibility for monitoring or ensuring compliance with any *Shari'a* principles of debt trading (such as the principle that debt is to be traded against tangible assets and/or eligible commodities on a spot settlement basis) referred to in Conditions 11.4 (*Dissolution following a Total Loss Event*) or 11.6 (*Dissolution at the Option of the Certificateholders (Tangibility Event Put Right)*) nor shall it be liable to any Certificateholder or any other person in respect thereof. Potential investors should not rely on the above pronouncements in deciding whether to make an investment in the Trust Certificates and should obtain their own independent *Shari'a* advice as to the compliance of the Transaction Documents and whether the Trust Certificates will meet their individual standards of compliance and the issue and trading of the Trust Certificates with *Shari'a* principles, including the tradability of the Trust Certificates on any secondary market. Questions as to the *Shari'a* compliance of the Transaction Documents or the *Shari'a* permissibility of the issue and the trading of the Trust Certificates may limit the liquidity and adversely affect the market value of the Trust Certificates.

In addition, prospective investors are reminded that the enforcement of any obligations of any of the parties under the Transaction Documents (other than the Master Purchase Agreement, each Supplemental Purchase Agreement, the Master Lease Agreement, each Supplemental Lease Agreement and each Sale Agreement)

or the Trust Certificates shall be, if in dispute, be referred to, and finally resolved by, arbitration under the Arbitration Rules of the LCIA, in London, England. Arada has also agreed under the Transaction Documents to which it is a party (other than the Master Purchase Agreement, any Supplemental Purchase Agreement, the Master Lease Agreement, any Supplemental Lease Agreement and any Sale Agreement) to submit to the jurisdiction of the courts of England at the option of the Trustee or the Delegate (as the case may be). In such circumstances, the arbitrator or court will apply the relevant law of the relevant Transaction Document and/or the Trust Certificates in determining the obligations of the parties.

Risk Factors Relating to Enforcement

Investors may experience difficulty in enforcing arbitration awards and foreign judgments in the UAE

The payments under the Trust Certificates are dependent upon Arada making payments to the Trustee in the manner contemplated under the Transaction Documents. If Arada fails to do so, it may be necessary for an investor to bring an action against Arada to enforce its obligations (subject to the provisions of the Conditions) and/or to claim damages, as appropriate, which may be costly and time consuming.

Furthermore, to the extent that the enforcement of remedies must be pursued in the UAE, it should be borne in mind that there is limited scope for self-help remedies under UAE law and that generally enforcement of remedies in the UAE must be pursued through the courts.

Each of the Master Declaration of Trust, the Agency Agreement, the Servicing Agency Agreement, the Master Murabaha Agreement, the Purchase Undertaking, the Sale and Substitution Undertaking and the Trust Certificates are governed by English law (the "**English Law Documents**") and Arada has agreed, at the option of the Trustee or the Delegate (as the case may be), to submit to the exclusive jurisdiction of the English courts in respect of any dispute, claim, difference or controversy arising out of or in connection with the English Law Documents.

Where an English judgment has been obtained, there is no assurance that Arada has, or would at the relevant time have, assets in the UK against which such a judgment could be enforced. Arada is incorporated in and has its operations and the majority of its assets located in the UAE. Under current UAE law, the UAE courts (including the courts of Sharjah) are unlikely to enforce an English court judgment without re-examining the merits of the claim and may not observe the choice by the parties of English law as the governing law of the transaction. In the UAE, foreign law is required to be established as a question of fact and the interpretation of English law, by a court in the UAE, may not accord with the interpretation by an English court. In principle, courts in the UAE recognise the choice of foreign law if they are satisfied that an appropriate connection exists between the relevant transaction agreement and the foreign law which has been chosen. They will not, however, honour any provision of foreign law which is contrary to public policy, order or morals in the UAE, or to any mandatory law of, or applicable in, the UAE.

The UAE is a civil law jurisdiction and judicial precedents in Sharjah have no binding effect on subsequent decisions. In addition, there is no formal system of reporting court decisions in Sharjah. These factors create greater judicial uncertainty than would be expected in other jurisdictions.

Arada has agreed, unless the option to litigate is exercised, to refer any unresolved dispute in relation to such documents to arbitration under the Arbitration Rules of the LCIA with an arbitral tribunal with its seat in London. The New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958 (the "**New York Convention**") entered into force in the UAE on 19 November 2006. Any arbitration award rendered in London should therefore be enforceable in Sharjah in accordance with the terms of the New York Convention. Under the New York Convention, the UAE has an obligation to recognise and enforce foreign arbitration awards, unless the party opposing enforcement can prove one of the grounds under Article V of the New York Convention to refuse enforcement, or the Sharjah courts find that the subject matter of the dispute is not capable of settlement by arbitration or enforcement would be contrary to the public policy of the UAE.

There is no established track record as to how the New York Convention provisions would be interpreted and applied by the UAE courts in practice and whether the UAE courts will enforce a foreign arbitration award in accordance with the New York Convention (or any other multilateral or bilateral enforcement convention). This is reinforced by the lack of a system of binding judicial precedent in the UAE and the independent existence of different emirates within the UAE, some with their own court systems independent of the federal system, and whose rulings may have no more than persuasive force cross-border. Although there are examples of foreign arbitral awards being enforced in the UAE under the New York

Convention (as described above), there are other cases where the enforcement of foreign arbitral awards have been refused. Federal Decree Law No. 42 of 2022 (the "**Federal Decree Law No. 42 of 2022**") governs the enforcement of foreign arbitral awards. The Federal Decree Law No. 42 of 2022 confirms that arbitral awards issued in a foreign state may be enforced in the UAE and that the conditions for enforcement of foreign arbitral awards set out in the New York Convention shall not be prejudiced by the Federal Decree Law No. 42 of 2022. However, there is no established track record as to how the overlapping provisions of the New York Convention and the Federal Decree Law No. 42 of 2022 will be interpreted and applied by the UAE courts in practice. There remains a risk that notwithstanding the Federal Decree Law No. 42 of 2022 or the terms of an applicable multilateral or bilateral enforcement convention, the UAE courts may in practice still consider and apply the grounds set out in Federal Law No. 6 of 2018 (the "**UAE Arbitration Law**") for enforcement of domestic UAE arbitral awards to the enforcement of any non-UAE arbitral award. The UAE Arbitration Law and the Federal Decree Law No. 42 of 2022 are both new and it is unclear how they will be applied by the UAE courts in practice. Accordingly, there is a risk that a non-UAE arbitral award will be refused enforcement by the UAE courts.

There can be no assurance as to whether the waiver of immunity provided by Arada will be valid and binding under UAE law

Arada has agreed, in the Transaction Documents to which it is a party, that it will not claim and has waived, to the fullest extent possible under applicable law, immunity from suit, execution before judgment or otherwise or other legal process. However, there can be no assurance as to whether such waivers of immunity from execution or attachment or other legal process by it under Transaction Documents to which Arada is a party are valid and binding under the laws of the Emirate of Sharjah and, to the extent applicable therein, the federal laws of the UAE. If the waiver is not valid and binding, there is a risk that the waiver may not be able to be enforced against Arada. As such, Certificateholders may ultimately not be able to enforce Arada's relevant obligations under the Transaction Documents.

Shari'a requirements in relation to interest awarded by a court

In accordance with applicable *Shari'a* principles, each of the Trustee and the Delegate will waive all and any entitlement it may have to interest awarded in its favour by an arbitrator as a result of any arbitration and/or by a court in connection with any dispute under any of the Transaction Documents. Should there be any delay in the enforcement of a judgment or arbitral award given against Arada, judgment interest may accrue in respect of that delay and, as a result of the waiver referred to above, Certificateholders will not be entitled to receive any part of such interest.

Compliance with UAE bankruptcy law may affect Arada's ability to perform its obligations under the Transaction Documents

In the event of Arada's insolvency, UAE bankruptcy law may adversely affect Arada's ability to perform its obligations under the Transaction Documents to which it is a party and, in turn, may adversely affect the Trustee's ability to perform its obligations in respect of the Trust Certificates. There is little precedent to predict how claims by or on behalf of the Certificateholders, the Trustee and/or the Delegate would be resolved, and therefore there can be no assurance that Certificateholders will receive payment of their claims in full or at all in these circumstances.

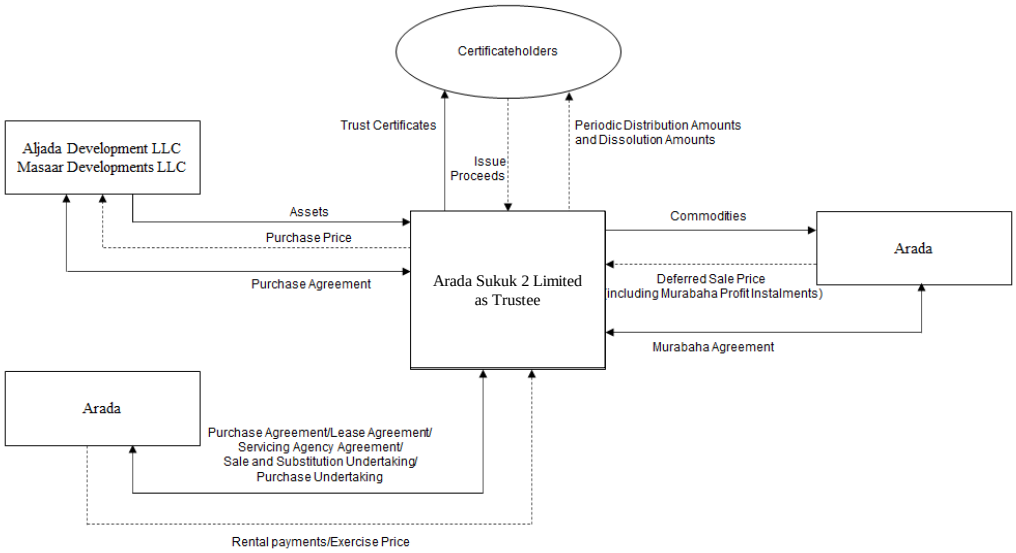
Claims for specific enforcement

In the event that Arada fails to perform its obligations under any Transaction Document to which it is a party, the potential remedies available to the Trustee and the Delegate include obtaining an order for specific enforcement of Arada's obligations or a claim for damages. There is no assurance that a court will provide an order for specific enforcement of a contractual obligation, which is a discretionary matter for the relevant court.

The amount of damages which a court may award in respect of a breach will depend upon a number of possible factors including an obligation on the Trustee and the Delegate to mitigate any loss arising as a result of the breach. No assurance is provided on the level of damages which a court may award in the event of a failure by Arada to perform its obligations set out in the Transaction Documents to which it is a party.

STRUCTURE DIAGRAM AND CASHFLOWS

Set out below is a simplified structure diagram and description of the principal cash flows underlying each Series of Trust Certificates to be issued under the Programme. Potential investors are referred to the Conditions and the detailed descriptions of the relevant Transaction Documents set out elsewhere in this document for a fuller description of certain cash flows and for an explanation of the meaning of certain capitalised terms used below.



Cashflows

Payments by the Certificateholders and the Trustee

On the Issue Date of each Tranche of Trust Certificates, the relevant Certificateholders will pay the issue price (the "**Issue Proceeds**") in respect thereof to the Trustee, and the Trustee will pay:

(a) the Ijara Percentage of the aggregate face amount of the relevant Trust Certificates as specified in the applicable Pricing Supplement (which, in the case of the first Tranche of a Series of Trust Certificates, shall be at least 55 per cent.) as the purchase price (the "**Purchase Price**") payable under the relevant Supplemental Purchase Agreement for the relevant asset(s) comprised of real estate asset(s) located in Sharjah (in the case of the first Tranche of a Series of Trust Certificates, the "**Asset(s)**" or, if applicable, (in the case of each subsequent Tranche of such Series) the "**Additional Asset(s)**"); and

(b) the remaining portion of the Issue Proceeds (if any) equal to the Murabaha Percentage of the aggregate face amount of the relevant Trust Certificate as specified in the applicable Pricing Supplement (which, in the case of the first Tranche of a Series of Trust Certificates, shall be no more than 45 per cent.) in the purchase of commodities to be sold to Arada on a deferred payment basis for an amount specified in a letter of offer and acceptance (the "**Deferred Sale Price**") pursuant to the Master Murabaha Agreement.

On the Issue Date of the first tranche of Trust Certificates, pursuant to the terms of a supplemental lease agreement (the "**Supplemental Lease Agreement**"), the Trustee (acting in its capacity as lessor, the "**Lessor**") shall lease to Arada (acting in its capacity as lessee, the "**Lessee**") and the Lessee shall lease from the Lessor, the Assets (the "**Lease Assets**") during renewable rental periods commencing on the Lease Commencement Date (which shall be the relevant Issue Date) and extending to the Scheduled Dissolution Date in consideration for payment of a periodic rental amount (the "**Rental**"). On the Issue Date of each

subsequent Tranche, the Lessee undertakes to enter into a lease assets amendment agreement in order to reflect the lease of the Lease Assets in existence prior to such Issue Date and the Additional Assets.

Periodic Payments by the Trustee

On each Periodic Distribution Date, the Servicing Agent (on behalf of the Trustee) will apply amounts standing to the credit of a collection account (comprised of a rental payment (pursuant to the relevant Lease Agreement) and an instalment payment of any Profit Amount (as defined in the Master Murabaha Agreement) each as paid by Arada (acting in its relevant capacities under the Lease Agreement and the Master Murabaha Agreement, as applicable, into the Collection Account)) in payment into the relevant Transaction Account of an amount which is intended to be sufficient to fund the Periodic Distribution Amount payable by the Trustee under the Trust Certificates and shall be applied by the Trustee for that purpose.

Dissolution Payments

On the Scheduled Dissolution Date:

(a) the aggregate amounts of the Deferred Sale Price then outstanding, if any, shall become immediately due and payable by Arada; and

(b) the Trustee and the Delegate will have the right under the Purchase Undertaking to require Arada (in its capacity as obligor) to purchase all of its rights, title, interests, benefits and entitlements, present and future, in, to and under the relevant Lease Asset(s) for an amount equal to the Exercise Price.

The Exercise Price payable by Arada (in its capacity as Purchaser) to the Trustee (in its capacity as seller), together with the aggregate amounts of the Deferred Sale Price then outstanding, if any, are intended to fund the relevant Final Dissolution Amount payable by the Trustee under the Trust Certificates.

The Trust may be dissolved prior to the Scheduled Dissolution Date for a number of reasons including: (i) unless the relevant Lease Assets have been replaced in accordance with the Servicing Agency Agreement, upon the occurrence of a Total Loss Event; (ii) upon the occurrence of a Tax Event; (iii) upon the occurrence of a Dissolution Event (as defined herein); (iv) in certain cases where so specified in the applicable Pricing Supplement, at the option of Arada or any Certificateholder; (v) upon the occurrence of a Tangibility Event; (vi) upon the occurrence of a Change of Control; or (vii) if 75 per cent. or more of the aggregate face amount of the Trust Certificates then outstanding of the relevant Series have been redeemed and/or purchased and cancelled pursuant to the Conditions.

In the case of (ii), (iii), (iv), (v), (vi) and (vii) above, the relevant Dissolution Amount will be funded by Arada being required to (A) purchase from the Trustee (or, as the case may be, by the Trustee being required to sell to Arada) the relevant Lease Asset(s) and pay the relevant Exercise Price, the Certificateholder Put Right Exercise Price, the Change of Control Exercise Price or the Tangibility Event Put Right Exercise Price, as the case may be, and (B) pay the aggregate amounts (or the applicable portion thereof, as the case may be) of the Deferred Sale Price then outstanding, if any, in each case to or to the order of the Trustee (pursuant to the terms of the Purchase Undertaking or the Sale and Substitution Undertaking, as the case may be, and the Master Murabaha Agreement, if applicable).

In the case of (i) above, the Dissolution Amount will be funded using (a) any proceeds of Insurances and/or (if applicable) the Loss Shortfall Amount payable in respect of the Total Loss Event, and (b) the aggregate amounts of the Deferred Sale Price then outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published shall be incorporated in, and form part of, this Base Offering Circular:

- the audited consolidated financial statements of Arada as at and for the year ended 31 December 2023 and the independent auditors' report thereon (available at: https://www.arada.com/wp-content/uploads/2024/05/Arada-Developments-LLC-FS-2023.pdf); and

- the audited consolidated financial statements of Arada as at and for the year ended 31 December 2022 and the independent auditors' report thereon (available at: https://www.arada.com/wp-content/uploads/2023/06/Arada-Developments-FS-2022.pdf).

- the audited consolidated financial statements of Arada as at and for the year ended 31 December 2021 and the independent auditors' report thereon (available at: https://www.arada.com/wp-content/uploads/2022/09/Arada-Developments-LLC-FY21-Financial-Statements.pdf).

The above documents shall be incorporated in, and form part of, this Base Offering Circular, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Base Offering Circular to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Offering Circular.

Any information contained in the documents specified above which is not incorporated by reference in this Base Offering Circular is either not relevant to investors or is included elsewhere in this Base Offering Circular.

Copies of the above documents incorporated by reference in this Base Offering Circular may be obtained from the specified office of the Principal Paying Agent during usual business hours.

USE OF PROCEEDS

The net proceeds of each Tranche of Trust Certificates issued under the Programme will be applied by the Trustee pursuant to the terms of the relevant Transaction Documents on the relevant Issue Date in the following proportion: (a) the Ijara Percentage of the aggregate face amount of the Trust Certificates of such Tranche as specified in the applicable Pricing Supplement towards the purchase from Aljada Developments LLC and/or Masaar Developments LLC of all of their respective rights, title, interests, benefits and entitlements, present and future, in, to and under (in the case of the first Tranche) the Asset(s) and, if applicable (in the case of each subsequent Tranche) the Additional Asset(s) pursuant to the relevant Supplemental Purchase Agreement; and (b) if applicable, the Murabaha Percentage of the aggregate face amount of the Trust Certificates of such Tranche as specified in the applicable Pricing Supplement towards the purchase of commodities to be sold to Arada pursuant to the Master Murabaha Agreement.

The proceeds received by Arada in consideration for the transactions entered into with the Trustee as set out above will be applied by Arada to settle existing financings and for its general corporate purposes.

DESCRIPTION OF THE TRUSTEE

General

The Trustee is an exempted company incorporated on 17 October 2023 with limited liability under the Companies Act (as amended) of the Cayman Islands with registered number 404037 whose registered office is at c/o Walkers Fiduciary Limited, 190 Elgin Avenue, George Town, Grand Cayman, KY1-9008, Cayman Islands, and whose telephone number is +1 345 814 7600. The Trustee has been established for the sole purpose of issuing the Trust Certificates under the Programme and entering into the transactions contemplated by the Transaction Documents to which it is a party.

Share Capital

The authorised share capital of the Trustee is U.S.$50,000 divided into 50,000 shares of a nominal or par value of U.S.$1.00 each, 250 of which have been issued. All of the issued shares (the "**Shares**") are fully paid and are held by Walkers Fiduciary Limited as share trustee (the "**Share Trustee**") under the terms of a declaration of trust dated 20 October 2023 (the "**Share Declaration of Trust**") under which the Share Trustee holds the Shares in trust until the Termination Date (as defined in the Share Declaration of Trust) and may only dispose or otherwise deal with the Shares in accordance with the Share Declaration of Trust. Prior to the Termination Date, the trust is an accumulation trust, but the Share Trustee has the power to benefit Charity (as defined in the Share Declaration of Trust). It is not anticipated that any distribution will be made whilst any Trust Certificates are outstanding. Following the Termination Date, the Share Trustee will wind up the trust and make a final distribution to charity. The Share Trustee has no beneficial interest in, and derives no benefit (other than its fee for acting as Share Trustee) from, its holding of the Shares.

The Trustee does not have any subsidiaries.

Business of the Trustee

The Trustee has no prior operating history or prior business and does not and will not have any substantial liabilities other than in connection with the Trust Certificates to be issued under the Programme. The Trust Certificates are the obligations of the Trustee alone and not the Share Trustee.

The principal objects of the Trustee are unrestricted and, as set out in its Memorandum of Association, the Issuer has full power and authority to carry out any object not prohibited by law.

Financial Statements

Since the date of its incorporation, no financial statements of the Trustee have been prepared. The Trustee is not required by Cayman Islands law, and does not intend, to publish audited financial statements.

Directors of the Trustee

The Directors of the Trustee are as follows:

Name	Principal Occupation
Jordan Hebert	Vice President, Walkers Fiduciary Limited
Gennie Bigord	Senior Vice President, Walkers Fiduciary Limited
Linval Stewart	Vice President, Walkers Fiduciary Limited

The business address of Jordan Hebert is at c/o Walkers Professional Services (Middle East) Limited, P.O. Box 506513, Level 14, Burj Daman, Dubai International Financial Centre, Dubai, United Arab Emirates.

The business address of Gennie Bigord is at c/o Walkers Fiduciary Limited, 190 Elgin Avenue, George Town, Grand Cayman, KY1-9008, Cayman Islands.

The business address of Linval Stewart is at c/o Walkers Fiduciary Limited, 190 Elgin Avenue, George Town, Grand Cayman, KY1-9008, Cayman Islands.

Conflicts

There are no potential conflicts of interest between the private interests or other duties of the Directors of the Trustee listed above and their respective duties to the Trustee other than in their capacities as employees of Walkers Fiduciary Limited, the corporate services administrator of the Trustee.

Trustee Administrator

Walkers Fiduciary Limited will also act, or procure that a subsidiary acts, as the corporate service provider of the Trustee. The office of the Trustee Administrator will serve as the general business office of the Trustee. Through the office, and pursuant to the terms of the Corporate Services Agreement, the Trustee Administrator will perform in the Cayman Islands various administrative functions on behalf of the Trustee, including engaging in communications with shareholders and the general public, and the provision of certain clerical, administrative and other services until termination of the Corporate Services Agreement. In consideration of the foregoing, the Trustee Administrator will receive various fees payable by the Trustee at rates agreed upon from time to time, plus expenses. The terms of the Corporate Services Agreement provide that the Trustee may terminate the appointment of the Trustee Administrator by giving one month's notice to the Trustee Administrator or without notice upon the happening of certain stated events, including any breach by the Trustee Administrator of its obligations under the Corporate Services Agreement. In addition, the Corporate Services Agreement provides that the Trustee Administrator shall be entitled to retire from its appointment by giving at least one month's notice in writing.

The Trustee Administrator will be subject to the overview of the Trustee's Directors.

The Trustee Administrator's principal office is c/o Walkers Fiduciary Limited, 190 Elgin Avenue, George Town, Grand Cayman, KY1-9008, Cayman Islands. The Directors of the Trustee are all employees or officers of the Trustee Administrator. The Trustee has no employees and is not expected to have any employees in the future.

SELECTED FINANCIAL INFORMATION

The following information has been extracted from, and should be read in conjunction with, and is qualified in its entirety by reference to, the Financial Statements and should also be read in conjunction with "Financial Review". See also "Presentation of Financial and Other Information" for a discussion of the sources of the numbers contained in this section.

Consolidated Statement of Financial Position

The table below shows the Group's consolidated statement of financial position as at 31 December in each of 2023, 2022, and 2021.

	As at 31 December		
	2023	**2022**	**2021**
		(AED)	
ASSETS			
Property, plant and equipment	673,050,105	432,274,009	271,581,907
Properties held for development and sale	3,893,230,761	3,267,656,334	2,878,797,132
Investment properties	1,294,236,370	732,880,815	571,799,240
Right-of-use assets	430,219,351	71,935,790	40,987,973
Investment in equity accounted investee	36,456,912	45,806,574	25,511,464
Trade, contract and other receivables	2,641,913,827	1,841,826,777	979,867,698
Loan to a related party	44,255,647	14,724,336	6,884,693
Due from related parties	559,171,133	23,611,579	11,410,435
Due from shareholders	102,963,014	-	190,661,111
Cash and bank balances	1,754,498,965	817,602,364	470,292,487
Total assets	**11,429,996,085**	**7,248,318,578**	**5,447,794,140**
EQUITY AND LIABILITIES			
Equity			
Share capital	1,600,000,000	500,000,000	200,000,000
Legal reserve	31,899,275	19,607,801	14,457,801
Retained earnings	538,371,361	386,898,731	412,010,778
Attributable to owners of the company	**2,170,270,636**	**906,506,532**	**626,468,579**
Non-controlling interest	121,989,516	(205,414)	(137,586)
Total equity	**2,292,260,152**	**906,301,118**	**626,330,993**
Liabilities			
Payable to the Government of Sharjah	2,044,543,605	2,248,206,238	2,176,762,689
Borrowings	912,500,000	99,000,000	920,092,369
Sukuk	1,818,118,759	1,633,043,660	—
Advances from customers	1,228,537,130	313,863,810	568,527,109
Trade and other payables	1,704,166,862	1,076,312,046	591,323,425
Lease liabilities	470,119,264	79,487,408	44,258,671
Due to related parties	561,647,842	529,765,619	513,892,584
Due to shareholders	318,987,547	301,998,549	—
Loan from a related party	33,250,000	—	—
Derivative financial instrument	29,159,475	49,424,123	—
Employees' end of service benefits	16,705,449	10,916,007	6,606,300
Total liabilities	**9,137,735,933**	**6,342,017,460**	**4,821,463,147**
Total equity and liabilities	**11,429,996,085**	**7,248,318,578**	**5,447,794,140**

Consolidated Statement of Profit or Loss and Other Comprehensive Income

The table below shows the Group's consolidated statement of profit or loss and other comprehensive income for each of 2023, 2022 and 2021.

	2023	2022	2021
		(AED)	
Revenue	2,769,880,559	2,483,584,177	1,293,391,972
Direct costs	(1,802,745,254)	(1,671,354,938)	(940,715,362)
Gross profit	**967,135,305**	**812,229,239**	**352,676,610**
Other income	48,562,567	60,095,003	49,600,629
General and administrative expenses	(313,811,568)	(177,195,594)	(105,650,704)
Sales and marketing expenses	(278,014,147)	(160,602,703)	(81,291,253)
Gain on re-measurement of development properties on transfer to investment properties	155,648,232	27,470,512	31,983,394
Change in fair value of investment properties	61,956,211	44,010,351	36,481,762
Reversal of/(allowance for) write-down of properties held for development and sale	—	—	8,327,148
Reversal of/(allowance for) impairment of property, plant and equipment	—	—	13,793,499
Impairment recognised on trade receivables and contract assets	—	—	(16,958,111)
Share of results from equity accounted investee	(9,349,662)	20,295,110	1,899,926
Finance cost	(363,169,521)	(290,170,902)	(167,629,159)
Finance income	42,001,617	3,839,109	821,744
Profit for the year	**310,959,034**	**339,970,125**	**124,055,485**
Other comprehensive income	—	—	—
Total comprehensive income for the year	**310,959,034**	**339,970,125**	**124,055,485**
Attributable to:			
Owners of the Company	313,764.104	340,037,953	124,099,108
Non-controlling interest	(2,805,070)	(67,828)	(43,623)
	310,959,034	**339,970,125**	**124,055,485**

Consolidated Statement of Cash Flows

The table below summarises the Group's consolidated statement of cash flows for each of 2023, 2022 and 2021.

	2023	2022	2021
		(AED)	
Operating profit before working capital changes	521,969,829	569,298,395	235,752,852
Net cash generated/(used in) from operating activities	11,647,401	(544,942,309)	282,495,857
Net cash used in investing activities	(1,255,979,290)	(440,875,705)	(155,073,094)
Net cash generated from financing activities	1,731,138,490	1,153,127,222	272,602,509
Net increase/(decrease) in cash and bank balances	486,806,601	167,309,208	400,025,272
Cash and bank balances at the beginning of the year	617,602,364	450,293,156	50,267,884
Cash and bank balances at the end of the year	1,104,408,965	617,602,364	450,293,156

Selected Alternative Performance Measures

The table below shows selected consolidated ratios for the Group as at, and for the years ended, 31 December in each of 2023, 2022 and 2021.

	As at/years ended 31 December		
	2023	2022	2021
	(AED, except percentages)		
EBITDA[(1)]	723,312,419	655,957,528	307,666,701
Adjusted EBITDA[(1)]	505,707,976	584,476,655	217,080,898
Gross profit margin[(2)]	34.9	32.7	27.3
Net profit margin[(3)]	11.2	13.7	9.6

Notes:
(1) For a reconciliation of EBITDA and Adjusted EBITDA to profit for the year, see "– *EBITDA and Adjusted EBITDA*" below.
(2) Calculated as gross profit divided by revenue and expressed as a percentage.
(3) Calculated as profit for the year divided by revenue and expressed as a percentage.

EBITDA and Adjusted EBITDA

The table below shows a reconciliation of the Group's EBITDA and Adjusted EBITDA to its profit for the year for each of 2023, 2022 and 2021.

	2023	2022	2021
		(AED)	
Profit for the year	310,959,034	339,970,125	124,055,485
Add: Finance cost	363,169,521	290,170,902	167,629,159
Less: Finance income	(42,001,617)	(3,839,109)	(821,744)
Add: Depreciation	91,185,481	29,655,610	16,803,801
EBITDA	**723,312,419**	**655,957,528**	**307,666,701**
Add/less: Gain on re-measurement of properties held for development and sale to investment property	(155,648,232)	(27,470,512)	(31,983,394)
Add/less: Change in fair value of investment property	(61,956,211)	(44,010,351)	(36,481,762)
Add/less: Impairment/reversal on properties held for development and sale	—	—	(8,327,148)
Add/less: Impairment/reversal on property, plant and equipment	—	—	(13,793,499)
Adjusted EBITDA	**505,707,976**	**584,476,655**	**217,080,898**

Certain Operating Data

The table below shows the Group's sales of residential units at Nasma Residences, Aljada, Masaar and in total at all three projects in AED millions and by number of units sold for each of the years indicated.

Sales	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**Total**
Nasma Residences								
AED millions	227.6	299.0	296.1	403.8	181.2	61.1	57.8	1,469.5
No. of units	172	238	233	305	128	41	41	1,116
Aljada								
AED millions	157.6	462.6	763.0	1,107.4	1,012.5	952.5	1,530.5	5,684.6
No. of units	368	1,118	2,263	1,780	1,725	1,266	1,370	9,382
Masaar								
AED millions	—	—	—	—	1,065.9	2,260.6	3,547.6	6,597.5
No. of units	—	—	—	—	514	935	1,164	2,508
Jumeirah Golf Estates								
AED millions	—	—	—	—	—	162.8	1,885.3	2,044.2
No. of units	—	—	—	—	—	26	249	274
Total								
AED millions	385.2	761.6	1,059.1	1,511.2	2,259.6	3,437.1	7,021.3	15,796
No. of units	540	1,356	2,496	2,085	2,367	2,268	2,824	13,280

The table below shows the Group's scheduled delivery of residential units by project as at 31 December 2023 for each of the years indicated.

The variability in the number of units delivered from year to year reflects the timing of launches of new phases and the timing of the construction and delivery of those phases.

	2024	2025	2026
		(Number of units)	
Aljada	923	3,628	1,755
Jumeirah Golf Estate	—	—	294
Masaar	986	602	345
Total	**1,909**	**4,230**	**2,394**

FINANCIAL REVIEW

The following discussion and analysis should be read in conjunction with the information set out in "Presentation of Financial and Other Information", "Selected Financial Information" and the Financial Statements.

The discussion of the Group's financial condition and results of operations is based upon the Financial Statements which have been prepared in accordance with IFRS. This discussion contains forward-looking statements that involve risks and uncertainties. The Group's actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those discussed below and elsewhere in this Base Offering Circular, particularly under the headings "Cautionary Statement Regarding Forward-Looking Statements" and "Risk Factors".

See "Presentation of Financial and Other Information" for a discussion of the source of the numbers presented in this section and certain other relevant information.

Overview

Arada is the largest property developer in the Northern Emirates of the UAE with a compound annual growth rate in the value of properties sold of 63.2 per cent. in the six years to 31 December 2023 and an existing development portfolio (including delivered projects) valued at AED 56.2 billion as at 31 December 2023 (compared to AED 39.6 billion as at 31 December 2022).As at 31 December 2023, Arada had nearly 3.6 million square metres of plot area planned for development which will deliver more than 30,000 units of which more than 14,000 residential units have been launched and more than 13,000 sold.

Arada was founded in 2017 by H.R.H Khalid Bin Alwaleed Bin Talal, who holds 60 per cent. of the shares through Corp KBW Investments LLC ("**KBW**"), and H.R.H. Sheikh Sultan bin Ahmed Al Qasimi, who holds 40 per cent of the shares through Basma Group LLC ("**Basma**"), with the intention of creating master-planned communities in the UAE. Arada's focus is on delivering beautiful homes, using sustainable building practices and smart technology wherever possible, surrounded by attractive facilities, for a competitive price and it is dedicated to putting the needs of its customers first. Prioritising its customers allows Arada to do more and do better – for buyers, partners, stakeholders and the communities it serves.

Arada's initial focus has been on Sharjah, where it has three communities completed or under development and in recent years, the Group has launched / plans to launch three developments in Dubai. These projects are further described in "*Description of the Group's Business—Business—Projects*".

Arada is funding the construction of its developments through equity, bank loans, the proceeds from sales of residential units in its developments and more recently, the issuance of sukuk.

Arada's strategic goal is to deliver world-class communities while prudently expanding the Group's footprint. It aims to achieve this goal through ensuring that its developments are de-risked as far as is possible, increasingly diversifying its cash flows and expanding the sources of finance which it is able to access.

Principal Factors Affecting Results of Operations

The following is a discussion of the principal factors that have affected, or are expected to affect, the Group's results of operations.

Factors affecting revenue

The Group's principal source of revenue in each of 2023, 2022 and 2021 was proceeds from the sale of residential units constructed on its behalf. Residential units are periodically launched for sale and sold off-plan prior to their construction, with the sales proceeds being paid in instalments over the period of construction.

The Group begins recognising individual residential unit sales as revenue in its consolidated statement of profit or loss and other comprehensive income based on the progress of construction on the relevant development in accordance with IFRS. The Group continues to recognise revenue over the life of the development on a percentage of completion basis.

In terms of cash collections, customers make payments according to the terms of the relevant purchase contract. Collection during the construction period is approximately 20 to 30 per cent. of the purchase price and comprises the initial deposit and additional payments due on specified dates, with the final payment due upon handover of the completed unit.

The table below shows the Group's units sold and completed and the sales value collected and revenue recognised in each year since 2019.

	2019	2020	2021	2022	2023
No. of units sold	2,496	2,085	2,367	2,268	2,824
Total sales value collected (*AED million*)	603	842	1,150	1,369	2,906
Construction completed (*no. of units*)	107	861	1,205	3,982	2,610
Revenue recognised (*AED million*)	550	1,113	1,284	2,430	2,641

Reflecting the above, the Group's revenue in each year has been driven by its off-plan sales of residential units and the progress of construction of those units. As a result, the Group's sales backlog, together with the construction schedules for its projects, provide it with visibility over its revenue in the short- and medium-term. However, the conversion of the Group's sales backlog to revenue and then to cash is ultimately dependent upon the timely and successful completion of the construction of its projects. The Group frequently experiences construction delays in the ordinary course of business and, while such delays may be made up in subsequent stages of a project, delays can have a significant impact on the associated timing of revenue recognition, which could lead to potentially significant fluctuations in the Group's financial results on a periodic basis. This is particularly true with respect to high value projects, where even a small delay in construction progress can result in delays in large amounts of revenue being recognised. See "*Risk Factors—Risk factors relating to the Group's business and Arada's ability to fulfil its obligations under the Transaction Documents—The Group's projects may be delayed, suspended, terminated or materially changed in scope, resulting in delayed recognition of revenue and damage to its reputation*".

The table below shows the Group's expected revenue recognition from its sales backlog as at 31 December 2023, by relevant project, over the years indicated.

	2024	2025	2026
		(AED million)	
Aljada	1,020	656	87
Jumeirah Golf Estates	1,124	633	245
Masaar	2,128	2,022	97
Total	**4,272**	**3,312**	**430**

Pricing and sales

The sales prices the Group achieves on its projects have a significant impact on its levels of revenue, gross profit and margins. The Group operates in a global market of premium property buyers and investors from around the world; however, the majority of its ongoing launched projects are located in Sharjah (with one project ongoing in Dubai and two in the pre-launch phase). The property and construction markets in the UAE are affected by macroeconomic factors that are beyond the Group's control, such as real estate market conditions generally, changes in interest rates, consumer spending, inflation rates, real estate taxes, and the availability and cost of financing.

The residential real estate development market in the UAE is competitive and this competition may affect the Group's ability to sell its projects at expected prices. The Group targets the prime residential real estate segment with prime locations, superior build quality and finishes and high-quality amenities provided as part of its integrated lifestyle master-planned communities. The Group's competitors may lower their pricing for developments which are comparable to those which the Group is selling, which could result in downward pressure on its pricing. The extent to which the Group's sales team creates demand for its projects also has a direct impact on the prices the Group can achieve. In addition to detailed sales and marketing plans that aim to optimise the prices the Group is able to achieve for its residential units over the life of a project, the Group strategically retains a certain percentage of residential units in particular projects for sale after the initial launch in order to maximise average selling prices and sustain demand.

Sales prices typically increase over the course of the project development process, both at the development and master plan levels. Residential units available in early stage launches are sold at comparatively lower prices to create demand. Higher priced residential units are sold as the project matures, and the Group introduces periodic price increases across its residential units as construction progresses to reflect the

decrease in supply. For example, between 2019 and 2021, the Group recorded increases in the average per square foot selling prices of its units at the different phases of its Aljada development ranging between 3.4 per cent. and 17.0 per cent. and at the different phases of its Nasma development ranging between 2.7 per cent. and 6.8 per cent.

The Group targets an average gross margin for its projects of approximately 37 per cent. for mid- and high-rise developments and 44 per cent. for low-rise developments. Its gross margin tends to be lower in the early stages of project development, as lower priced residential units are sold first to activate the project site, and then increases over the course of completion of the project to achieve the targeted overall gross margin. As at 31 December 2023, the Group had an inventory of approximately 88 completed and unsold residential units, with an expected sales value of approximately AED 49 million and an expected gross profit margin of 41 per cent. based on current pricing for these developments.

Different project types produce different profitability profiles. The Group's projects contain different types and configurations of residential living arrangements, including villas, townhouses and apartments (including serviced apartments). In addition to the configurations themselves and the type of development in which they are located (for example, single family home, low-rise or high-rise building, branded building, serviced apartment building), the location of the project and its amenities also have an impact on the prices of the units and, consequently, the margins that the Group is able to achieve.

Cost control

The Group's profit margins are directly correlated to its ability to manage its costs and to make cost-effective purchasing decisions. The most important factor in this regard is the Group's proactive approach to procurement, including its tender management process. The Group leverages its scale across its project portfolio to ensure the best possible terms for procurement of key components and services. The Group has well developed systems in place to maintain its target margins and enhance its operational and financial performance through the management of construction costs and the performance of its contractors. The Group manages the performance of its contractors through a pre-qualification process that comprises both technical and financial elements. The Group places limits on variation orders and changes from its original approved designs, and construction progress and quality is monitored by third-party supervision consultants. Project contracts are lump-sum and awarded at a fixed price, and the Group requires a performance bond equal to 10 per cent. of the contract sum at the time the contract is awarded. The Group's standard form contracts allow it to trigger early termination clauses in the case of non-performing contractors. In addition, the Group spends considerable time in the design phase to ensure that building efficiencies are maximised, including through value engineering processes that allow it to continue to add units to developments as they are being constructed to ensure maximum cost efficiency.

In addition to the efficiencies realised through the Group's procurement and tender oversight processes, the Group's costs and margins are also impacted by raw material and basic input costs which are tied to international commodities prices and thus can fluctuate widely at different points in the economic cycle. The principal raw materials used in construction of the Group's projects are cement, which is procured locally from within the UAE, and steel, which is primarily imported by ship from locations such as India and China. Aluminium and glass are the other principal building components which are also imported from countries in the region. There is a tendency for movements in building prices to partially correlate to movements in raw material prices. The Group's construction contracts are tendered on a fixed price basis, which insulates it from increases in material costs during the course of a particular development.

Reversal of write-down of properties held for development and sale

In 2021, the Group reversed AED 8.3 million of a write-down made in 2019, principally reflecting infrastructure development undertaken on the Aljada land and improved market conditions.

Evolving mix of revenue streams

The Group is seeking to diversify its revenue streams. As part of this strategy, the Group established Wellfit in October 2020. Wellfit currently operates one of the largest fitness centres in the UAE (a 60,000 square foot facility in Dubai) as well as other fitness centres within its developments and elsewhere. As at 31 December 2023, the Group operated 6 fitness centres across the UAE.

The Group has also partnered with SABIS to run its school in Aljada. This school opened in September 2021. The Group plans to deliver two more schools in Aljada on a built to suit long-term rental model and,

in addition, the Group is building a portfolio of retail assets and currently owns and leases 162 retail units, which were 96 per cent. occupied as at 31 December 2023.

Significant Accounting Policies

The Financial Statements have been prepared in accordance with IFRS. For a discussion of the significant accounting policies applied by the Group generally, see note 3 to the 2023 Financial Statements.

Critical Accounting Judgments and Estimates

In preparing the Group's financial statements, management is required to make certain estimates, judgments and assumptions. These affect the reported amounts of the Group's assets and liabilities, including disclosure of contingent assets and liabilities, at the date of the financial statements as well as the reported amounts of its revenues and expenses during the periods presented. Management bases its estimates and assumptions on historical experience and other factors that it believes to be reasonable at the time the estimates and assumptions are made and evaluates the estimates and assumptions on an ongoing basis. However, future events and their effects cannot be predicted with certainty and the determination of appropriate estimates and assumptions requires the use of judgment. Actual outcomes may differ from any estimates or assumptions made and such differences may be material to the financial statements. For a discussion of the most significant accounting estimates, judgments and assumptions made in the preparation of the Group's financial statements, see note 34 to the 2023 Financial Statements, which identifies the following nine factors:

- useful lives and depreciation of property, plant and equipment;
- impairment loss on receivables;
- write down of properties held for development and sale;
- valuation of investment properties; and
- revenue from contracts with customers.

Results of Operations

Revenue

The Group's revenue is principally derived from the sale of residential units and is recognised in accordance with IFRS 15 over the period of construction. In addition, the Group recorded AED 38.8 million revenue from lease properties in 2023 (compared to AED 5.8 million in 2022), being retail units it has retained in its development, and AED 89.3 million other revenue in 2023 (compared to AED 47.6 million in 2022) which includes revenue earned from other services including income from educational services, facility management services and gym membership fees.

The table below shows the Group's revenue in each of 2023, 2022 and 2021.

	2023	2022	2021
		(AED)	
Revenue	2,769,880,559	2,483,584,177	1,293,391,972

The Group's revenue amounted to AED 2.8 billion in 2023 compared to AED 2.5 billion in 2022 and AED 1.3 billion in 2021.

The increase of AED 286.3 million, or 11.5 per cent. in the Group's revenue in 2023 compared to 2022 and the increase of AED 1.2 billion, or 92.0 per cent., in the Group's revenue in 2022 compared to 2021 each principally reflected greater progress on the Group's developments over the course of 2022 and 2023 as further outlined in the table below.

The Group recognises revenue in respect of a residential unit based on the progress of construction of the relevant development. The table below shows the sales history of the Group's residential units at Nasma Residences, Aljada, Masaar and Jumeirah Golf Estates in each of 2021, 2022 and 2023.

2021	2022	2023
	(No. of units sold)	

Nasma Residences	128	41	41
Aljada	1,725	1,266	1,370
Masaar	514	935	1,164
Jumeirah Golf Estates	—	26	249
Total	**2,367**	**2,268**	**2,824**

Direct cost

The Group's direct cost principally comprises the cost it incurs in the construction of the residential units which it sells and is also recognised over the period of construction. The Group also incurred AED 50.5 million in other direct expenses in 2023 (compared to AED 24.4 million in 2022 and AED 2.8 million in 2021), which related to its school and fitness centres.

The table below shows the Group's direct costs in each of 2023, 2022 and 2021.

	2023	2022	2021
		(AED)	
Direct cost	1,802,745,254	1,671,354,938	940,715,362

The Group's direct cost amounted to AED 1.8 billion in 2023 compared to AED 1.7 billion in 2022 and AED 940.7 million in 2021.

The increase of AED 131.4 million, or 7.9 per cent., in the Group's direct cost in 2023 compared 2022 and the increase of AED 730.6 million, or 77.7 per cent., in the Group's direct cost in 2022 compared to 2021 each principally reflected greater progress on the Group's developments over the course of 2022 and 2023.

Gross profit

Reflecting the above factors, the Group's gross profit was AED 967.1 million in 2023 compared to AED 812.2 million in 2022 and AED 352.7 million in 2021, an increase of AED 154.9 million, or 19.1 per cent., in 2023 compared to 2022 and an increase of AED 459.6 million, or 130.3 per cent., in 2022 compared to 2021.

The Group's gross profit margins were 34.9 per cent. in 2023, 32.7 per cent. in 2022 and 27.3 per cent. in 2021.

Other income

The Group's other income amounted to AED 48.6 million in 2023 compared to AED 60.1 million in 2022 and AED 49.6 million in 2021.

The decrease of AED 11.5 million in the Group's other income in 2023 compared to 2022 principally reflected the discontinuance of concrete mix services provided to its contractors.

The increase of AED 10.5 million in the Group's other income in 2022 compared to 2021 principally reflected an increase in commission income from suppliers amount and forfeiture income due to the cancellation of sales and purchase agreements with certain customers.

General and administrative expenses

The Group's general and administrative expenses principally comprise the salaries and related expenses of employees directly engaged in general and administrative activities and the depreciation cost in relation to property, plant and equipment and right-of-use assets used in general and administrative activities, legal and professional expenses and other expenses. In 2023, employee related expenses represented 48.2 per cent. of the Group's general and administrative expenses (compared to 55.8 per cent. in 2022 and 59.1 per cent. in 2021).

The table below shows the breakdown of the Group's general and administrative expenses in each of 2023, 2022 and 2021.

	2023	2022	2021
		(AED)	
Employee related expenses	151,445,524	98,802,970	62,460,189
Depreciation	91,185,481	29,655,610	16,803,801

	2023	2022	2021
		(AED)	
Legal and professional expenses	9,649,606	3,958,674	3,523,909
Other expenses	61,530,957	44,778,340	22,862,805
Total general and administrative expenses	**313,811,568**	**177,195,594**	**105,650,704**

The Group's general and administrative expenses amounted to AED 313.8 million in 2023 compared to AED 177.2 million in 2022 and AED 105.7 million in 2021.

2023 and 2022 compared

The increase of AED 136.6 million, or 77.1 per cent., in general and administrative expenses in 2023 compared to 2022 principally reflected an increase of AED 61.5 million, or 207.5 per cent., in depreciation cost, an AED 52.6 million increase, or 53.3 per cent., in employee related expenses and an AED 16.8 million increase, or 37.4 per cent., in other expenses. The increase in depreciation cost principally reflected the increase in rights of use assets. The increase in employee related expenses principally reflected the additional staff recruited to manage the increased volume of business. The increase in other expenses principally reflected the increase in corporate and social responsibility expenses by AED 6.8 million, or 508 per cent. as compared to 2022 reflecting the Group's commitment towards enhanced social responsibility as well as an increase of AED 5.5 million in respect of the IT expenditure for overall technological enhancement. Additionally, AED 3.5 million was incurred in Arada International Investments LLC (**Arada Australia**) which became operational in 2023.

2022 and 2021 compared

The increase of AED 71.5 million, or 67.7 per cent., in general and administrative expenses in 2022 compared to 2021 principally reflected an increase of AED 36.3 million, or 58.2 per cent., in employee related expense, an increase of AED 12.9 million, or 76.5 per cent., in depreciation cost and an AED 21.9 million, or 95.9 per cent. increase in other expenses. These increases principally reflected corresponding growth across the Group's businesses. The increase in employee-related expenses was due to recruitment of real estate professionals commensurate with the increase in off-plan sales and to achieve the targeted revenue recognition in 2023 and onwards. The increase in depreciation principally reflected the addition of depreciable assets such as IT, office furniture and motor vehicles. The increase in the other expenditure is primarily due to the additional cost incurred to achieve growth in the education and fitness divisions of the Group.

Sales and marketing expenses

The Group's sales and marketing expenses principally comprise (i) the sales commission paid to the Group's sales agents; and (ii) advertisement expense. Sales commission and advertisement expense respectively represented 46.2 per cent. and 35.2 per cent. of the Group's sales and marketing expenses in 2023 compared to 60.7 per cent. and 18.9 per cent. in 2022 and 50.6 per cent. and 29.2 per cent. in 2021.

The table below shows the breakdown of the Group's sales and marketing expenses in each of 2023, 2022 and 2021.

	2023	2022	2021
		(AED)	
Sales commission	128,438,859	97,409,507	41,116,221
Advertisement expense	97,947,513	35,188,823	23,702,457
Unit registration charges	19,024,002	4,628,535	175,668
Other expenses	32,603,773	23,375,838	16,296,907
Total sales and marketing expenses	**278,014,147**	**160,602,703**	**81,291,253**

The Group's total sales and marketing expenses amounted to AED 278.0 million in 2023 compared to AED 160.6 million in 2022 and AED 81.3 million in 2021.

2023 and 2022 compared

The increase of AED 117.4 million, or 73.1 per cent., in total sales and marketing expenses in 2023 compared to 2022 principally reflected an increase of AED 62.8 million, or 178.3 per cent., in advertisement expense, an increase of AED 31.0 million, or 31.9 per cent., in sales commission and an increase of AED 14.4 million, or 311.0 per cent. in unit registration charges. The increase in advertisement expense principally reflected outdoor advertisements to support the launch of new projects. The increase in sales

commission principally reflected the increase in the revenue generated by the Group in 2023. The increase in unit registration charges principally reflected higher revenue recognised in Masaar where unit registration charges are applicable unlike Aljada where the requirement for unit registration charges are waived by the Government.

2022 and 2021 compared

The increase of AED 79.3 million, or 97.6 per cent., in total sales and marketing expenses in 2022 compared to 2021 principally reflected an increase of AED 56.3 million, or 136.9 per cent., in sales commission, an increase of AED 6.6 million or 27.8 per cent. in advertisement expense and an increase of AED 16.4 million, or 99.8 per cent., in other expenses. The increase in sales commission directly correlated to the increase in the revenue generated by the Group in 2022. The increase in advertisement expenses was attributable to higher media spend due to the launch of new projects by the Group. The increase in other advertisement expenses was towards branding and promotion, outdoor spend and exhibitions undertaken to promote Group's visibility in the market.

Gain on re-measurement of development properties on transfer to investment properties

In 2023, the Group recorded a gain on re-measurement of development properties on transfer to investment properties of AED 155.6 million. This mainly reflected the value of completed retail units as the Group retains all its completed retail units for leasing with the intention of generating recurring revenue.

In 2022, the Group recorded a gain on re-measurement of development properties on transfer to investment properties of AED 27.5 million. This mainly reflected the value of completed retail units as the Group retains all its completed retail units for leasing with the intention of generating recurring revenue.

In 2021, the Group recorded a gain on re-measurement of development properties on transfer to investment properties of AED 32.0 million. This mainly reflected the value of completed retail units as the Group retains all its completed retail units for leasing with the intention of generating recurring revenue.

Change in fair value of investment properties

The Group's investment properties are recognised at fair value. These properties are fair valued annually by an independent professionally qualified valuation firm with experience in property valuations in the locations and segments of the properties being valued. These valuations are carried out in accordance with the Appraisal and Valuation Standards published by the Royal Institution of Chartered Surveyors. The valuer used the residual method of valuation. The fair value of each of the Group's investment properties reflects its gross development value when completed after deducting all construction costs, soft costs, developer's profit and finance costs associated with the property.

Any change in the fair value of the Group's investment properties from year to year is recognised in the statement of profit or loss. In 2023, the Group recognised an AED 62.0 million change in the fair value of its investment properties compared to AED 44.0 million in 2022 and AED 36.5 million in 2021.

The positive change in fair value in 2023 principally reflected an increase in the valuation of retail units, community centres and plots of land across Aljada, Masaar and Nasma. The positive change in fair value in 2022 principally reflected an increase in the valuation of retail units, community centres and plots of land across Aljada, Masaar and Nasma. The positive change in fair value in 2021 principally reflected an increase in interest generated in Aljada and increased sales prices for residential units in Aljada.

Reversal of write-down of properties held for development and sale

In 2019, the Group wrote down its properties held for development and sale by AED 226.9 million and subsequently reversed this write down in each of 2020 and 2021. The Group did not record a reversal of / allowance for write-down of properties held for development and sale in 2022 or 2023.

See "*—Principal factors affecting results of operations—Reversal of write-down of properties held for development and sale*".

Reversal of/(allowance for) impairment of property, plant and equipment

At each reporting date, the Group reviews the carrying amounts of its non-financial assets, other than inventory, for indications of impairment. An impairment loss is recognised in profit or loss if the Group

determines that the carrying amount of an asset exceeds its recoverable amount. An impairment loss is reversed only to the extent that an asset's carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) if no impairment loss had been recognised.

In 2019, the Group transferred AED 27.2 million of properties held for sale to property, plant and equipment reflecting management's decision to retain and operate the school plot in Aljada as part of its strategy to diversify its revenue. An allowance for impairment of AED 16.3 million was recognised in respect of this property because of a drop in valuation due to market conditions in 2019.

The Group recorded a reversal of the impairment of property, plant and equipment made in 2019 of AED 2.5 million in 2020 and AED 13.8 million in 2021.

The Group did not record a reversal of / allowance for impairment of property, plant and equipment in 2022 or 2023.

Impairment recognised on trade receivables and contract assets

Contract assets reflect the Group's right to consideration for work completed but not yet billed at the reporting date. These contract assets become trade receivables when the rights become unconditional. Both contract assets and trade receivables are financial assets held at amortised cost.

Under IFRS 9, the Group determines its expected credit loss on its trade receivables and contract assets over their lifetime, a process which requires considerable judgment based on the Group's past history, existing market conditions and forward-looking estimates made at the end of each year.

No impairment was recognised on trade receivables and contract assets in 2023 or 2022. In 2021, impairment recognised on trade receivables and contract assets amounted to AED 17.0 million.

Share of results from an equity accounted investee

In March 2020, the Group acquired a 25 per cent. shareholding in Nextgen Robopark Investment LLC ("**NRIL**"), which has a 30-year concession on land to construct, operate and transfer a commercial complex with an attached automated car parking system.

In 2022, the Group acquired a 50 per cent. share in Al Heera Beach Developments LLC ("**Al Heera Beach**"). The joint venture partner contributed a plot of land amounting to AED 45 million towards share capital and capital contribution to Al Heera Beach and waived its right of payment from the Group against this plot of land. Pursuant to this, the Group has recognised a gain of AED 22.7 million representing its share of net assets acquired at a nil transaction.

In 2023, the Group's share of results from equity accounted investees amounted to a loss of AED 9.3 million compared to income of AED 20.3 million in 2022 and AED 1.9 million in 2021. In 2023, the loss was mainly due to the commissioning of an investment property by a different joint venture partner where the leasing activity is under progress. In 2022, the gain is mainly due to the entering into a Joint Venture at Zero cost where the share of assets due to the group were valued at AED 20 million.

Finance cost and finance income

The Group's finance cost principally represents the amortisation cost of its payable to the Government and, to a lesser extent, the amounts it pays on its bank borrowings and (in 2021) the amortisation cost of non-current trade payables, which relate to land purchased in 2021 for the Masaar project which is payable over a 10-year term.

The Group's payable to the Government represents the amount payable against the purchase of land in 2017. The repayment was restructured into two equal parts of AED 1,600 million, where each part had a distinct repayment mechanism. The first part, amounting to AED 1,600 million, was payable as a bullet payment in 2029 and the remaining AED 1,600 million was payable over a period of 16 years based on the achievement of agreed off-plan sales. The liability was initially recorded by the Group at fair value determined using the Group's effective borrowing rate. During the year, an addendum was signed by both the parties to amend the repayment term of the bullet payment. As per the amended terms, an accelerated payment of AED 400 million was agreed between both the parties, which was to be paid by 2025 (AED 200 million in 2023 and AED 100 million in each of 2024 and 2025). Pursuant to this, an amount of AED 215.2 million was reduced from the amount payable to the Government of Sharjah.

The table below shows the breakdown of the Group's finance cost and finance income in each of 2023, 2022 and 2021.

	2023	2022	2021
		(AED)	
Finance cost			
Finance cost on sukuk	178,107,728	64,883,275	—
Finance cost on bank borrowings	52,170,894	30,089,140	31,209,454
Amortisation of non-current balance of due to a related party	34,826,509	27,090,758	21,773,503
Finance cost on factoring of trade receivables and contract assets	32,329,130	—	—
Amortisation of balance payable to the Government of Sharjah	28,671,040	97,982,290	101,130,197
Finance expense on lease liabilities	28,271,660	3,177,880	1,608,320
Fair value loss on derivative financial instrument	-	49,424,123	—
Bank charges	4,115,804	2,645,972	1,277,325
Finance cost on loan from a related party	457,653		
Others	4,219,103	14,877,464	10,630,360
Total finance cost	**363,169,521**	**290,170,902**	**167,629,159**
Finance income			
Fair value gain on derivative financial instrument	20,264,648	—	—
Profit on bank deposits	18,570,663	2,382,332	—
Finance income from loan to a related party	3,166,306	1,456,777	821,744
Total finance income	**42,001,617**	**3,839,109**	**821,744**

2023 and 2022 compared

The Group's finance cost increased by AED 73.0 million, or 25.2 per cent., in 2023 compared to 2022. This principally reflected financing cost on the 2022 Sukuk.

2022 and 2021 compared

The Group's finance cost increased by AED 122.5 million, or 73.1 per cent., in 2022 compared to 2021. This principally reflected the issuance of the 2022 Sukuk in respect of which the Group incurred a finance cost of AED 64.8 million in 2022 and an AED 49.4 million fair value loss on derivative finance instrument resulting from adverse movements in interest rates.

Profit for the year

Reflecting the above factors, the Group's profit for the year was AED 311.0 million in 2023, an 8.5 per cent. decrease compared to AED 340.0 million in 2022 which was an increase of 174.0 per cent. from AED 124.1 million in 2021.

The Group's net profit margins were 11.2 per cent. in 2023, 13.7 per cent. in 2022 and, 9.6 per cent. in 2021.

Analysis of Certain Consolidated Statement of Financial Position Items

Assets

As at 31 December 2023, the Group had total assets of AED 11.4 billion compared to AED 7.2 billion as at 31 December 2022 and AED 5.4 billion as at 31 December 2021.

As at 31 December 2023, the Group's principal assets are its properties held for development and sale which accounted for 34.1 per cent. of the Group's total assets, its trade, contract and other receivables which accounted to 23.1 per cent. and its investment properties which accounted for 11.3 per cent. Together, these asset categories accounted for 68.5 per cent. of the Group's total assets as at 31 December 2022.

Properties held for development and sale

As at 31 December 2023, properties held for development and sale amounted to AED 3.9 billion, or 34.1 per cent. of the Group's total assets, compared to AED 3.3 billion, or 45.1 per cent. of the Group's total assets in 2022 and AED 2.9 billion, or 52.8 per cent. of the Group's total assets as at 31 December 2021.

As at 31 December 2023, properties held for development and sale amounting to AED 822 million were mortgaged against credit facilities provided to the Group.

Land or buildings identified as held for sale, including buildings under construction, are classified as properties held for development and sale. These properties are stated at the lower of cost and estimated net realisable value. For this purpose, cost comprises construction costs and other related direct or operating costs and estimated net realisable value is the estimated selling price in the ordinary course of business, less cost of completion and selling expenses.

Properties held for development and sale are valued annually by an independent, professionally qualified and experienced valuer. The amount of any write down of properties held for development and sale arising out of these valuations is recognised as an expense in the period in which the write-down occurs. The amount of any reversal of write-down is recognised in profit or loss in the period in which the reversal occurs, but only to the extent that the carrying value of the affected property does not exceed its actual cost.

Properties held for development and sale may be transferred to:

- investment property where these is a change in use of the property and it becomes held for rental or capital appreciation or both; or
- property, plant and equipment where the property becomes owner occupied.

See note 3 to each of the Financial Statements for further information regarding the transfer of properties held for development and sale and note 11 to each of the Financial Statements for tables showing the movements in properties held for development and sale.

Trade, contract and other receivables

As at 31 December 2023, trade, contract and other receivables amounted to AED 2.6 billion, or 23.1 per cent. of the Group's total assets compared to AED 1.8 billion, or 25.4 per cent. of the Group's total assets as at 31 December 2022 and AED 979.8 million, or 18.0 per cent. of the Group's total assets as at 31 December 2021.

Trade, contract and other receivables comprise amounts that are yet to be collected from customers. Receivables for which an invoice has been issued in accordance with the relevant sales contract but has remained unpaid are classified as trade receivables. Those receivables which are recognised but unpaid because the relevant construction milestone required for invoicing has not yet been reached are classified as contract assets.

The table below shows the Group's trade receivables and contract assets as at 31 December in each of 2023, 2022 and 2021.

	As at 31 December		
	2023	**2022**	**2021**
		(AED)	
Trade receivables			
Amounts receivable within 12 months	521,485,279	142,594,756	333,580,443
Contract assets			
Unbilled receivables within 12 months	1,083,556,387	1,185,632,917	284,927,538
Unbilled receivables after 12 months	15,646,973	451,259	—
Total trade receivables and contract assets	**1,620,688,639**	**1,328,678,932**	**618,507,981**

As at 31 December in each of 2023, 2022 and 2021, the Group's allowance for impairment in respect of its trade receivables and contract assets was AED 2.0 million, amounting to impairment rates (determined as the impairment amount divided by total trade receivables and contract assets) of 0.12 per cent. as at 31 December 2023, 0.15 per cent. as at 31 December 2022 and 0.33 per cent. as at 31 December 2021.

As at 31 December 2023, the Group's overdue trade receivables and contract assets was AED 46.2 million compared to AED 122.0 million as at 31 December 2022 and AED 302.3 million as at 31 December 2021.

Investment properties

As at 31 December 2023, investment properties amounted to AED 1.3 billion, or 11.3 per cent. of the Group's total assets, compared to AED 732.9 million, or 10.1 per cent. of the Group's total assets, as at 31 December 2022 and AED 571.8 million, or 10.5 per cent. of the Group's total assets as at 31 December 2021.

Land and buildings (including under construction) held by the Group for rental or capital appreciation is classified as investment property. Investment property is initially measured at cost, including related transaction costs and thereafter is fair valued in accordance with IAS 40: *Investment Property*. Any gain or loss arising from the fair valuation is recognised in profit or loss.

Valuations of the Group's investment property are carried out by an independent, professionally qualified and experienced valuer in accordance with the Appraisal and Valuation Standards published by the Royal Institution of Chartered Surveyors, using the residual method.

Liabilities

As at 31 December 2023, the Group had total liabilities of AED 9.1 billion compared to AED 6.3 billion as at 31 December 2022 and AED 4.8 billion as at 31 December 2021.

The Group's principal liabilities are its payable to the Government which accounted for 22.4 per cent. of the Group's total liabilities as at 31 December 2023, sukuk which accounted for 19.9 per cent., trade and other payables which accounted for 18.6 per cent., advances from customers which accounted to 13.4 per cent. and due to related parties which accounted for 6.1 per cent. Together these liability categories accounted for 80.5 per cent. of the Group's total liabilities as at 31 December 2023.

Payable to the Government

The Group's payable to the Government amounted to AED 2.0 billion, or 22.4 per cent. of the Group's total liabilities as at 31 December 2023 compared to AED 2.2 billion, or 35.4 per cent. of the Group's total liabilities as at 31 December 2022 and AED 2.2 billion, or 45.1 per cent. of the Group's total liabilities as at 31 December 2021.

The Group's payable to the Government represents the amount payable against the purchase of land in 2017. The repayment was restructured into two equal parts of AED 1,600 million, where each part had distinct repayment mechanism. The first part, amounting to AED 1,600 million, was payable as a bullet payment in 2029 and the remaining AED 1,600 million was payable over a period of 16 years based on the achievement of agreed off-plan sales. The liability was initially recorded by the Group at fair value determined using the Group's effective borrowing rate. During the year, an addendum was signed by both the parties to amend the repayment term of the bullet payment. As per the amended terms, an accelerated payment of AED 400 million was agreed between both the parties, which was to be paid by 2025 (AED 200 million in 2023 and AED 100 million in each of 2024 and 2025). Pursuant to this, an amount of AED 215.2 million was reduced from the amount payable to the Government of Sharjah.

Sukuk

The Group's sukuk amounted to AED 1.8 billion, or 19.9 per cent. of the Group's total liabilities as at 31 December 2023. See further, "*Description of the Group's business—Strategy—Access to multiple sources of funding*" regarding the issuance of the 2022 Sukuk.

Trade and other payables

The Group's trade and other payables amounted to AED 1.7 billion, or 18.6 per cent. of the Group's total liabilities as at 31 December 2023 compared to AED 1.1 billion, or 17.0 per cent. of the Group's total liabilities as at 31 December 2022 and AED 591.3 million, or 12.3 per cent. of the Group's total liabilities as at 31 December 2021.

Due to related parties

The Group's due to related parties amounted to AED 561.6 million, or 6.1 per cent. of the Group's total liabilities as at 31 December 2023 compared to AED 529.8 million, or 8.4 per cent. of the Group's total liabilities as at 31 December 2022 and AED 513.9 million, or 10.7 per cent. of the Group's total liabilities as at 31 December 2021.

This due to related parties amount includes AED 635.2 million which represents the non-current portion of the amount payable against the purchase of land during 2021. In accordance with the sale and purchase agreement, this amount is payable over a 10-year period based on the achievement of an agreed off-sales plan.

Borrowings

The Group's borrowings amounted to AED 912.5 million, or 10.0 per cent. of the Group's total liabilities as at 31 December 2023 compared to AED 99.0 million, or 1.6 per cent. of the Group's total liabilities as at 31 December 2022 and AED 920.1 million, or 19.1 per cent. of the Group's total liabilities as at 31 December 2021.

The table below shows the Group's borrowings as at 31 December in each of 2023, 2022 and 2021.

	As at 31 December		
	2023	**2022**	**2021**
		(AED)	
Non-current			
Bank borrowings	137,500,000	—	484,234,062
Current			
Bank borrowings	775,000,000	99,000,000	415,858,976
Bank overdrafts	—	—	19,999,331
	775,000,000	**99,000,000**	**435,858,307**
Total borrowings	**912,500,000**	**99,000,000**	**920,092,369**

The table below shows the movement in the Group's borrowings in each of 2023, 2022 and 2021.

	2023	**2022**	**2021**
		(AED)	
At 1 January	99,000,000	920,092,369	379,311,659
Borrowings obtained during the year	2,213,500,000	456,837,901	748,442,955
Borrowings repaid during the year	(1,400,000,000)	(1,257,930,939)	(222,569,203)
	912,500,000	**118,999,331**	**905,185,411**
Bank overdrafts (repaid)/obtained during the year	—	(19,999,331)	14,906,958
At 31 December	**912,500,000**	**99,000,000**	**920,092,369**

The Group's borrowings carry market prevailing margin rates ranging from 5.5 per cent. to 10.75 per cent and are repayable within one to two years from 31 December 2023. The Group's borrowings are secured by mortgages over properties classified under properties held for development and sale. The Group is required to comply with the following financial covenants in respect of its borrowings and/or the 2022 Sukuk:

- maintain a maximum finance to value ratio of 65 per cent.;
- maintain an indebtedness to equity ratio below 1.5:1;
- maintain an EBITDA to finance costs ratio of at least 1.5:1; and
- maintain an indebtedness to EBITDA ratio below 3:1.

Advances from customers

The Group's advances from customers amounted to AED 1.2 billion, or 13.4 per cent. of the Group's total liabilities as at 31 December 2023 compared to AED 313.9 million, or 4.9 per cent. of the Group's total liabilities as at 31 December 2022 and AED 568.5 million, or 11.8 per cent. of the Group's total liabilities as at 31 December 2021.

The Group's advances from customers, which are also referred to as contract liabilities, represent instalments of the purchase price for properties received from its customers in advance of the property being completed and handed over to the customer.

Equity

As at 31 December 2023, the Group's authorised, issued and paid up share capital amounted to AED 1.6 billion and comprised 1.6 million shares of AED 1,000 each. As at the same date, the Group's retained earnings amounted to AED 538.4 million.

Under UAE law and Arada's Articles of Association, a minimum of 5 per cent. of each Group company's net profit must be allocated to a legal reserve, which is not distributable. This allocation is no longer

required when the legal reserve reaches 50 per cent. of the Group's paid up capital. As at 31 December 2023, the legal reserve amounted to AED 31.9 million, or 2.0 per cent. of the Group's paid up capital.

Liquidity

Overview

The Group's principal liquidity requirements arise from the need to fund the development of its projects. During the three years under review, the Group's liquidity needs were funded both from bank borrowings and from pre-sales of its residential units.

Following the sale of a residential unit, customer payments are held in an escrow account. All construction payments are made from the associated project escrow account. The Group is permitted to withdraw cash from its escrow accounts before project completion to the extent that the relevant balance exceeds the construction costs remaining on the project. The Group is required to maintain an amount equal to 5 per cent. of construction costs of the relevant project in the associated escrow account for a period of one year following completion of the project.

Cash flow from the Group's projects includes cash collected from the sale of residential units and cash paid for construction costs.

The Group's cash and bank balances as at 31 December 2023 were AED 1.8 billion compared to AED 817.6 million as at 31 December 2022 and AED 470.3 million as at 31 December 2021.

Cash flow

The table below summarises the Group's consolidated statement of cash flows for each of 2023, 2022 and 2021.

	2023	2022	2021
		(AED)	
Operating profit before working capital changes	521,969,829	569,298,395	235,752,852
Net cash generated/(used in) from operating activities	11,647,401	(544,942,309)	282,495,857
Net cash used in investing activities	(1,255,979,290)	(440,875,705)	(155,073,094)
Net cash generated from financing activities	1,731,138,490	1,153,127,222	272,602,509
Net increase/(decrease) in cash and bank balances	486,806,601	167,309,208	400,025,272
Cash and bank balances at the beginning of the year	617,602,364	450,293,156	50,267,884
Cash and bank balances at the end of the year	1,104,408,965	617,602,364	450,293,156

Operating activities

In 2023, the Group's net cash generated from operating activities was AED 11.6 million compared to net cash used in operating activities of AED 544.9 million in 2022 and net cash generated from operating activities of AED 282.5 million in 2021.

The Group's operating profit before working capital changes, being its profit for the year adjusted for non-cash transactions, was AED 522.0 in 2023 compared to AED 569.3 million in 2022 and AED 235.8 million in 2021.

The Group's principal working capital change in 2023 compared to 2022 was the result of the realisation of trade and contract receivables where the building completion certificate was achieved in certain projects of Aljada and Masaar.

The Group’s principal working capital change in 2022 compared to 2021 was the result of an increase in trade, contract and other receivables reflecting instalment collections pending due to increased revenue recognition where the major part of the instalment is collected after the building completion certificate was obtained. This was partially offset by the increased trade payable to contractors and suppliers on account of increased volume of business and improved payment terms. The combined effect of the above led to the net cash used in the operating activities in 2022.

Investing activities

The Group's net cash used in investing activities in 2023 was AED 1.3 billion compared to AED 440.9 million in 2022 and AED 155.0 million in 2021.

In 2023, the principal investments made were advance given to related parties for AED 515 million, fixed deposits for AED 450 million and acquisition of property, plant and equipment for AED 213 million.

In 2022, the principal investments made were AED 200 million in fixed deposits with an original maturity after three months, AED 181.75 million for the acquisition of property, plant and equipment, principally reflecting AED 146 million capital work in progress, AED 11.5 million in land and buildings, AED 8 million in computer and office equipment, AED 11 million in furniture & fixtures, AED 3 million for purchase of vehicles and AED 2 million towards the purchase of gym equipment.

In 2021, the principal investments made were AED 132 million for the acquisition of property, plant and equipment, principally reflecting AED 89 million capital work in progress, AED 19 million for land and buildings, AED 5 million for purchases of computers and other equipment, AED 4 million for gym equipment, AED 3 million for vehicle purchases and AED 12 million for furniture and fixtures.

Financing activities

The Group's net cash generated from financing activities in 2023 was AED 1.7 billion compared to AED 1.15 billion in 2022 and AED 272.6 million in 2021.

In 2023, the Group's principal financing cash flows were mostly generated from the issuance of sukuk for AED 177 million, net borrowing of AED 813 million, infusion of share capital by the shareholders for AED 750 million, issuance of share capital in respect of its non-controlling interests in Australia for AED 125 million, liquidity funding by shareholders for AED 264 million (net). The generation of cash inflow is offset by the dividend of AED 150 million and AED 230 million for finance cost along with settlement of lease liabilities amounting to AED 51 million.

In 2022, the Group's principal financing cash flows were inflows from the 2022 Sukuk amounting to AED 1,627 million (net of transaction costs) during the year and funds obtained from shareholders (net of repaid) of AED 493 million. These were partially offset by outflows towards borrowings repaid during the year amounting to AED 801 million, outflows of AED 60 million representing dividends paid and outflows of AED 97 million in finance costs paid.

In 2021, the Group's principal financing cash flows were inflows from borrowings obtained during the year amounting to AED 748 million, outflows towards borrowings repaid during the year amounting to AED 223 million, outflows of AED 210 million representing dividends paid and outflows of AED 43 million in finance costs paid.

Capital Commitments

As at 31 December 2023, the Group had total commitments of AED 2.8 billion related to under construction properties classified under property, plant and equipment, properties held for development and sale and investment properties. These commitments represent the value of the contracts issued as at the reporting date, net of invoices received and accruals made at that date. No assurance can be given as to the actual amounts of capital expenditure that may be incurred in future periods. The timing and amount of capital expenditure is highly dependent on market conditions, the progress of projects, new opportunities that may arise and a range of other factors outside the control of the Group.

Contingent Liabilities

As at 31 December 2023, the Group had contingent liabilities of AED 134.8 million relating to performance guarantees. However, certain other contingent liabilities may arise during the normal course of business, which, based on the information presently available, either cannot be quantified at this stage or in the opinion of the Group's management is without any merit. However, in the opinion of the Group's management, these contingent liabilities are not likely to result in any significant cash outflows for the Group.

Related Party Transactions

The Group's principal related party transactions are with its shareholders, its subsidiaries and associates and its directors and executive management and entities controlled by any of them. These transactions include expenses incurred on behalf of its shareholders, construction cost and design consultancy fees payable to entities owned by its shareholders. These entities include Raimondi group LLC, which is a company owned by Arada's CEO, Klampfer Middle East LLC, which is wholly-owned by Arada's two shareholders, KBW

Investments LLC, which is a shareholder of Arada, and Arcadia Middle East LLC, which is majority owned by Basma, Arada's other shareholder.

In 2023, the Group gave advances to Wasat Prime Properties LLC and Wasat Land Properties LLC, related parties due to common ownership, for acquisition of plots of land in the DIFC and Dubai Creek Harbour, Dubai, UAE. The amounts are non-interest bearing and are receivable on demand.

Further information on the Group's related party transactions is set out in note 16 to each of the Financial Statements.

Disclosures about Financial Risk

The Group is exposed to a credit, liquidity and interest rate risks as described in note 29 to each of the Financial Statements.

Credit risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is exposed to credit risk principally from its trade receivables and contract assets from customers, amounts due from its shareholders, its cash at banks and amounts due from related parties and this credit risk was quantified at AED 4.2 billion as at 31 December 2023.

The Group's exposure to credit risk from its trade receivables and contract assets is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the industry and country in which customers operate has less influence on credit risk. The Group earns its revenues from a large number of customers including international customers.

The Group has entered into contracts for the sale of residential and commercial units and plots of land on an instalment basis. The instalments are specified in the relevant sales contracts. The Group is exposed to credit risk in respect of instalments due. However, the legal ownership of the residential units sold is transferred to the buyer only after all the instalments are recovered. In addition, instalment dues are monitored on an ongoing basis with the result that the Group's exposure to bad debts is insignificant.

The Group establishes an allowance for impairment at each reporting date that represents its estimate of incurred losses in respect of trade receivables and contract assets.

With respect to the Group's credit risk arising from its other financial assets, which comprise bank balances and cash, loan to a related party and amounts due from the shareholders, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these assets.

Credit risk from balances with banks and financial institutions is managed by only placing balances with banks of good repute. Given the profile of its bankers and the nature of its shareholders and related party, the Group does not expect any of these counterparties to fail in meeting its obligations.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both the Group's financial investments and financial assets and projected cash flows from operations.

The Group's cash flows, funding requirements and liquidity are monitored to optimise the efficiency and effectiveness of the management of its capital resources. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank borrowings. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and borrowing facilities, by continuously monitoring forecasted and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

Interest rate risk

Interest rate risk primarily arises in relation to the Group's borrowings, all of which have floating rates of return. The Group's sensitivity analysis as at 31 December 2023 shows that a 1 per cent. increase in interest

rates at the reporting date would have decreased its profit by AED 20.2 million, assuming all other variables remained constant.

DESCRIPTION OF THE GROUP'S BUSINESS

Introduction

Arada was incorporated as a Sharjah limited liability company under Federal Law No. (8) of 1984 concerning Commercial Companies (as amended) with license number 749506 for an indefinite duration. Its registered office is at Sharjah Muweilah next University City Street, Sharjah and its switchboard telephone number is +971 6 517 7111.

Arada is the largest property developer in the Northern Emirates of the UAE with a compound annual growth rate in the value of properties sold of 63.2 per cent. in the six years to 31 December 2023 and an existing development portfolio (including delivered projects) valued at AED 56.2 billion as at 31 December 2023 (compared to AED 39.6 billion as at 31 December 2022).As at 31 December 2023, Arada had nearly 3.6 million square metres of plot area planned for development which will deliver more than 30,000 units of which more than 14,000 residential units have been launched and more than 13,000 sold.

Arada was founded in 2017 by H.R.H Khalid Bin Alwaleed Bin Talal, who holds 60 per cent. of the shares through Corp KBW Investments LLC ("**KBW**"), and H.R.H. Sheikh Sultan bin Ahmed Al Qasimi, who holds 40 per cent of the shares through Basma Group LLC ("**Basma**"), with the intention of creating master-planned communities in the UAE. Arada's focus is on delivering beautiful homes, using sustainable building practices and smart technology wherever possible, surrounded by attractive facilities, for a competitive price and it is dedicated to putting the needs of its customers first. Prioritising its customers allows Arada to do more and do better – for buyers, partners, stakeholders and the communities it serves.

Arada's initial focus has been on Sharjah, where it has three communities completed or under development and in recent years, the Group has launched / plans to launch three developments in Dubai. These projects are further described in "*Description of the Group's Business—Business—Projects*".

Arada is funding the construction of its developments through equity, bank loans, the proceeds from sales of residential units in its developments and more recently, the issuance of sukuk.

Arada's strategic goal is to deliver world-class communities while prudently expanding the Group's footprint. It aims to achieve this goal through ensuring that its developments are de-risked as far as is possible, increasingly diversifying its cash flows and expanding the sources of finance which it is able to access.

Strategy

Arada's strategic goal is to deliver world-class communities while prudently expanding the Group's footprint. To achieve this goal, Arada focuses on:

Ensuring that the Group's developments are de-risked as far as is possible

As at the date of this Base Offering Circular, the Group had developed and completed one community (Nasma Residences) and was at various stages in the development of six communities (Aljada, Masaar, Jouri Hills, Armani Beach Residences, Dubai Harbour and the DIFC) with more than 9,000 residential units delivered, more than 3,000 under construction and more than 18,000 units (including commercial units) scheduled to be launched and delivered in future periods. As at 31 December 2023, the Group's total sales backlog was AED 8,016.2 million (compared to AED 4,189.2 million as at 31 December 2022).

Arada focuses on de-risking its development strategy in the following ways:

- Arada seeks to leverage its preferential access to land, for example through its close relationship with the Government. As part of this strategy, all of the land acquired by the Group to the date of this Base Offering Circular has a deferred payment plan, resulting in minimum upfront costs. Furthermore, the Group utilises land held by related parties for development which similarly reduces upfront costs.

- Arada believes that pre-selling is the key element in development, and in each of its developments it aims to ensure that its pre-selling benchmark of between 60 and 65 per cent. is reached before it commits to capital expenditure. This helps ensure both that Arada has the flexibility to time the project completion in order to optimise sales and that it can generate sufficient cash flows to pay the contractor and support its construction finance commitments. As at 31 December 2023, 93.3

per cent. of the Group's launched inventory has been sold and 67 per cent. of its launched inventory has been sold before construction started on the relevant projects.

- The Group does not undertake its own construction and instead appoints contractors under a lump sum turnkey contract, thereby passing much of the risk of project delays and cost overruns to the contractor. In relation to its more than 8,500 residential units delivered by 31 December 2023, Arada believes that it has achieved a 3 per cent. net saving on contracted value, reflecting the fact that it bulk purchases items such as air conditioning units, lifts and joinery, that are quoted in contracts as provisional sums.

- The Group's terms of sale ensure that it is fully paid by the purchaser before a residential unit is handed over. To the extent that a purchaser defaults in payment, the relevant residential unit will be retained by the Group and re-sold, typically for a higher price. As at 31 December 2023, less than 3 per cent. of the Group's customers had forfeited a residential unit through payment default.

Aiming to increasingly diversify cash flows

Each of the Group's community developments aims to establish self-sufficient communities through the provision of amenities that meet the wider needs of residents and help to ensure faster occupancy in the delivered communities. These amenities include retail, education, hospitality and leisure and entertainment elements, many of which the Group is able to monetise.

The Group is progressively building a recurring income portfolio by retaining relevant property components in delivered communities. In 2023, the Group's recurring revenue (being other revenue from contracts with customers and lease income) amounted to AED 128.1 million, comprising AED 38.8 million from leasing retail units and AED 89.3 million from its other services including income from educational services, facility management services and gym membership fees (compared to AED 53.4 million, AED 5.8 million and AED 47.6 million, respectively, in 2022). The Group believes that its recurring revenue will increase significantly in future periods as further recurring revenue generating assets are delivered.

The Group is also starting to expand into new geographical markets, with the launch of Jouri Hills, Armani Beach Residences and the planned launch of Dubai Harbour, each in Dubai.

Access to multiple sources of funding

The Group benefits from strong relations with local and regional banks that help to support its growth. As at 31 December 2023, the Group has borrowings of AED 912.5 million (compared to AED 99.0 million as at 31 December 2022). In June 2022, the Group issued U.S.$350 million trust certificates with an additional tranche of U.S.$100 million in October 2022 and a further additional tranche of U.S.$50 million in February 2023 through Arada Sukuk Limited (the "**2022 Sukuk**"). These trust certificates are listed on the London Stock Exchange and are due for repayment in 2027.

The issue of Trust Certificates will help diversify the Group's sources of funding and increase the Group's profile in the capital markets, increasing its ability to raise further debt finance in future periods.

The Group's total equity was AED 2.3 billion as at 31 December 2023 (compared to AED 906.3 million as at 31 December 2022). Arada anticipates that it may seek further equity funding in the form of either or both of a private placement and a public offering in the coming years.

The Group also aims to conserve cash and enhance liquidity in order to capitalise on the currently available market growth opportunities.

Strengths

The Group's principal strengths are:

Strategic shareholders

Arada's shareholders are companies controlled by H.R.H. Prince Khalid Bin Alwaleed Bin Talal Alsaud and H.R.H. Sheikh Sultan bin Ahmed Al Qasimi. These strategic shareholders are described under "*—Group structure and shareholders*" below. Arada believes that the principal tangible and intangible benefits accruing to the Group from these strategic shareholders are:

- equity contributions and other tangible support in the Group; and
- access to a premium land bank on an extended payment plan, for example the land for its three projects in Sharjah was procured from the Government on an extended payment plan linked to sales.

Government support

The Group is an integral part of Sharjah's growth plans. Arada was established to serve the high demand for fully integrated communities in Sharjah, helping to diversify the economy and bring substantial foreign direct investment to the emirate.

The Government provided significant support in connection with Arada's purchase of the land for Aljada. This land was purchased in August 2017 from the Government for AED 2,800 million, with a three-year payment plan (AED 1 billion upon signing of the agreement and AED 600 million per year paid in December in each of 2018, 2019 and 2020). The Government provided a guarantee for the significant loan that Arada obtained in order to pay the initial AED 1 billion and the first instalment of AED 600 million for the Aljada land.

In December 2019, the Government agreed to amend the Aljada land payment to a deferred payment plan of 16 years, calculated based on achievement of off plan sales on a yearly basis (with the revised land purchase price equalling AED 3,200 million). The Government also repaid the AED 1,600 million paid earlier by Arada, which Arada used to prepay the loans associated with the land purchase. Subsequently, pre-payments against the bullet payment have been agreed with the Government. AED 200 million was pre-paid in December 2023 with AED 100 million pre-payable on December 2024 and AED 100 million pre-payable in December 2025. Against this payment of AED 400 million, the Government has reduced the total bullet payment due in December 2029 from AED 1.6 billion to AED 985 million (a discount of AED 615 million).

Arada also benefits from preference in terms of regulatory and infrastructure approvals, such as those required for electricity and water connections, which has speeded up delivery times and, in some cases, it has benefitted from fee waivers, for example for utility connections and land registrations, which has saved cost.

Although the Government has provided financial support to the Group in the past, there is no assurance that it will continue to provide financial support in the future and the Trust Certificates are not guaranteed by the Government.

In-house design team

Arada believes that its in-house design team adds value to its product offering by working in parallel with the research and sales team. The design team receive continuous feedback on customer expectations and amends their designs accordingly. As a result, the Group creates new designs for each master development which are more closely matched to the needs of its customer base and helps it to maintain a competitive edge compared to its competitors, who frequently re-use previous designs.

Experienced senior management team

Arada's senior management team comprises experts in multiple areas of property development, including procurement and contracts, sales, brand management, digital and other forms of marketing, design and events management. Arada believes that none of the other Sharjah developers have in-house expertise in diverse fields such as branding, design, development and delivery.

Marker leader in Sharjah which has resilient real estate dynamics

The concept of integrated community development is new to Sharjah, where the market consists predominantly of single-tower developments. Through Nasma Residences, Aljada and Masaar, the Group has introduced integrated community development to Sharjah.

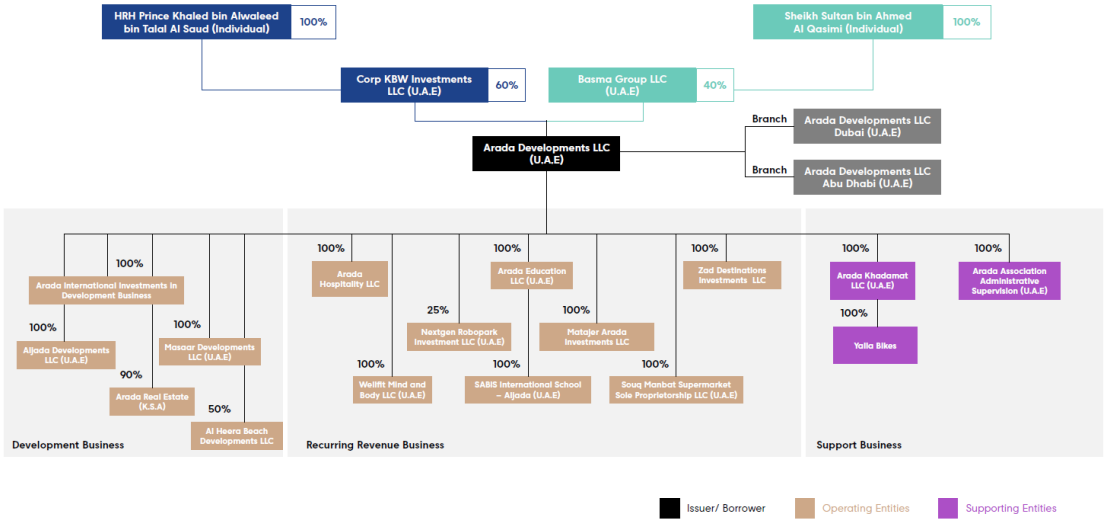
Sharjah is also the best performing residential real estate market in the UAE, with REIDIN Index annual reports showing that the UAE residential price index (which equalled 100 in January 2014) was 174.90 in Sharjah in December 2023 compared to 107.01 in Ajman, 108.83 in Dubai and 80.66 in Abu Dhabi. Arada

believes that Sharjah has also shown resilient price stability throughout market cycles and that its real estate market proved to be a strong investment through the COVID-19 pandemic.

Group Structure and Shareholders

Group structure

The chart below shows the structure of Arada and its material subsidiaries as at the date of this Base Offering Circular.



Arada is the parent company of the Group. The following summarises the business activities of the Group's material subsidiaries.

Arada undertook the development of Nasma Residences itself and has three material development subsidiaries:

- Aljada Developments LLC, a wholly-owned subsidiary incorporated in 2018 to undertake the Aljada project;
- Masaar Developments LLC, a wholly-owned subsidiary incorporated in 2021 to undertake the Masaar project; and
- Arada Real Estate, which is incorporated in Saudi Arabia and is a 90 per cent. owned subsidiary. The term of the company is 99 years starting in 2019. This entity was incorporated in order to undertake development work in Saudi Arabia in the future.

Arada also has four material subsidiaries and one joint venture, which are all recurring revenue businesses. These are:

- Arada Education LLC, a wholly-owned subsidiary incorporated in 2021 to oversee and manage schools within Arada communities;
- Wellfit Mind and Body LLC, a wholly-owned subsidiary incorporated in 2020 to operate gyms and fitness clubs including retail, food and beverage, salon and spa elements;
- SABIS International Private School LLC – Aljada, a wholly-owned subsidiary incorporated in 2021 which operates the school located in Aljada that opened in September 2021;
- Souq Manbat Supermarket Sole Proprietorship LLC, a wholly owned subsidiary incorporated in 2021 to operate the Emirati farmers' market that was launched in partnership with the UAE Ministry of Climate Change and Environment;
- NRIL, a 25 per cent. owned joint venture incorporated in 2019. The joint venture has a 30-year concession on land held under a public private partnership agreement with Dubai Courts to

construct, operate and transfer a commercial complex with an attached automated car parking system back to the Dubai Courts after the concession period ends.

Finally, the Group has two material support entities:

- Arada Khadamat LLC ("**Arada Khadamat**"), a wholly-owned subsidiary incorporated in 2020 to monitor the Group's developments, including maintenance of common areas, units and the provision of after sales services such as cleaning, plumbing, security and waste management; and

- Arada Association Administrative Supervision LLC, a wholly-owned subsidiary incorporated in 2021 to oversee the different owners' associations of the various buildings within each Arada community.

Over time, Arada expects to incorporate further subsidiaries to operate its retail, food truck and hospitality businesses, which are currently operated by Arada.

Shareholders

Arada's shareholders are KBW, which owns 60 per cent. of Arada, and Basma, which owns 40 per cent. of the shares in Arada.

H.R.H. Prince Khaled Alsaud is the founding chairman of KBW and has holdings on five continents. He invests in diverse global businesses and early stage ventures – including those in advanced technology and clean energy – at the intersection of innovation and economic stability. A member of the Saudi Arabian royal family, Prince Khaled is a motivated spokesperson for the private sector in the Middle East.

H.R.H. Sheikh Sultan bin Ahmed Al Qasimi is the chairman of Basma and invests in a number of different sectors. He is the Deputy Ruler of Sharjah and holds a number of senior positions in both the public and private sector in the UAE. He is also the Chairman of Sharjah Media Council, the Deputy Chairman of the Sharjah Petroleum Council and the Chairman of Sharjah National Oil Company, and has been a member of the Sharjah Executive Council since 2006.

Funding Principles

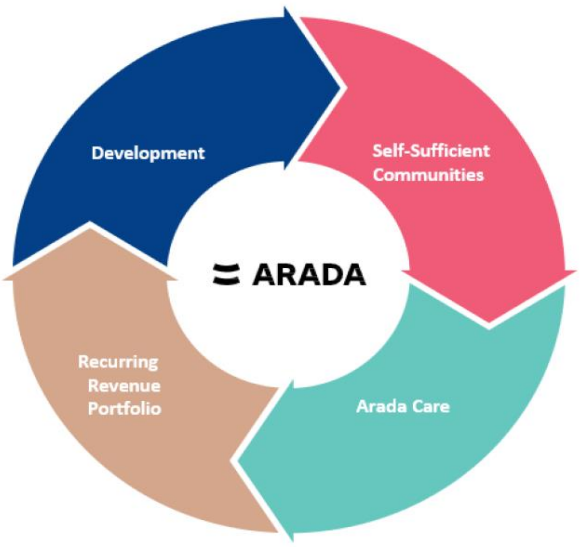
The Group generally employs a flexible funding strategy which depends on, among other things, the project being financed, the state of the financing markets, relevant macroeconomic conditions and the execution timing of other transactions being undertaken by it.

To the date of this Base Offering Circular, the Group has principally funded its projects using equity, bank loans, the proceeds of off-plan sales of residential units and more recently, the issuance of sukuk.

Project-specific debt has to date been raised at the parent company level. The use of leverage in relation to a particular project is considered at various stages of the project process, on a case-by-case basis, based upon the cash flow profile of the project concerned, the availability of financing on attractive terms, the projected returns of the project and other factors which the Group may consider appropriate.

Integrated Business Model

The Group has an integrated business model which is summarised in the chart below:



Development

The Group has a strong track record of executing build to sell projects and master communities. It has a low-risk development model based on achieving substantial pre-selling before committing capital and deferring its land acquisition costs where possible. The Group also has a strong focus on customer satisfaction and retention, resulting in 27.6 per cent. of its residential units delivered in the three years to 31 December 2023 being purchased by customers who had already purchased at least one residential unit from the Group.

Self-sufficient communities

The Group aims to deliver communities with additional amenities such as retail, fitness, education and hospitality. It believes that this increases the overall appeal of the communities and supports faster occupancy as well as providing recurring cash flows from leasing or managing these amenities.

Arada Khadamat

The Group's subsidiary, Arada Khadamat, is dedicated to serving its customers' needs which encompasses customer relationship management, facilities management, tenancy services and jointly-owned property management. The Group also offers high quality property maintenance and management services which it believes will result in satisfied customers and enhance its ability to secure repeat purchases.

Recurring revenue portfolio

The Group currently generates: (a) leasing revenue from retail units retained by it and from Madar at Aljada and (b) schools revenue as its principal sources of recurring revenue. The Group is expanding into multiple verticals with a focus on enhancing its customers' experience at the Group's communities and developing verticals into standalone businesses. These verticals currently include retail brands, education and hotels, and entertainment, while prime commercial space is also expected to be significant contributor to recurring revenue in future periods.

Business

Introduction

Since Arada was established in 2017, the Group has progressed from being a community developer (Nasma Residences) to becoming a destination developer (Aljada and Masaar). The Group's master-planned destinations are distinguished by their design, high quality build and finishes and wide range of amenities, combining residential and commercial property, shopping malls and other retail assets and high-end hospitality and leisure attractions within secure, well-maintained communities. In addition, the Group

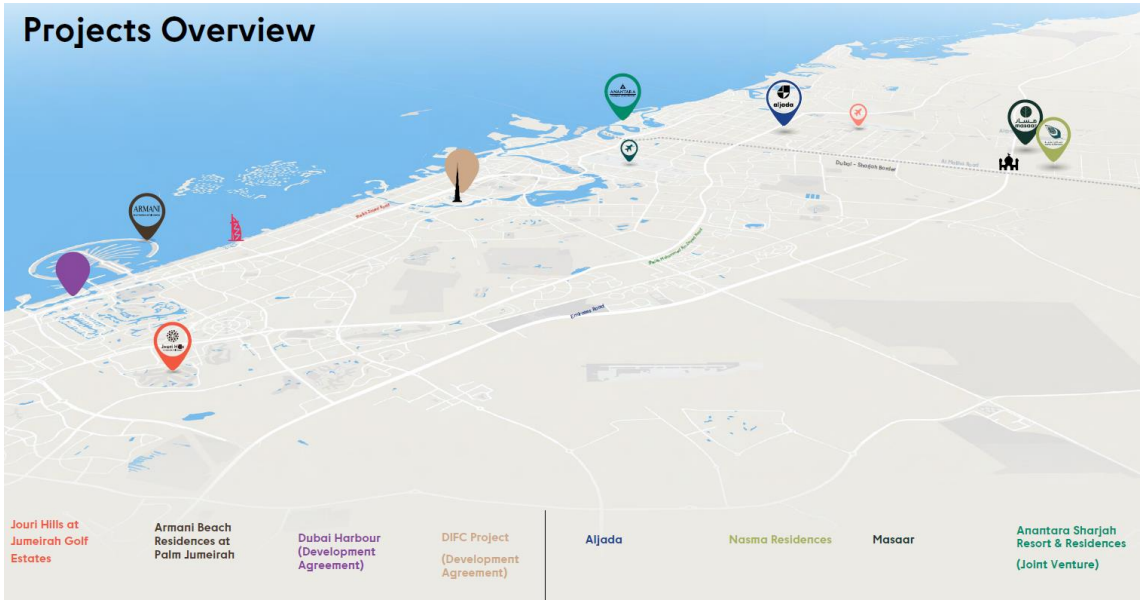
ensures, through its collaboration with local regulators, utility companies and government agencies, that the infrastructure necessary to support its communities, such as roads, power, water and sewage, landscaping and open recreational spaces, is in place.

The Group oversees all aspects of the development of its master-planned destinations, from initial concept development and design, through construction, to sales and marketing. Partnering with major construction firms, it maintains strict oversight and seeks to ensure that its projects are completed within budget and to the highest standards. All of its three developments contain residential units, such as apartments, townhouses and villas, that are built for sale, retail space which is built for leasing to occupiers and recreational amenities such as parks and other outdoor space. Some of the Group's developments may also contain commercial units, such as offices, educational and medical facilities, and hotels and leisure and entertainment facilities, all of which are intended to be retained by the Group and leased to, or operated by, third parties.

The Group's portfolio comprises six master-planned communities, each of which is described under "– *Projects*" below. One community (Nasma Residences) has been completed and the remainder are in different stages of development.

Projects

The map below shows the location of each of the Group's four projects in Sharjah and four in Dubai.



Nasma Residences

Nasma Residences was launched in March 2017 and its first phase sold out in less than a month, making it the fastest selling project in Sharjah at the time. Spread over 278,000 square metres and Nasma Residences comprises the 1,117 townhouses and villas which were constructed in six phases, all of which have been completed and all of which are fully sold.

Nasma Residences also includes:

- Nasma Central - a community casual dining and shopping hub with a nursery, a Wellfit fitness centre, medical clinic and a swimming pool;
- Nasma Central Park – a 53,000 square metre park which includes cycling and jogging tracks, play areas and other sporting facilities; and
- a school and a mosque (which are neither owned nor operated by the Group), additional retail facilities and two smaller neighbourhood parks.

Located near the intersection of Emirates Road and Maliha Road, Nasma Residences has excellent connectivity with Sharjah city centre, Dubai and the rest of the Northern Emirates. Recent upgrades in road

infrastructure close to Nasma Residences have improved commute times to Dubai. Nasma Residences is close to Sharjah's largest mosque and is also located a few minutes away from the new Sharjah Botanical Garden, Tilal City and the Sharjah Convention Centre.

Nasma Central is a community hub with retail facilities anchored by a large-scale Spinneys supermarket, complemented by casual dining outlets. Nasma Central also includes a pre-school and Wellfit fitness centre. In total, there are 18 retail units with 4,051 square metres of retail leasable area in Nasma Residences, of which 100 per cent. was leased as at 31 December 2023.

The table below shows certain information in relation to the residential units in Nasma Residences by phase of construction as at completion of the final phase in July 2022.

Phase	Residential units	Development value	Launch period	Completion date
		(AED million)		
One	107	155.7	March 2017	August 2019
Two	184	269.8	April 2017	March 2020
Three	197	259.1	November 2017	August 2020
Four	302	377.9	June 2018	December 2020
Five	178	193.7	February 2019	October 2020
Six	149	210.1	February 2020	July 2022

Aljada

Aljada was launched in September 2017 and as at the date of this Base Offering Circular, is Sharjah's largest mixed-use development. The development is 2.2 million square metres and the master plan envisages the construction of 25,000 apartments, townhouses and villas for approximately 70,000 residents in 14 blocks.

Aljada's master plan also includes:

- 119,700 square metres of commercial saleable/leasable area;
- 182,3000 square metres of saleable/leasable area of retail provision, principally located along a 4.4-kilometre retail boulevard;
- Madar, a leisure and entertainment facility with 10 attractions, which is leased by the Group to the operator;
- three schools including the SABIS International School;
- four hotels, three which are being developed in a partnership with Emaar Hospitality; and
- 250,000 square metres of green space.

Aljada is located on the last major plot of undeveloped land in the heart of the city, is situated between University City, Sheikh Mohammed bin Zayed Road and Sharjah International Airport, and has good connectivity with Dubai and the other Northern Emirates.

Aljada comprises a total of approximately 153 residential buildings with 25,000 residential units in 10 separate blocks:

- "**Block L**" comprises seven 'Areej' apartment buildings, three 'Rehan' apartment buildings and four 'Misk' apartment buildings, providing a total of 1,382 residential units, and one villa/townhouse community, 'Sarab Villas', comprising 101 residential units.
- "**Block J**" comprises 16 'East Village' buildings and three 'The Boulevard' buildings, a collection of high-end apartment buildings, providing a total of 2,585 residential units.
- "**Block M**" comprises 12 'Nest' buildings, a student housing complex providing a total of approximately 2,473 residential units.
- "**Block K**" comprises the 'Naseej' district, a collection of 15 apartment buildings and two Vida-branded serviced apartment buildings, the first branded service apartment buildings in Sharjah, providing 1,811 residential units and a Vida hotel. With the addition of two more. Buildings expected to be launched, the total number of residences at Block K is expected to be 2,098.

- "**Block G**" comprises the 'Sarab 2' villa/townhouse community comprising 114 residential units and two 'Gate' high end apartment buildings comprising 120 units. Three more buildings are expected to be launched comprising 937 residential units providing a total of approximately 1,181 units at Block G.

- "**Block D**" comprises an estimated 20 apartment buildings including two Address branded serviced apartment buildings.

- "**Block F**" comprises the 'Arada Central Business District', an innovative workspace featuring grade A and grade B work spaces. Additionally, Block F includes four 'Rove' branded residences.

- "**Block C**" comprises an estimated twelve residential buildings.

- **Block B** comprises an estimated 24 residential buildings.

- **Block H** comprises an estimated 3,000 residential units.

The table below shows certain information as at 31 December 2023 in relation to launched residential units in Aljada by phase.

	Residential units	Development value[(1)]	First launch period	Final completion date[(2)]	% units sold	% completion[(3)]
		(AED million)				
Block L	1,483	1,135.8	September 2017	April 2022	99.9	100.0
Block J	2,585	1,108.2	April 2018	September 2023	99.5	100.0
Block M	2,473	810.1	March 2019	December 2022	97.5	100.0
Block G.....	234	313.9	August 2020	October 2024	100.0	65.2
Block K.....	1,949	1,674.8	November 2020	December 2025	87.9	56.2
Block D.....	645	636.9	February 2022	December 2025	98.9	3.3
Block C	101	148.6	June 2023	September 2026	33.7	0.0
Block F.....	243	346.9	May 2023	August 2026	94.2	0.0

Notes:
(1) Development value refers to the net sale value of launched units, sold and unsold.
(2) Expected completion date for launched projects.
(3) Percentage of construction completed on launched units.

As at 31 December 2023, Block L, Block M and Block J were fully completed with no further launches planned and Block K was fully launched. Further launches are anticipated at Block D, Block G and Block F.

Aljada comprises a number of retail buildings. The first phase of Madar opened in February 2020 and welcomed more than one million visitors in its first year. Work on the second phase of Madar is complete with the third and final phase expected to begin in 2024. As at 31 December 2023, the Group owned 23,182 square metres of retail GLA in Aljada, of which 98.9 per cent. was leased. Madar attracted 2.7 million visitors in 2023.

Aljada's master plan includes three schools. The first phase of the SABIS International School was completed in August 2021 and the school opened for the start of the 2021/22 academic year. Construction of the second and final phase completed in October 2022.

Masaar

Masaar was launched in January 2021 and is characterised by wide green spaces that encourage active, healthy lifestyles as well as peaceful relaxation, all in a safe and secure family-friendly environment.

The project size is 1.8 million square metres and the project master plan envisages the construction of approximately 3,000 townhouses and villas in six gated residential communities, each of which is connected to the community hub. All residences in Masaar incorporate smart home technology.

Masaar's planned community amenities include over 50,000 trees in a central forested district containing the Masaar Experience Centre (the community hub), a Zad food truck district, a full-service Wellfit fitness centre, a skatepark, a children's adventure playground, an events space, Masaar Souq, a community centre with an anchor supermarket, shops, cafes, restaurants and services, a large international school (subject to demand) and nursery, a 6.6-kilometre looped and continuous woodland professional jogging track and a 5

kilometre leisure cycle and jogging track and a wide range of outdoor sports facilities, quiet zones and forested walks. Masaar also includes nine active parks, incorporating facilities including swimming pools, tennis courts, squash courts, basketball courts and kids play areas, and a passive park including seated areas and open green spaces for yoga and meditation.

Masaar is located close to Nasma Residences in the Suyoh district, close to Tilal City and the Sharjah Mosque. The community has easy access to Emirates Road and Mleiha Road, is a 15-minute drive from Sharjah International Airport and a 20-minute drive from Dubai International Airport.

Masaar comprises six phases: "**Sendian**" which comprises 431 townhouses and villas; "**Kaya**" which comprises 421 townhouses and villas; "**Robinia**" which comprises 565 townhouses and villas; "**Azalea**" which comprises 566 townhouses and villas; "**Sequoia**" which comprises 422 townhouses and villas; and "**Saro**" which comprises 597 townhouses and villas.

Construction on Sendian commenced in May 2022 and the construction contracts in respect of Kaya were awarded in November 2022. Robinia launched in June 2022 and the construction contracts were awarded in December 2022. Azalea launched in November 2022 and Sequoia launched in February 2023.

The table below shows certain information as at 31 December 2023 in relation to the launched residential units in Masaar.

Community	Residential units	Development value[(1)]	First launch period	Final completion date[(2)]	% units sold	% completion[(3)]
		(AED million)				
Sendian	431	901.9	January 2021	November 2023	100.0	100.0
Kaya	421	910.8	October 2021	October 2024	100.0	49.2
Robinia	565	1,364.9	June 2022	September 2024	100.0	73.2
Azalea	566	1,630.0	November 2022	December 2025	99.6	0.0
Sequoia	419	1,811.4	January 2023	February 2026	76.8	0.0
Saro	597	2,503.5	October 2023	April 2026	34.3	0.0

Notes:
(1) Development value refers to the net sale value of launched units, sold and unsold.
(2) Expected completion date for launched projects.
(3) Percentage of construction completed on launched units.

As at 31 December 2023, the completion percentages for Sendian, Kaya and Robinia were 100 per cent., 49.2 per cent. and 73.2 per cent. (respectively).

Jouri Hills

Jouri Hills was launched in November 2022 and is located within the Jumeirah Golf Estates community in Dubai. The project size is 2.9 million square metres and the project master plan envisages the construction of 294 luxury homes from three-bedroom townhouses to six-bedroom mansions.

Jouri Hills' planned community amenities include a landscaped community park, cycling tracks, an array of sports facilities and a children's adventure playground. Residents will also have access to a Wellfit fitness centre and swimming pool.

As at 31 December 2023, Jouri Hills was fully launched. The table below shows certain information as at 31 December 2023 in relation to the residential units launched at Jouri Hills.

Community	Residential units	Development value[(1)]	First launch period	Final completion date[(2)]	% units sold	% completion[(3)]
		(AED million)				
Jouri Hills	294	2,255.9	November 2022	November 2025	93.2	2.0

Notes:
(1) Development value refers to the net sale value of launched units, sold and unsold.
(2) Expected completion date for launched projects.
(3) Percentage of construction completed.

Armani Beach Residences at Palm Jumeirah

In May 2023, the Group announced a partnership with the Armani Group and Japanese architect Tadao Ando to develop a new project at Palm Jumeirah in Dubai. The project anticipates the development of 53 ultra luxury units. Armani Beach Residences was launched in January 2024.

Armani Beach Residences are scheduled to be completed in 2027.

Anantara Sharjah Residences and Resorts

In May 2024, the Group, in partnership with Minor Hotels launched Anantara Sharjah Residences and Resorts. The project is expected to have 128 branded residences and will be adjoining a 110-key Anantara Resort.

Dubai Harbour

In April 2023, the Group announced a partnership with EGR Group for the joint development of Dubai Harbour located within the Marsa Dubai waterfront community. As at the date of this Base Offering Circular, the development agreement in respect of Dubai Harbour project is subject to finalisation.

DIFC

In January 2024, the Group announced a partnership with a related party for the development of land at the Zabeel 2 district adjacent to the DIFC. The project anticipates the development of a 50-floor luxury residential tower containing 400 premium apartments. As at the date of this Base Offering Circular, the development agreement in respect of the DIFC project is subject to finalisation.

Project development process

Feasibility

Each master-planned community project commences with a preliminary feasibility report, which sets out the project development phases, provides a high-level analysis of the financial parameters of the project and an overview of potential legal and regulatory issues, and includes relevant market research studies. At this stage, various government and/or local parties are also approached with a basic framework of the proposed project. Where a partnering entity is identified, due diligence of its business is also undertaken. Once finalised, the preliminary due diligence report is submitted to senior management for review and approval. Once the project is approved by senior management, it is then presented to the Board of Directors (the "**Board**") for approval to undertake a detailed feasibility study.

Upon approval from the Board, a memorandum of understanding with an expression of interest is signed with the relevant counterparties confirming interest in the project and the Group's exclusive development rights. External consultants are then appointed to carry out the detailed feasibility study. Board approval is obtained to proceed with development based on the outcome of the detailed feasibility study including approval on, where applicable, the terms and conditions of any proposed joint venture agreement.

Master planning

Master planning starts after the granting or acquisition of land, whether directly, through a joint venture agreement or a development agreement. This stage of the process is designed to ensure that a project will reflect the Group's brand and quality standards, which are monitored on an ongoing basis by quality assurance and control teams, and that it will respond to the demands and preferences of the Group's customers, as informed by the insights of market research and the sales and marketing team.

In the case of the Group's Sharjah developments, the master plan requires approval from relevant authorities including the Department of Town Planning and Survey and the SRERD in Sharjah and Dubai Land Department, the Real Estate Regulatory Agency and Trakhees or Dubai Municipality in Dubai, each as applicable. The Group organises the master planning of its projects through a team of experienced in-house professionals as well as external design consultants.

At the design phase, more detailed project and design feasibility studies are conducted for various development options and third party consultants are engaged to design the project. Consultation with all relevant parties, including supervisory bodies, designers, architects, road and traffic authorities and utility

providers are carried out to establish the infrastructure requirements for the project. Based on this work, a detailed master plan for the development is prepared which also includes its sales and marketing strategy. The master plan sets out, among other things, the type, density, built-up area and timeline for completion of the project.

Plot level design and tender process

Following approval of the master plan, a detailed schematic and tender process stage is commenced, when a bill of quantities (the "**BOQ**") is undertaken which defines the overall scope of work, lists the materials required and details the nature and scope of activities to be carried out to execute the project. It also includes details of the budget estimates for the proposed project. The BOQ is typically approved by the Group's design, commercial and development departments.

Tenders or invitations to submit proposals for each development phase are issued to potential contractors, who are chosen based on their track record, their ability to complete the project and their relevant experience. Submitted bids are evaluated, with particular attention paid to the skill set and expertise (for example, in design, cost consulting or construction) that the Group requires for the proposed project and the pricing proposal.

The Group engages contractors and, from time to time, sub-contractors, ensuring quality control and reducing operational risk. It adopts a proactive approach to its tender management process, utilising a pre-qualification process that comprises both technical and financial elements. The Group places limits on variation orders and changes from its original approved designs, and construction progress and quality is monitored by third-party supervision consultants.

Arada believes that the Group's design and tender processes provide it with a high degree of certainty with respect to development and BOQ costs. This, in turn, allows it to launch its developments for off-plan sales early in the process. Early launches create the opportunity for further market and customer feedback through which the project plans can be further refined. While certain aspects of the Group's projects are relatively fixed, such as gross floor area and elements that affect regulatory approvals, such as traffic impact assessments, the Group seeks to maintain flexibility to respond to customer demand for particular types of residential units, property features and amenities. The Group's sales and marketing teams provide continuous feedback on customer preferences that allow its design and construction teams to adjust and respond in order to enhance the product offering.

Leasing

Typically, the Group leases the retail elements within its developments once they have been constructed (although in some instances commercial space may be sold to third parties) and sells residential units completed by it. In relation to its leasing arrangements, the Group has adopted its own form of lease contract setting out details of rental periods, service charges, default provisions and other requirements. Where anchor tenants are identified (meaning those tenants identified as key businesses which lease large amounts of retail or commercial space), the lease agreements may be negotiated.

The Group has set criteria for its retail and commercial developments and before a lease agreement is executed, due diligence on the potential tenant is undertaken. Once an agreement is signed, each tenant receives a tenant guide related to the nature of their tenancy.

Marketing and sales

The marketing and sales plan for each project is developed at the master plan stage, and includes the launch plan and a marketing strategy informed by key insights from the sales and development teams. These insights incorporate a pricing proposal which covers the different types of residential units included in each development, their locations within the development and individual features, as well as an affordability analysis, which combines target market research, rental yields, mortgage rates and target margins, among other things. The Group's marketing plans include a mix of communication channels, with a strategic focus on digital and social media and other web-based platforms, in addition to ongoing branding and promotional events to foster sustained engagement with target customers.

The Group's marketing strategy is to strengthen awareness of the Arada brand through sustained brand visibility initiatives and a robust digital presence, educating new and existing customers about its projects, and driving customer engagement through dedicated destination campaigns highlighting key attributes of

its projects. The Group's marketing strategy combines impact campaigns, including engaging launch events, insight driven online and social media marketing and a best-in-class sales experience. In addition to the communication initiatives supporting the advertising, branding and promotional events for its projects, the Group also has dedicated display model villas and apartment interior mock-ups, which give potential customers the opportunity to experience elements of its projects first-hand, including details of the amenities that will be offered.

The Group engages external public relations agencies to support more extensive communications for specific project launches such as press releases in regional publications and through its websites. It undertakes an approach of "perfect launches", which refers to launches when all infrastructure requirements for the development are finalised or nearly finalised and where all the details of the master plan, including the services and amenities which will be available for the project, have been identified. On the launch date, prospective customers are served either on a first-come-first-served basis or based on pre-registration.

The bulk of the Group's sales were driven by third-party agencies in the three years ended 31 December 2023. As at 31 December 2023, the Group had relationships or partnerships with 434 third-party agencies. In 2023, 66 per cent. of the Group's sales were made through third-party agencies. The Group's relationship with these third-party agencies is non-exclusive and on a commission basis. In addition to sales agencies, the Group's properties are also directly sold through international property fairs, dedicated marketing roadshows to premium destinations, as well as through referrals and direct enquiries.

The Group aims to steadily increase the contribution of the direct sales channel, which is more cost effective than, and reduces reliance on, the agency channel which is driven by commission structures. The Group is growing its direct sales database which it believes will also help it to cross-sell other services within the Group's portfolio. In 2022, direct sales represented 44 per cent. of total sales compared to 34 per cent. in 2023.

The Group begins selling its projects off-plan. Initial units may be sold at lower prices to create demand inflow, and sales prices increase periodically throughout the development process with higher specification or priced units being sold as the community nears completion.

Upon buying a residential unit, the customer contractually agrees to pay Arada the purchase price in instalments on a pre-agreed payment schedule. Main construction works are commenced once a sufficient portion of the residential units in a development is pre-sold (typically around 70 per cent.). At the time of sale, contracts detailing, among other things, payment schedules (including relevant construction milestones), apartment or villa plans and agreed designs are executed and a deposit of 5-10 per cent. of the total purchase price is collected. Thereafter, customers are required to make progressive payments on pre-determined dates or upon the completion of pre-determined stages of construction. This business model allows projects to remain cash positive throughout the entirety of the construction cycle. Payment plans and schedules vary by development and type of residential unit.

If a customer defaults on such progressive or final payments, as applicable, Arada's practice is to take legal action to enforce the payments due and to terminate the relevant sale and purchase agreement. Once the termination has been ordered by the court, Arada may de-register the property and resell it to a third party.

Construction of infrastructure

Infrastructure works are commenced before any buildings are constructed and run in parallel to main works construction for the duration of the development. Construction of infrastructure includes undertaking earth work, liaising with the relevant utility providers, building utility networks (such as district cooling stations, laying relevant pipelines for water and sewerage and establishing the electrical and telecommunications networks) and building roads. Typically, the infrastructure is developed in accordance with the development's requirements and accordingly, infrastructure plans can be amended based on actual sales patterns.

Construction of projects

Before tenders are awarded, a minimum threshold is normally set for pre-sales. This is typically between 60 and 70 per cent. of the residential units in a particular project, with approximately 25 per cent. of the associated sales value collected. As this covers the majority of construction costs, it ensures that the project is substantially self-funded through customer payments. However, if the pre-sales threshold is not met, the Group has discretion to proceed to award tenders without the relevant customer contributions. Once the

pre-sales and leasing stage is concluded and tenders have been awarded, construction commences. Any variance to the budget, timeline and scope of work is reported by the relevant project control group to management.

Tenders are awarded to main contractors, which, in turn, may also employ specialist sub-contractors after consulting with the Group. In addition to the oversight of overall construction, the main contractor is typically responsible for site works, concrete works, masonry and partitions, metal works, thermal and moisture protection, signage, parking accessories and building maintenance units. These works account for approximately 40 per cent. of the total costs of construction on a typical project. The specialist sub-contractors are typically responsible for major professional services items including MEP (mechanical, electrical and plumbing) ("**MEP**") works, wood works and joinery, facade works such as aluminium and glazing, fit out and 'FF&E' (furnishings, furniture and equipment), and external works such as hard and soft landscaping.

These works account for approximately 50 per cent. of total construction costs on a typical project. The main contractor is also responsible for monitoring prime cost items, which include finishes (tiles, stone, thresholds, counter tops), doors and related ironmongery, sanitary ware, light fitting and facade fitting, home appliances, shower enclosures, and partitions and mirrors. These works account for approximately 10 per cent. of total construction costs on a typical project.

The Group focuses on efficiency and cost management at all stages of the procurement and construction processes. Costs are known at the outset of a project and allocated at the same rate per square foot across all units in a given project. Gross profit margins begin at approximately 25 per cent. and typically average 40 per cent. over the life cycle of a given master planned community. The Group has well developed systems in place to maintain its target gross profit margins and enhance its operational and financial performance through the management of construction costs and the performance of its contractors. It manages the performance of its contractors through a pre-qualification process that comprises both technical and financial elements. It places limits on variation orders and changes from its original approved designs, and construction progress and quality is monitored by third-party supervision consultants, including through structural design peer review.

Project contracts are primarily lump-sum and awarded at a fixed price, and a performance bond equal to 5 to 10 per cent. of the contract sum at the time the contract is awarded is generally required. Standard form contracts allow the Group to trigger early termination clauses in the case of non-performing contractors. The Group's structural designs are reviewed by third-party consultants to ensure design efficiency, and extensive value engineering is carried out on major project elements, such as MEP, façade and joinery, which are carried out as nominated provisional sum packages. This allows the Group to maintain control over the selection of sub-contractors to achieve its desired quality and cost. In addition, to benefit from economies of scale, term contract agreements are used for special materials like ceramic tiles and sanitary ware for the Group's pipeline of projects.

The Group relies on recognised regional and local contractors in the execution of its projects. The table below provides information in relation to the Group's six largest contractors as at 31 December 2023.

Contractor	Contract value awarded	Units under construction	Units delivered	Total units
	(AED million)			
Intermass Engineering & Construction Co LLC...	2,559.2	1,147	3,995	5,142
Al Kharafi & Sons Company LLC	1,051.8	1,687	248	1,935
Gulf Asia Contracting	870.2	1,252	0	1,252
Al Ashram Contracting LLC	402.6	0	1,553	1,553
Pivot Engineering & General Contracting Co. WLL	401.0	421	0	421
Modern Building Contracting Company LLC	292.0	120	621	741

Other business verticals

The Group's other business verticals include education, fitness, brands, hospitality, retail, entertainment and other services, principally the Arada Foundation which consolidates and structures the Group's corporate social responsibility and philanthropic initiatives, and Arada Khadamat and Arada Association, which are each discussed below under "—*Asset management*".

Education

Launched in 2021, Arada opened its first school, the SABIS International School, in Aljada in partnership with SABIS, a global schools operator which owns the International School of Choueifat brand. The Group owns the school which is managed by SABIS and SABIS pays rent to the Group for the use of the premises.

The Group plans to open additional schools at both Aljada and Masaar. These schools are expected to be owned and leased by the Group to third party school operators.

Fitness

In 2021, the Group launched a major new fitness and wellness concept, Wellfit. Wellfit is designed to motivate people to lead happier, healthier lives through a connected and tailored fitness experience. Wellfit's first three flagship venues in Jumeirah Village Circle (Dubai), Meydan (Dubai) and Madar at Aljada (Sharjah) are the three largest fitness clubs of their type in the UAE. There are also two community Wellfit gyms located in Nasma and in Sarab, Aljada. The Group plans to open additional Wellfit fitness centres in new locations in Dubai, Sharjah and Abu Dhabi.

Brands

The Group's brands include Zad, Manbat and Wellfit.

Zad, a new consumer brand, was launched by the Group in 2020. Zad is designed to activate public spaces, offering a flexible platform that has proven ability to attract significant footfall. The first Zad location at Madar in Aljada, which opened in the first quarter of 2020, is welcoming 120,000 visitors a month, drawn by its safe, family-focused and playful attractions and well-designed environment. Zad at Aljada contains 24 food outlets, split between a walkthrough food district and a drive-thru. The site also features a free-to-enter drive-in cinema and has direct access to a softscape children's adventure playground, a waterplay area and a skatepark. As part of Madar, Zad generates leasing revenue for the Group. The Group plans to open an additional Zad location at Masaar as well as other locations.

Manbat is an Emirati farmers market that was launched by the Group in partnership with the UAE Ministry of Climate Change and Environment in early 2021. Manbat markets currently operate in both Nasma Residences and Aljada and provides food producers in Sharjah and across the UAE with a platform to showcase their wares to a wide range of customers and retail buyers. During the winter season, Manbat markets also take place every weekend in Business Bay and The Palm Jumeirah in Dubai. The Group plans to operate additional Manbat markets, with one currently committed in Dubai. Manbat is a not-for-profit social project for the Group.

Hospitality

In 2018, the Group agreed with Emaar Hospitality Group that the Group will construct three hotels and associated managed apartment buildings in Aljada that will be owned by the Group and managed by Emaar Hospitality under its five star The Address and Address Residences, four-star Vida and Vida Residences, and three-star Rove brands.

Sharjah's first branded residences, the first three buildings of the Vida Residences Aljada, were launched in November 2020 and the construction contract was awarded in January 2023.

The Group plans to open additional hotels with other hotel management companies at Aljada.

Retail

The Group's retail vertical currently encompasses one Group-owned brand, Hungry Wolves, and one franchised brand, Boost Juice. This vertical does not operate the retail space retained by the Group and instead focuses on concepts that will be operated both within and outside the Group's developments.

Launched in November 2021, Hungry Wolves is a healthy-eating food and beverage brand based inside Wellfit fitness centres. Hungry Wolves has been designed to understand the importance of the role that food plays in the fitness journey.

In 2022, the Group, in association with Australian retailer Boost Juice, intends to launch the Boost Juice business across the UAE through a Master Franchise Agreement which was executed in February 2022.

This will constitute the Group's entry into the diversified retail business and the Group is planning to open more than 30 stores in the coming years. Boost Juice Bars is an Australian retail outlet that specialises in selling fruit juice and smoothies. Boost Juice Bars was formed in 2000 and now has expanded internationally with more than 500 franchised stores in Asia, Europe, South America and the United Kingdom.

Entertainment

The Group operates a free drive-in cinema at Madar in Aljada, along with weekly events conducted with artists in its Aljada and Nasma communities. The Group intends to expand the leisure portfolio in Madar substantially with the construction of around 70,000 square metres of additional leasable leisure space that is expected to be developed in two phases by 2025.

Asset management

The Group's master-planned destinations are managed in-house by experts with diversified experience.

Launched in 2021, Arada Khadamat is dedicated to serving the needs of the Group's buyers. Arada Khadamat covers the entire customer experience from post-sales through handover and for the lifetime of the property. Arada Khadamat, which is led by a dedicated chief community officer with extensive experience, comprises:

- a motivated customer relationship management team with excellent communications skills;
- a professional and available facilities management team; and
- leasing services to enable owners to rent out their property faster and to and assist with the management of tenant issues.

In addition, the Arada Association has been established to help oversee the different owners' associations of the various buildings within each Group community. Owners' associations conduct community management and promote and protect the wellbeing and the lifestyle of each building and the residents living within them. They also provide community continuity, preserve the architecture and common areas, and oversee several technical, security, financial, administrative and customer service functions.

Currently, Arada Association is assuming the administrative responsibilities of each owners' association, ensuring transparency and generating trust from stakeholders. Over time, the intention is that management of each owners' association will devolve to its community. Arada Association also plans to establish a community portal that will offer two-way communication between residents and management on a 24-hour basis.

Customers

The Group's customer base is diverse with 91 per cent. of the Group's sales being to non-UAE nationals in 2023. The table below shows the nationality of the Group's customers as a percentage of its total sales in each of 2023, 2022 and 2021.

	Share of total sales by value		
	2023	**2022**	**2021**
		(per cent.)	
UAE	8.5	24.7	50.2
Other GCC	3.3	8.8	7.3
Other MENA	11.6	17.2	11.7
Europe	17.4	7.0	4.3
India and Pakistan	32.1	24.6	12.3
Others[(1)]	27.2	17.5	14.2
Total	**100.0**	**100.0**	**100.0**

Note:

(1) Others includes 58 nationalities in 2023, 36 nationalities in 2022 and 27 nationalities in 2021.

The Group also benefits from a stable repeat customer base and a growing number of new customers. The table below shows certain information related to the Group's new and repeat customers in each of 2023, 2022 and 2021.

	Share of total sales		
	2023	**2022**	**2021**
Total sold units (*no.*)	2,379	2,268	2,493
Units purchased by new customers (*no.*)	2,045	1,477	1,684
New customers (*per cent.*)	72.4	65.1	67.5
Units purchased by repeat customers (*no.*)	779	791	809
Repeat customers (*per cent.*)	27.6	34.9	32.5

Between 2021 and 2023, the Group's repeat customers purchased 2,379 units, or 31.4 per cent., of the 7,585 total units sold during the three years.

Competition

Arada currently competes with other major property development companies offering properties that compete with those offered in the Group's projects, including Al Zahia, Alef group and others. Competition principally takes the form of competing for purchasers of residential property. In addition, Arada also competes to source appropriate land plots on which to construct its projects, for example its acquisition of a land plot on Palm Jumeirah was won in a competitive bid process against other leading developers in Dubai.

See further "*Risk Factors—Risk factors relating to Arada's ability to fulfil its obligations under the Transaction Documents—The Group faces competition in property development*".

Intellectual Property

Arada owns a number of trademarks which are important to its business, including Arada, Aljada, Masaar, Zad, Manbat and Wellfit. Each of these trademarks has been registered in the UAE.

Information Technology

Arada seeks to ensure that the Group's technology solutions constantly drive new ways of doing business, influencing the customer experience and improving both business innovation and efficiency. The Group ensures that its implemented systems and solutions meet the requirements of its business, are effectively maintained and are kept up to date.

In order to help capture a market-leading position, in 2021 the Group embarked on a two-year digital transformation programme called "EVOLVE" which completed in the first quarter of 2023 and is designed to address the following key digital transformation pillars:

- **NexGen infrastructure**: currently Arada has robust Microsoft Azure cloud infrastructure which enables 24/7 availability, faster response times and future on-demand scalability for the Group with disaster recovery enabled, including back-ups which are collected periodically. The Group's document management system is also designed to allow the recovery of data in a disaster scenario, as it can be remotely accessed through the internet.

- **Application modernisation**: Arada has built or implemented leading core enterprise business systems that helped to digitise its business processes and enable continuous improvements.

- **Digitally connected enterprise**: digitally connected enterprise enables the digital culture and promotes digital collaboration. Using these platforms, the Group ensures that systems such as enterprise content management and document management are always available for secured collaboration and sharing.

- **Digital connect to customers**: the Group is implementing key digital solutions that enable digital connection and collaboration with its customers in way that enhances the customer experience. The Group has already deployed systems and mobile applications for managing customer services, feedback, analyses and reports.

- **Data analytics and business insights**: the Group is implementing key technology platforms to enable systematic business data capture and acquisition for the purpose of data insights, analytics and discovery to facilitate informed decision-making.

The Group has implemented cloud security controls as part of the Microsoft Azure hosting platform which covers its standard office, email and other productivity tools as well as the key technology systems. The Group has also implemented the leading on-premises end point security systems, network security firewalls and other security measures. As at the date of this Base Offering Circular, the Group has not experienced any security breaches.

Insurance

Arada has invested in comprehensive insurance policies tailored to real estate development. It includes property insurance (movable and immovable), general liability insurance, professional liability insurance (errors and omissions), contractor's all risk ("**CAR**") insurance, directors' and officers' liability insurance, business interruption insurance, fidelity guarantee and motor fleet insurance.

Prior to awarding a development contract, Arada requires its contractors to secure CAR insurance to protect against various risks and liabilities that may arise during construction. It provides coverage for both property damage and third-party liabilities associated with construction projects. It typically covers the construction site, materials, equipment, and machinery, as well as third-party property damage and bodily injury arising from the construction activities. The policy commences from the inception date of the contract and is valid until completion and handing over of the project to Arada. Once the project is handed over by the contractor, the CAR insurance expires. Thereafter, the retained elements of the project form part of the Group's assets and are insured under Arada's own property insurance.

Arada believes that the Group's insurance programme is comprehensive and robust. Arada endeavours to keep the insurance programme aligned and updated, on an ongoing basis, in accordance with the latest insurance solutions available in the global insurance market. Arada is transparent in its disclosure of information to the underwriters in evaluating the risk, its pricing and coverage.

Arada also has in place business interruption and loss of profit insurance. In addition, Arada requires all of its consultants to carry professional indemnity insurance according to the best available market standards.

Arada's insurance policies are subject to commercially negotiated deductibles, exclusions and limitations. There have been no material changes in Arada's risks in the two years prior to this Base Offering Circular and, therefore, no changes in the costs and availability of insurance cover.

While Arada has insured for majority of potential risks in relation to real estate development, there are also certain risks that are typically excluded from insurance coverage and/or are difficult to insure effectively due to their nature. While insurance can protect against physical damage to property, it cannot mitigate the financial impact of market fluctuations or declines in property values. Force majeure events, such as natural disasters or acts of terrorism, can cause significant damage to real estate properties. While insurance policies cover damage from these events, there are limitations or exclusions for certain types of catastrophic events such as war or terrorism or losses beyond the insurer's control. See "*Risk Factors—Risk factors relating to the Group's business and Arada's ability to fulfil its obligations under the Transaction Documents—The Group may not have adequate insurance to cover potential losses*".

Environment and ESG

Arada is dedicated to adhering to, or surpassing, the industry benchmarks for all relevant environmental standards and regulations. Arada is devoted to developing its properties in a manner that ensures the enduring sustainability of our environment.

To achieve this, Arada engages in comprehensive environmental studies and employs an environmental consultant to oversee the implementation of the outcome of these studies, in accordance with regulatory requirements for each of its projects. This ensures strict compliance with all pertinent regulations. The construction contractors overseeing Arada's projects secure all necessary permits from government bodies and oversee the permit acquisition process. Arada's project sites undergo regular inspections by regulatory bodies to ensure continuous adherence to environmental regulations.

As at the date of this Base Offering Circular, no material environmental issues have occurred at any project site whether the site is being considered for development, has been developed or has been completed by the Group, and no material environmental claims have been made or asserted against the Group.

Arada believes that its properties are in substantial compliance with all relevant environmental laws and regulations. Arada's environmental practices are governed by stringent operating guidelines designed to minimise its impact on the ecosystems in which it operates. Arada is committed to educating its employees, contractors, suppliers, and the communities it serves about the potential environmental impacts of their activities. Arada's goal is to foster greater environmental awareness and promote a more sustainable lifestyle through energy and water efficiency initiatives, aligning with the UAE's vision for a greener future.

The Group is committed to integrating environment, social and governance ("**ESG**") into all of its activities and has outlined the below key steps to become an ESG leader:

- currently, the Group has created a dedicated team focused on its ESG policies, is developing a tool to monitor its carbon footprint and is carrying out a materiality assessment;
- within 12 months, the Group plans to establish a comprehensive ESG strategy and framework, publish its first sustainability report with reference to Global Reporting Initiative (GRI) standards, develop specific action plans with necessary resourcing plan and conduct necessary employee engagement and training;
- within 24 months, the Group aims to publish its second sustainability report and expand data collection for a detailed carbon footprint assessment;
- within 36 months, the Group aims to issue its third, highly comprehensive sustainability report, aligning with GRI and other ESG standards; and
- in 8 years, the Group aims to achieve carbon neutrality for its scope 1 and 2 emissions.

In February 2024, Arada successfully attained the ISO 26000:2010 accreditation, marking a significant milestone in its journey towards sustainability. This achievement underscores Arada's dedication to adhering to international standards for social responsibility. It reflects its ongoing commitment to operate ethically and sustainably, setting a benchmark for corporate responsibility.

Health and Safety

Arada is committed to providing a safe working environment and to securing improvements in occupational health and safety by protecting employees, visitors and all who work on its behalf from workplace injury and illness.

Arada appoints a supervision consultant to monitor the progress of construction and the implementation of local regulations, international health and safety guidelines such as ISO 9001:2008, ISO 14001:2004, OHSAS 18001:2007 and National Fire Protection Association standards in each of its projects. The supervision consultant hires a health and safety officer and works with the project manager. The supervision consultant also hires a health and safety manager for the project and works with others who are appointed specifically to monitor safety compliance at each relevant construction site. These teams jointly manage and ensure site safety requirements are met by contractors and subcontractors.

For each project, Arada also appoints a project manager to inspect both the physical conditions on the site, such as personal protective equipment, working at heights and in confined spaces, and procedural issues such as third party certification for lifting equipment, machinery, firefighting systems, first aid procedures, control measures, emergency and contingency plans and job specific training registers. The project manager can authorise the appointed health and safety officer to issue reports, stop work and impose fines should policies not be followed. The health and safety officer also tracks and reports monthly key performance indicators on the project, such as the number of man-hours worked, workers, lost days, lost time incidents, first aid and medical treatment cases and fire accidents. In some cases, where no health and safety officer is appointed by the lead contractor, Arada hires an external health and safety consultant to perform this task and report directly to the Arada project manager.

MANAGEMENT AND EMPLOYEES

Board of Directors

Arada's Board is elected by shareholders at a general meeting. The Board has the necessary power to manage Arada and act on its behalf.

Arada's shareholders are not involved in the day-to-day operations of the Group's business, only at the strategic level through their Board membership. Projects and strategic decisions are recommended by the management to the Board. Board meetings take place on a quarterly basis and the decisions taken at Board meetings are then executed by the senior management.

The following table sets out the names of the members of Arada's Board as at the date of this Base Offering Circular:

Name	Designation
H.R.H. Sheikh Sultan bin Ahmed Al Qasimi	Board Chairman
H.R.H. Prince Khaled bin Alwaleed bin Talal Alsaud	Vice Chairman
Ahmed Alkhoshaibi	Board Member and Chief Executive Officer
Khalifa Al Shaibani	Board Member

The address of each member of the Board is Arada Headquarters, 19th Floor Festival Tower, Dubai Festival City, Dubai, UAE. There are no potential conflicts of interest between the private interests or other duties of the Directors listed above and their duties to the Group.

Detailed below is brief biographical information on the members of the Board.

H.R.H. Sheikh Sultan bin Ahmed Al Qasimi

H.R.H. Sheikh Sultan bin Ahmed Al Qasimi is Deputy Ruler of Sharjah and holds a number of senior positions in both the public and private sector in the UAE.

He is the Chairman of Sharjah Media Council, the Deputy Chairman of the Sharjah Petroleum Council and the Chairman of Sharjah National Oil Company and has also been a member of the Sharjah Executive Council since 2006. Sheikh Sultan is also Chairman of Basma, a privately owned company that invests in diversified sectors.

Sheikh Sultan holds a Bachelor of Science degree in Business Administration from Arkansas State University, US, and a master's degree in computer information systems from the University of Detroit Mercy, in Michigan, US

H.R.H. Prince Khaled bin Alwaleed bin Talal Alsaud

As the founding chairman of KBW, H.R.H. Prince Khaled bin Alwaleed bin Talal Alsaud has holdings on five continents.

He invests in diverse global businesses and early stage ventures, including those in advanced technology and clean energy, at the intersection of innovation and economic stability.

A member of the Saudi Arabian royal family, Prince Khaled spent his youth in Riyadh under the mentorship of his father, philanthropist H.R.H. Prince Alwaleed bin Talal Al Saud, Chairman and Founder of Kingdom Holding.

Ahmed Alkhoshaibi

Ahmed Alkhoshaibi is the chief executive officer ("**CEO**") of Arada. He has leveraged his previous extensive experience in the real estate sector in Australia to help establish Arada as one of the UAE's most active developers.

He has held senior managerial positions across a number of industries including heavy machinery and construction.

He is also the Group CEO of KBW and is a noted entrepreneur.

He has a degree in Business Finance together with an Executive MBA.

Khalifa Al Shaibani

Khalifa Al Shaibani has served as Board Member at Arada since its foundation in 2017. He has long experience in the Sharjah real estate sector and also serves as Director General of Basma.

He has served as the Director General of Tilal Properties, the master developer overseeing the Tilal City megaproject in Sharjah, since its launch in 2014.

His other positions include Director General at Wekaya, a medical waste management company, and Director General of United Investment.

Senior Management

The following table sets out the names of the senior management of Arada as at the date of this Base Offering Circular:

Name	Position
Ahmed Alkhoshaibi	Group Chief Executive Officer
Shimmy Mathew	Group Chief Financial Officer
Atul Goel	Senior Finance Director
Ahmad Oneisse	President – Sales and Sales Operations
Elie Mrad	Chief Architecture Officer
Edward Attwood	Chief Communications Officer
Shrikant Kabboor	Chief Technology Officer
Eric Hanna	Chief Marketing Officer
Sameer Kulkarni	Chief Community Officer
Rosa Piro	Senior Business Development Director
Saneen Sainudeen	Senior Director Contracts & Commercial
Maher Metraji	Senior Development Director
Mohamad Moussalli	Senior Development Director
Mohit Menon	Senior Director HR
Graham Alderslade	Director of Landscaping
Ray Tinston	Director, Events
Hisham Saeed Khattab	Director, Government Relations
Fayez Khouri	Senior Legal Director
Feras Al Naimi	Senior Director – MEP and Infrastructure

The address of each member of the senior management Arada Headquarters, 19th Floor Festival Tower, Dubai Festival City, Dubai, UAE. There are no potential conflicts of interest between the private interests or other duties of the senior management listed above and their duties to Arada.

Detailed below is brief biographical information on Arada's senior management.

Shimmy Mathew, Group Chief Financial Officer

Shimmy Mathew is a Chartered Accountant with more than two decades of practical and theoretical experience across numerous commercial segments, specialising in financing and relevant strategic measures associated with business acquisitions and its administration.

Appointed in 2013 as Chief Financial Officer of KBW Investments, Shimmy was additionally appointed Chief Financial Officer of Arada when it was founded. He oversees multiple aspects of both the Group and Arada, in addition to the finance segment, including human resources, legal, compliance and IT.

Shimmy's functional expertise in fields including auditing, strategy development and execution, finance and corporate structuring and implementation, is utilised across the Group in addition to the development and implementation of all of Arada's financial systems, policies, procedures, mandates and standards.

Shimmy has also been instrumental in securing the support of leading UAE banks for several large-scale financing packages that are supporting the construction of the Group's projects.

Prior to his current appointment, Shimmy served as the Finance Manager for Raimondi Cranes, a 150-year-old Italian manufacturer and a pillar of the KBW Investments portfolio. Having transitioned to Raimondi Cranes in 2009, his previous professional record includes extensive experience in the strategic planning, finance and accounting functions of several heavy machinery entities across the GCC countries.

Shimmy is a qualified chartered accountant from India.

Atul Goel, Senior Finance Director

Atul Goel is a Chartered Account and Certified Public Accountant with 23 years' experience in managing international finance teams within multi-billion-dollar organisations.

Prior to joining Arada in 2019, he served as Vice President – Finance at Al Hamra Group in Ras Al Khaimah. He also spent seven years working as Director – Finance at Dubai Silicon Oasis Authority and four years as Finance Director at Emaar Properties.

Atul also gained experience at Zurich International Life, Al Naboodah Engineering Services and Ernst & Young.

Atul is a qualified chartered accountant from India and a certified public accountant from Colorado, USA.

Ahmad Oneisse, President - Sales & Sales Operations

Ahmad Oneisse has 17 years' experience in sales and sales operations, and is regarded as one of the most experienced real estate executives in the UAE. Before joining Arada, he was employed by DAMAC Properties, where he become Senior Vice President – Sales. As a key member of DAMAC's senior management team, he played a major role in launching some 90 projects throughout the region and has been responsible for the development and execution of sales strategies, as well as building business models and assessing risks.

In his most recent roles, Ahmad has overseen overall sales operations and customer relations to ensure delivering and sustaining revenue and profit gains, quality, service and customer satisfaction, as well as a special emphasis on business development through joint ventures. He has worked with family-owned and publicly listed companies with diverse business cultures in both developed and emerging economies in the Middle East and has a demonstrated ability to cross industry boundaries to boost financial outcomes in real estate sectors.

Ahmed holds a degree in Arts in Elementary Education.

Elie Mrad, Chief Architecture Officer

Elie Mrad is a qualified architect with more than 20 years' experience working in diverse markets, including Australia, the UAE and South Sudan.

He is responsible for the Group's overall design philosophy and for developing new typologies that adhere to that philosophy. Elie focuses on an iterative and information-based design process to introduce new ideas, and is also responsible for ensuring the feasibility of designs, from concept to completion.

As Head of Architecture and Design, Elie has been instrumental in the creation of the masterplan and unit designs for all three of the Group's projects and worked closely with Zaha Hadid Architects on the delivery of Madar at Aljada, a new leisure and entertainment destination for the UAE.

He previously served as Head of Architecture at Arcadia Middle East, and as Senior Architect at Dewan Architects & Engineers. Elie's other roles have included Managing Director of Venture International and Senior Architect at Kann Finch.

The projects he has worked on include Reem Mall in Abu Dhabi, Dubai Festival City and the Crowne Plaza Hotel on Yas Island.

Elie holds a BSc in Architectural Engineering from Beirut Arab University and an MSc in Architecture and Urban Design from the University of Sydney.

Edward Attwood, Chief Communications Officer

Edward Attwood heads the Group's public relations and corporate communications functions and has been with Arada since it was founded. He also serves as Director of Communications at KBW Investments.

A former journalist and editor, he joined Arada from ITP, the Middle East's largest publishing house, where he ran the Executive division. In that role, he oversaw leading consumer publication Arabian Business, as well as having responsibility for the editorial output for three other magazines and ITP Executive's sizeable annual roster of events and awards ceremonies. Before joining the Executive division of ITP, he edited and worked on a number of trade titles, including Construction Week and Aviation Business.

Prior to moving to the UAE in 2008, Edward worked as an editor on the Middle East desk for political and economic forecasting company Global Insight, which is now part of IHS Markit. He also served as a legal caseworker at a local authority in the UK.

He holds an honours degree in English Literature from the University of Newcastle.

Shrikant Kabboor, Chief Technology Officer

Shrikant Kabboor has more than 23 years' experience of developing successful digital technology strategies, processes, policies and procedures, and has demonstrated ability to translate emerging technologies into business solutions to create value.

At Arada, Shrikant is responsible for delivering the developer's ambitious digital transformation journey – EVOLVE – which involves multiple large-scale projects being initiated to transform the Group into a digital technology driven customer-centric organisation.

Shrikant has served in executive leadership roles in a number of property development firms such as Emaar, Majid Al Futtaim and Union Properties. Prior to coming to the UAE, he worked at a number of large-scale technology-driven companies including Idea Cellular (AT&T/Vodafone), Oracle and Agilent Technologies.

Shrikant holds a BSc from Karnataka University and a post-graduate MBA specialising in finance from VAMNICOM, Pune. His other certifications include CISA, CGEIT, PMP, Six Sigma and Beyond Smart Cities Technologies from MIT.

Eric Hanna, Chief Marketing Officer

Eric Hanna has over 30 years' management and sales and marketing experience across the Middle East and Africa. His areas of specialisation include brand management, digital marketing, media planning, sales marketing, business and strategy planning, management operations, budget forecasting and organisational restructuring.

Eric's previous roles include a six-year term as CEO Middle East and Africa at Grey Group (part of WPP) and as CEO Middle East and Africa at Mediacom (also part of WPP). He also served as Director of Marketing at Shamal (part of Meraas Group).

Eric holds a bachelor's degree in economics from the American University of Beirut.

Sameer Kulkarni, Chief Community Officer

Sameer Kulkarni has managed mixed-use master developments in the UAE, Canada and Saudi Arabia.

He previously worked at Amaala/The Red Sea Development Company in Riyadh, where he served as an Executive Director. In the UAE, he has managed large diverse portfolios mainly during his 17-year tenure with Emaar Properties, where he was involved in property handover, maintenance, service fee budgets, communications and homeowner relations for developments that included Downtown Dubai, Arabian Ranches, Emirates Living and The Greens.

Sameer holds an MBA in Hospitality from the Sydney Graduate School of Management, Australia and a Digital Marketing diploma from Cornell University, USA.

Rosa Piro, Senior Business Development Director

Rosa Piro's portfolio of responsibilities includes the expansion of the Group's interests through new projects, as well as evaluating investments in new business segments.

She also oversees and maintains commercial and institutional partnerships in hospitality, healthcare, education and entertainment, adjusting the anchor strategy for each based on the needs of the Group's communities.

Rosa is also responsible for creating and implementing the retail leasing strategy across the Group's assets, as well as their management and operations.

Rosa previously served as Country Head for emerging markets research and consultancy firm Oxford Business Group, working in the UAE, the Philippines and Indonesia. In that role, she oversaw the company's first-ever production of The Report: Sharjah annual investment guide.

Rosa holds a bachelor's degree in international economics from Bocconi University in Milan and a master's in international management from Instituto de Empresa in Madrid.

Ray Tinston, Director of Events

Ray Tinston has over 19 years' experience launching and managing some of the world's largest events in the United Kingdom, Europe, the United States and the UAE.

He is responsible for destination tourism and for developing and delivering activations and experiences that are both meaningful and reflective of Arada's brand and its communities. Ray has a strong commercial focus on constant innovation to keep ahead of market trends, as well as both exhibitor/tenant and visitor expectations. He also has an entrepreneurial, flexible approach to identifying, creating and delivering new revenue streams, and has stakeholder relationships across multiple verticals.

Ray holds a master's degree in Tourism, Hospitality & Event Management (magna cum laude) and a bachelor's degree in Exhibition Management (with distinction). He is also a guest lecturer for a variety masters and bachelor's courses in related fields.

Saneen Sainudeen, Senior Director Contracts & Commercial

Saneen Sainudeen has over 22 years' experience in the fields of procurement and contracts for major projects in the UAE. Saneen's responsibilities include all procurement, commercial and contracts-related activities for a multiple portfolio of projects within the Group's master developments, in addition to other verticals within the Group, such as Facilities Management, Events, Marketing, IT and Human Resources.

Saneen's experience includes pre- and post-contract administration and claims management for complex and large fast-track projects in the UAE, including villa master developments, high-rise buildings, retail, for and beverage, hospitality, ports, palaces and industrial zones. Before joining Arada, Saneen was involved in notable projects including the Museum of the Future, Citywalk, Boxpark, Nikki Beach Hotel & Resort, Dubai Harbour, Dubai Water Canal, Emirates Hills, Jumeirah Village and Khalifa Port & Industrial Zone.

Saneen holds a bachelor's degree in civil engineering.

Maher Metraji, Senior Development Director

Maher Metraji is the Senior Development Director in charge of overseeing the development of Aljada.

Maher has more than 21 years' experience working in a series of developments and projects across the UAE. He previously served as Senior Manager at Emaar Development and Projects Manager at Mazaya Real Estate. Maher's other roles have also included Construction Manager at Turner Construction International and Al Hamed Development, as well as Project Engineer at Al Hamad Contracting.

Key projects he has worked on include Emaar South, Liwan Development, The Dubai Mall Fashion Avenue Expansion, Al Saadiyat Beach Villas, Eastern Mangrove Development, Al Raha Beach Development, The Address Dubai Mall, The Dubai Mall, Jumeirah Lake Terrace Tower, The Burj Residence by Emaar, the Dubai TV studios and Dubai Marina Towers by Emaar.

Maher holds a bachelor's degree in civil engineering from Tishreen University, Syria.

Mohamad Moussalli, Senior Development Director

Mohamad Moussalli is a qualified Engineer with 18 years' contracting experience in the UAE and Lebanon. He joined Arada from Damac Properties, where he was Senior Manager – Projects, and most recently had oversight of the Damac Hills villa programme. He has also served as Project Manager at Abu Dhabi-based Civil Power General Contracting, and as Construction Manager at Al Ghafly General Contracting. Among the projects he has worked on are New York University Abu Dhabi, and Frond L of the Palm Jumeirah, for Nakheel.

Mohamad holds a bachelor's degree in civil engineering from Lebanese University.

Graham Alderslade, Director of Landscaping

Graham Alderslade has almost 30 years' of landscaping experience, primarily in the Middle East region. He is responsible for all aspects of horticulture, landscaping and maintenance, including oversight of the Group's nursery, which has capacity for 200,000 trees.

Prior to joining the Group in 2019, Graham Alderslade served as Senior General Manager for SIA Landscaping, where he conducted landscaping for a number of key projects in the UAE, including Sobha Hartland and Mohammed bin Rashid City District 1. He also served as horticulturalist at Al Barari Development for six years, and at Zaid Al Hussain in Saudi Arabia.

Mohamad holds a National Diploma Horticulture in Applied Horticulture/Horticulture Operations.

Mohit Menon, Senior Director HR

Mohit Menon has 22 years' experience in human resources, 13 of which have been spent in a leadership capacity. In his current role, he is responsible for creating and executing a progressive human capital approach focused on employee engagement, performance management and talent development and helping to make Arada a fully people-centric organisation with robust HR metrics.

Mohit's previous experience spans an array of industry verticals from real estate to investment banking and his HR domain expertise encompasses performance management, employee engagement, total rewards, talent management, HR management information systems, budget and cost management, restructuring, localisation and hiring.

Mohit has a bachelor's degree in commerce from Madras Christian College and an MBA from the International Management Institute.

Hisham Saeed Khattab, Director, Government Relations

Hisham Saeed Khattab has over 20 years' experience in a range of roles related to the real estate industry with a range of companies in the UAE.

At Arada, he is responsible for leading a team that develops and maintains strong strategic relationships with a number of key government entities. Hisham is also responsible for working with different departments within Arada to ensure that all opportunities for collaboration with these government organisations are explored and concluded.

Hisham has previously worked in senior positions within the Zabeel Group of Companies, Deyaar and Mohamed Al Suwaidi Investment.

He holds a bachelor's degree in marketing from the American International University and a degree in public administration from the University of Sharjah.

Fayez Khouri, Senior Legal Director

Fayez Khouri joined Arada as Senior Legal Director in 2021.

Prior to joining Arada, Fayez was the General Counsel at PwC Middle East, leading a team of 15 lawyers across the region. His specialisation for the first 10 years of his career was real estate law. He has worked mainly in the UAE, Lebanon and the United Kingdom, where he earned his law degree, but also spent time in China, Kuwait, Qatar, the United States and Vietnam.

In addition to law, Fayez studied international relations at the London School of Economics and Georgetown University in Washington D.C.

Feras Al Naimi, Senior Director MEP and Infrastructure

Feras Al Naimi is a qualified engineer with more than 22 years of experience working in MEP and infrastructure in the UAE, working with clients as varied as Masdar, Aldar and ADNOC.

Prior to joining Arada, Feras served as Director – MEP for Damac Properties, where he had responsibility for all MEP operations at a variety of major projects, including Damac Hills and Akoya Oxygen. He has also worked as an Area Manager at Thermo LLC and a Project Manager at Cofathec International.

Committees

Arada has four committees, each formed in January 2022:

Audit Committee

The Audit Committee assists with monitoring and overseeing Arada's financial reporting processes, accounting processes and compliance and also approves its consolidated financial statements. The Audit Committee also reviews compliance and assists with risk oversight. As at the date of this Base Offering Circular, the Audit Committee had four members, Ahmed Alkhoshaibi (Chair), Shimmy Mathew, Fayez Khouri and Edward Attwood, appointed by the Board.

Investment Committee

The Investment Committee comprises members of senior management who are responsible for assessing large-scale investment decisions including but not limited to acquisitions, land purchases and potential partnerships. As at the date of this Base Offering Circular, the Investment Committee had four members, Khalifa Shaibani, Ahmed Alkhoshaibi (Chair), Shimmy Mathew and Rosa Piro, appointed by the Board.

Remuneration Committee

The Remuneration Committee oversees all areas of employee recognition and rewards, ensuring that the Group retains and motivates its employees to ensure that it achieves its strategic goals. As at the date of this Base Offering Circular, the Remuneration Committee had four members, Khalifa Shaibani, Ahmed Alkhoshaibi (Chair), Shimmy Mathew and Mohit Menon, appointed by the Board.

Risk Committee

The Risk Committee assesses all areas of corporate risk, including debt financing, construction, mortgaging and sales, within the context of the prevailing market environment and economic conditions. The Risk Committee has access to external sources of assistance, including accountancy, legal and/or research entities. As at the date of this Base Offering Circular, the Risk Committee had four members, Ahmed Alkhoshaibi (Chair), Shimmy Mathew, Fayez Khouri and Maher Metraji, appointed by the Board.

Employees

As at 31 December 2023, the Group had 735 employees compared to 586 employees as at 31 December 2022 and 442 employees as at 31 December 2021.

FORM OF THE TRUST CERTIFICATES

Words and expressions defined in the Conditions shall have the same meanings in this section, "*Form of the Trust Certificates*".

The Trust Certificates of each Tranche will be in registered form. Trust Certificates will be issued and sold outside the United States in reliance on the exemption from registration provided by Regulation S.

The Trust Certificates of each Series will initially be represented by beneficial interests in a global trust certificate in registered form (a "**Global Trust Certificate**"). Prior to expiry of the distribution compliance period (as defined in Regulation S) applicable to each Series of Trust Certificates, beneficial interests in a Global Trust Certificate may not be offered or sold to, or for the account or benefit of, a U.S. person and may not be held otherwise than through Euroclear or Clearstream, Luxembourg and such Global Trust Certificate will bear a legend regarding such restrictions on transfer.

Global Trust Certificates will be deposited with the Common Depositary for Euroclear and Clearstream, Luxembourg and will be registered in the name of a nominee for the Common Depositary. Persons holding beneficial interests in Global Trust Certificates will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Trust Certificates in fully registered form.

Payments of any amount in respect of each Global Trust Certificate will, in the absence of provision to the contrary, be made to the person shown on the relevant Register as the registered holder of the relevant Global Trust Certificate. None of the Trustee, the Delegate or any Agent will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Global Trust Certificates or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payment of any amounts in respect of Trust Certificates will, in the absence of any provision to the contrary, be made to the persons shown on the relevant Register on the relevant Record Date immediately preceding the due date for payment in the manner provided in the Conditions.

Interests in a Global Trust Certificate will be exchangeable (free of charge), in whole but not in part, for definitive Trust Certificates only upon the occurrence of an Exchange Event. The Trustee will promptly give notice to Certificateholders in accordance with Condition 18 (*Notices***)** if an Exchange Event occurs. For these purposes, "**Exchange Event**" means that: (i) the Delegate has given notice in accordance with Condition 15 **(***Dissolution Events***)** that a Dissolution Event has occurred and is continuing; or (ii) the Trustee, Arada and the Delegate have been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system is available. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Global Trust Certificate) may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (ii) above, the Trustee may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

For so long as any of the Trust Certificates is represented by a Global Trust Certificate held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear and/or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear and/or Clearstream, Luxembourg as the holder of a particular face amount of such Trust Certificates (in which regard any certificate or other document issued by Euroclear and/or Clearstream, Luxembourg as to the face amount of such Trust Certificates standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Trustee, the Delegate, Arada and the Agents as the holder of such face amount of such Trust Certificates for all purposes other than with respect to any payment in respect of such Trust Certificates, for which purpose the registered holder of the Global Trust Certificate shall be treated by the Trustee, the Delegate, Arada and any Agent as the holder of such face amount of such Trust Certificates in accordance with and subject to the terms of the relevant Global Trust Certificate and the expressions "**Certificateholder**" and "**holder**" in relation to any Trust Certificates and related expressions shall be construed accordingly.

Pursuant to the Agency Agreement, the Principal Paying Agent shall arrange that, where a further Tranche is issued (in accordance with Condition 22 (*Further Issues*)) which is intended to form a single Series with an existing Tranche at a point after the Issue Date of the further Tranche, the Trust Certificates of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Trust Certificates of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series.

Interests in a Global Trust Certificate may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Global Trust Certificate. No beneficial owner of an interest in a Global Trust Certificate will be able to transfer such interest, except in accordance with the applicable procedures of Euroclear and Clearstream, Luxembourg, to the extent applicable.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement.

FORM OF PRICING SUPPLEMENT

The form of Pricing Supplement that will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions, is set out below:

NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH REGULATION (EU) 2017/1129 AS IT FORMS PART OF UNITED KINGDOM DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 (THE "UK PROSPECTUS REGULATION") FOR THE ISSUE OF THE INSTRUMENTS DESCRIBED BELOW. THE UNITED KINGDOM FINANCIAL CONDUCT AUTHORITY HAS NEITHER APPROVED NOR REVIEWED ANY INFORMATION CONTAINED IN THIS PRICING SUPPLEMENT AND ANY INSTRUMENTS ISSUED PURSUANT TO THIS PRICING SUPPLEMENT ARE NOT COMPLIANT WITH THE UK PROSPECTUS REGULATION.

[**EU MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Trust Certificates has led to the conclusion that: (i) the target market for the Trust Certificates is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, "**EU MiFID II**")]/[the EU MiFID II]; and (ii) all channels for distribution of the Trust Certificates to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Trust Certificates (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to EU MiFID II is responsible for undertaking its own target market assessment in respect of the Trust Certificates (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Trust Certificates has led to the conclusion that: (i) the target market for the Trust Certificates is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law of the United Kingdom by virtue of the [European Union (Withdrawal) Act 2018 ("**EUWA**")]/[EUWA] ("**UK MiFIR**"); and (ii) all channels for distribution of the Trust Certificates to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Trust Certificates (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Trust Certificates (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**Singapore Securities and Futures Act Product Classification** – Solely for the purposes of its obligations pursuant to sections 309B(1)(c) of the Securities and Futures Act 2001 (the "**SFA**"), the Trustee has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Trust Certificates are ["prescribed capital markets products"/capital markets products other than "prescribed capital markets products"] (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and ["**Excluded Investment Products**"]/["**Specified Investment Products**"] (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]

Pricing Supplement dated [•]

Arada Sukuk 2 Limited
Legal Entity Identifier (LEI): 254900QJ8SRKQPBY4V77
Issue of [Aggregate Face Amount of Tranche] [Title of Trust Certificates]
under the U.S.$1,000,000,000 Trust Certificate Issuance Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Trust Certificates (the "**Conditions**") set forth in the base offering circular dated 4 June 2024 [and the supplement(s) thereto dated [•]] which [together] constitute[s] a base offering circular (the "**Base Offering**

Circular"). This document constitutes the Pricing Supplement of the Trust Certificates described herein and must be read in conjunction with the Base Offering Circular. Full information on the Trustee, Arada Developments LLC and the offer of the Trust Certificates is only available on the basis of the combination of this Pricing Supplement and the Base Offering Circular. The Base Offering Circular is available for viewing at the registered office of Arada Developments LLC at Arada Developments LLC, Muwailah (behind University City Street), P.O. Box 2680, Sharjah, United Arab Emirates and copies may be obtained from the specified office of the Principal Paying Agent, in each case during usual business hours.

1.	(a)	Trustee and Lessor:	Arada Sukuk 2 Limited
	(b)	Obligor, Lessee and Servicing Agent:	Arada Developments LLC ("**Arada**")
2.	(a)	Series Number:	[•]
	(b)	Tranche Number:	[•]/[Not Applicable]
	(c)	Date on which the Trust Certificates become fungible:	[The Trust Certificates will be consolidated and form a single Series with [*identify earlier Tranche(s)*] on [*insert date/the Issue Date*]][Not Applicable]
3.	Specified Currency:		[•]
4.	Aggregate Face Amount:		
	(a)	Series	[•]
	(b)	Tranche	[•]
5.	Issue Price:		[•] per cent. of the Aggregate Face Amount
6.	(a)	Specified Denominations:	[•]
	(b)	Calculation Amount:	[•]
7.	(a)	Issue Date:	[•]
	(b)	Return Accumulation Commencement Date	[[•]/Issue Date]
8.	Scheduled Dissolution Date:		[•]
9.	Periodic Distribution Amount Basis:		Fixed Rate Trust Certificates (further particulars specified below in paragraph 14)
10.	Dissolution Basis:		The Trust Certificates will be redeemed at 100 per cent. of the Aggregate Face Amount
11.	Put/Call Rights:		[Not Applicable] [Clean Up Call Right] [Optional Dissolution Call Right] [Change of Control Put Right]
12.	Status		The Trust Certificates are direct, unsecured, unsubordinated and limited recourse obligations of the Trustee
13.	Date of Trustee's approval and date of Arada's approval for issuance of Trust Certificates:		[•] and [•], respectively

Provisions relating to profit payable (if any)

14.	Fixed Periodic Distribution Provisions:		
	(a)	Rate[(s)]:	[•] per cent. per annum payable [annually/semi-annually/quarterly/monthly/[•]] [in arrear on each Periodic Distribution Date]
	(b)	Return Accumulation Period:	[[•]/[Not Applicable]]
	(c)	Periodic Distribution Date(s):	[[•] in each year up to and including the Scheduled Dissolution Date]
	(d)	Fixed Amount(s) for Trust Certificates in definitive form (and in relation to Trust Certificates in global form, see Condition 8):	[•] per Calculation Amount
	(e)	Broken Amount(s):	[[•] per Calculation Amount, payable on the Periodic Distribution Date falling [in/on] [•]/Not Applicable]
	(f)	Day Count Fraction:	[30/360 / Actual/Actual / Actual/Actual (ICMA) / Actual/365 (Fixed) / Actual/365 (Sterling) / Actual/360]
	(g)	Determination Date(s):	[[•] in each year/Not Applicable]

Provisions relating to dissolution

15.	Optional Dissolution Call Right:		[Applicable/Not Applicable]
	(a)	Optional Dissolution Date(s):	[·]
	(b)	Optional Dissolution Amount (Call):	[[·]/As per Condition 11.3]
	(c)	Notice periods:	[[·]/As per Condition 11.3]
16.	Certificateholder Put Right:		[Applicable/Not Applicable]
	(a)	Optional Dissolution Amount (Put):	[[·]/As per Condition 11.5]
	(b)	Certificateholder Put Right Date(s):	[·]
	(c)	Notice period:	[[·]/As per Condition 11.5]
17.	Clean Up Call Right:		[Applicable/Not Applicable]
	(c)	Clean Up Call Right Dissolution Amount:	[[·]/As per Condition 11.8]
	(d)	Notice period:	[[·][1]/As per Condition 11.8]
18.	Change of Control Dissolution Amount:		[•]
19.	Tangibility Event Dissolution Amount:		[•]
20.	Dissolution Event Amount:		[•]

[1] Such notice being 30 days after the Certificateholder Put Right Date, the Change of Control Put Right Date or the Tangibility Event Put Right Date.

21.	Final Dissolution Amount:		[•]
22.	Other Dissolution Amount:		[[•]/Not Applicable]

General provisions applicable to the Trust Certificates

23.	Form of Trust Certificates:		Trust Certificates in registered form: Global Trust Certificate registered in the name of a common depositary for Euroclear and Clearstream, Luxembourg and exchangeable for Trust Certificates in definitive registered form in the limited circumstances specified in the Global Trust Certificate. Reg S Compliance Category 2
24.	Additional Business Centre(s):		[Not Applicable/[•]]
25.	Additional Financial Centre(s):		[Not Applicable/[•]]

Provisions in respect of the Trust Assets

26.	Trust Assets:		Condition 6.1 applies
27.	On the Issue Date:		
	(a)	Ijara Percentage:	[•] per cent.
	(b)	Murabaha Percentage:	[•] per cent.
28.	(a)	Details of Transaction Account (to be held in London):	[•] Transaction Account No: [•] with [•] for Series No.: [•]
	(b)	Supplemental Declaration of Trust:	Supplemental Declaration of Trust dated [•] between the Trustee, Arada and the Delegate
	(c)	Supplemental Purchase Agreement:	Supplemental Purchase Agreement dated [•] between the Trustee and Aljada Developments LLC and Masaar Developments LLC
	(d)	Supplemental Lease Agreement	Supplemental Lease Agreement dated [•] between the Trustee (as the Lessor), the Lessee and the Delegate
	(e)	[Purchase Order and Letter of Offer and Acceptance:	Purchase Order dated [•] from the Obligor (as "**Buyer**") to the Trustee (as "**Seller**") and Letter of Offer and Acceptance dated [•] from the Seller to the Buyer.]
	(f)	Declaration of Commingling of Assets:	[Declaration of Commingling of Assets dated [•] executed by the Trustee][Not Applicable]

Signed on behalf of **[•]**	Signed on behalf of **ARADA DEVELOPMENTS LLC**
By.....	By:.....
Duly authorised	*Duly authorised*

PART B – OTHER INFORMATION

1. **Listing and Admission to Trading**

(a)	Listing and Admission to trading:	[Application [has been]/[will be] made by the Trustee (or on its behalf) for the Trust Certificates to be admitted to trading on the London Stock Exchange's International Securities Market with effect from [•].] [Application [has been]/[will be] made by the Trustee (or on its behalf) for the Trust Certificates to be listed on the Official List of the DFSA and admitted to trading on Nasdaq Dubai]. [Not Applicable.]
(b)	Estimate of total expenses related to admission to trading:	[•]

2. **Ratings**

Ratings:	The Trust Certificates to be issued [have been/are expected to be/will not be] rated. [Fitch: [•]] [S&P: [•]] [Moody's: [•]] [[•]: [•]] "[•] is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**EU CRA Regulation**"). [As such, [•] is/are included in the list of credit rating agencies published by the ESMA on its website (at https://www.esma.europa.eu/supervision/credit-rating-agencies/risk) in accordance with the EU CRA Regulation. [The rating [·] has assigned [is/are] endorsed by [·], which is established in the EEA and registered under the EU CRA Regulation.]. [[•][is/are] established in the United Kingdom and registered under Regulation (EU) No. 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018. (the "**UK CRA Regulation**"). As such, [·] appear[s] on the latest update of the list of registered credit rating agencies on the UK [Financial Conduct Authority]/[FCA]'s Financial Services Register. [The rating [·] has assigned by [•][is/are] is endorsed by [·], which is established in the UK and registered under the UK CRA Regulation].]";

3. **Interests of Natural and Legal Persons involved in the Issue**

[Save for any fees payable to the [Managers/Dealer], so far as each of the Trustee and Arada is aware, no person involved in the issue of the Trust Certificates has an interest material to the offer. The [Managers/Dealer] and [its/their] affiliates have engaged, and may in the future engage, in

investment banking and/or commercial banking transactions with, and may perform services for, Arada and/or the Trustee (and each of their affiliates) in the ordinary course of business for which they may receive fees.]

4.	**Yield**:		[•] per cent. per annum. The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.
5.	**Operational Information**		
	(a)	ISIN:	[•]
	(b)	Common Code:	[•]
	(c)	[FISN:	[•] / [As set out on the website of the Association of Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN]/[Not Applicable]]
	(d)	[CFI Code:	[•] / [As set out on the website of the Association of Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN]/[Not Applicable]]
	(e)	Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s):	[Not Applicable/give name(s), address(es) and number(s)]
	(f)	Delivery	Delivery [against/free of] payment
	(g)	Names and addresses of additional Paying Agent(s) (if any):	[•]
	(h)	Stabilisation Manager(s):	[•]

TERMS AND CONDITIONS OF THE TRUST CERTIFICATES

The following is the text of the Terms and Conditions of the Trust Certificates, which (save for the text in italics and subject to completion in accordance with the provisions of Part A of the applicable Pricing Supplement) will be endorsed on each Trust Certificate in definitive registered form issued under the Programme and will apply to each Global Trust Certificate.

Arada Sukuk 2 Limited (in its capacity as issuer of the Trust Certificates (as defined below) and as trustee for the Certificateholders (as defined below), the "**Trustee**"), has established a programme (the "**Programme**") for the issuance of trust certificates (the "**Trust Certificates**") in a maximum aggregate face amount of U.S.$1,000,000,000 (or the equivalent in other currencies calculated as described in the dealer agreement between the Trustee, Arada Developments LLC ("**Arada**") and the Dealers named therein dated 4 June 2024 (the "**Dealer Agreement**"), or such other maximum aggregate face amount as increased in accordance with the terms of the Dealer Agreement.

As used herein, "**Tranche**" means Trust Certificates which are identical in all respects (including as to listing and admission to trading) and "**Series**" means a Tranche of Trust Certificates together with any further Tranche or Tranches of Trust Certificates which (a) are expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of Periodic Distribution Amounts (as defined herein) thereon and the date from which Periodic Distribution Amounts start to accrue.

The Pricing Supplement for this Trust Certificate (or the relevant provisions thereof) are set out in Part A of the Pricing Supplement attached to or endorsed on this Trust Certificate which complete these Terms and Conditions (these "**Conditions**"). References to the "applicable Pricing Supplement" are to Part A of the Pricing Supplement (or the relevant provisions thereof) attached to or endorsed on this Trust Certificate (save where otherwise expressed herein).

Each of the Trust Certificates will represent an undivided ownership interest in the Trust Assets (as defined below) which are held by the Trustee on trust (the "**Trust**") for, *inter alia*, the benefit of the holders of the Trust Certificates pursuant to: (i) a master declaration of trust (the "**Master Declaration of Trust**") dated 4 June 2024 and made between the Trustee, Arada Developments and The Law Debenture Trust Corporation p.l.c. (the "**Delegate**"); and (ii) a supplemental declaration of trust (the "**Supplemental Declaration of Trust**" and, together with the Master Declaration of Trust, the "**Declaration of Trust**") having the details set out in the applicable Pricing Supplement.

In these Conditions, references to "**Trust Certificates**" shall be references to the Trust Certificates of the Series which are the subject of the applicable Pricing Supplement only, not to all Trust Certificates that may be issued under the Programme (whether in global form as a Global Trust Certificate or in definitive form as definitive Trust Certificates), which are the subject of the applicable Pricing Supplement.

Payments relating to the Trust Certificates will be made pursuant to an agency agreement dated 4 June 2024 (the "**Agency Agreement**") made between the Trustee, Arada, the Delegate and Citibank N.A., London Branch in its capacity as principal paying agent (in such capacity, the "**Principal Paying Agent**", which expression shall include any successor), the other paying agents named therein (in such capacity, the "**Paying Agents**") and the transfer agent (in such capacity, the "**Transfer Agent**", which expression shall include any successor) and Citibank Europe plc in its capacity as registrar (in such capacity, the "**Registrar**", which expression shall include any successor). The Principal Paying Agent, the Paying Agents, the Transfer Agent and the Registrar are together referred to in these Conditions as the "**Agents**".

The holders of the Trust Certificates (the "**Certificateholders**") are bound by, and are deemed to have notice of, all of the provisions applicable to them in the documents set out below, copies of which are available for inspection and/or collection by Certificateholders during normal business hours on any weekday (excluding Saturdays, Sundays and public holidays) at the specified office for the time being of the Principal Paying Agent:

(a) a master purchase agreement between the Trustee (in its capacity as purchaser), Aljada Developments LLC, Masaar Developments LLC (in their capacity as sellers, and each a seller) and Arada dated 4 June 2024 (the "**Master Purchase Agreement**");

(b) a supplemental purchase agreement (the "**Supplemental Purchase Agreement**" and, together with the Master Purchase Agreement, the "**Purchase Agreement**") having the details set out in the applicable Pricing Supplement;

(c) a master lease agreement between the Trustee (in such capacity as lessor), Arada (in its capacity as lessee) and the Delegate dated 4 June 2024 (the "**Master Lease Agreement**");

(d) a supplemental lease agreement (the "**Supplemental Lease Agreement**" and, together with the Master Lease Agreement, the "**Lease Agreement**") having the details set out in the applicable Pricing Supplement;

(e) a purchase undertaking executed by Arada (in its capacity as obligor) as a deed dated 4 June 2024 (the "**Purchase Undertaking**"), containing the form of sale agreement (the "**Sale Agreement**") to be executed by Arada (in its capacity as purchaser) and the Trustee (in its capacity as seller) on the Scheduled Dissolution Date, the Dissolution Event Redemption Date, the Certificateholder Put Right Date, the Change of Control Put Right Date or the Tangibility Event Put Right Date, as the case may be (each such expression having the meaning given to it in the Purchase Undertaking);

(f) a sale and substitution undertaking executed by the Trustee as a deed dated 4 June 2024 (the "**Sale and Substitution Undertaking**") containing the form of sale agreement (the "**Sale Agreement**") to be executed by the Trustee (in its capacity as seller) and Arada (in its capacity as purchaser) on the Tax Dissolution Date, the Clean Up Call Right Dissolution Date, the Optional Dissolution Date, the Cancellation Date or the Substitution Date, as the case may be (each such expression having the meaning given to it in the Sale and Substitution Undertaking);

(g) a servicing agency agreement between the Trustee (in its capacity as lessor) and Arada (in its capacity as servicing agent, the "**Servicing Agent**") dated 4 June 2024 (the "**Servicing Agency Agreement**");

(h) a master murabaha agreement between the Trustee (in such capacity as seller), Arada (in such capacity as buyer) and the Delegate dated 4 June 2024 (the "**Master Murabaha Agreement**"), together with the purchase order, the letter of offer and acceptance and all other offers, acceptances and confirmations delivered pursuant thereto in connection with the relevant Series;

(i) a declaration of commingling of assets entered into by the Trustee as a deed pursuant to the Declaration of Trust;

(j) the Declaration of Trust;

(k) the Agency Agreement; and

(l) the applicable Pricing Supplement,

(a) to (k) together being the "**Transaction Documents**".

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Transaction Documents.

Each initial Certificateholder, by its acquisition and holding of its interest in a Trust Certificate, shall be deemed to authorise and direct the Trustee to enter into each Transaction Document to which it is a party, subject to the terms and conditions of the Declaration of Trust and these Conditions and to apply the sums paid by it in respect of its Trust Certificates in accordance with the terms of the Transaction Documents.

1. Interpretation

1.1 *Definitions*

Words and expressions defined in the Declaration of Trust and the Agency Agreement or used in the applicable Pricing Supplement shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and **provided that**, in the event of inconsistency between any such document and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail. In addition, in these Conditions the following expressions have the following meanings:

"**Accrual Period**" has the meaning given in Condition 8.2 (*Determination of Periodic Distribution Amount*);

"**Additional Business Centre(s)**" means the city or cities specified as such in the applicable Pricing Supplement;

"**Additional Financial Centre(s)**" means the city or cities specified as such in the applicable Pricing Supplement;

"**Arada Event**" has the meaning given to it in Condition 14 (*Dissolution Events*);

"**Average Life**" means, as of the date of determination with respect to any Financial Indebtedness or Refinancing Financial Indebtedness, the quotient obtained by dividing:

(a) the sum of the products of: (i) the numbers of years from the date of determination to the date or dates of each successive scheduled principal payment of such Financial Indebtedness or Refinancing Financial Indebtedness; and (ii) the amount of each such principal payment; by

(b) the sum of all such principal payments;

"**Business Day**" means " a day which is:

(a) a day on which commercial banks and foreign exchange markets are open for general business (including dealing in foreign exchange and foreign currency deposits) and settle payments in the Specified Currency in the Additional Business Centre(s) or, if no Specified Currency is indicated, generally in each Additional Business Centre specified in the applicable Pricing Supplement; and

(b) either: (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the Additional Business Centre); or (ii) in relation to any sum payable in euro, a TARGET Settlement Day;

"**Cancellation Date**" means the date on which Trust Certificates are to be cancelled as specified in the Cancellation Notice;

"**Cancellation Notice**" means a notice substantially in the form set out in Schedule 2 to the Sale and Substitution Undertaking;

"**Cancelled Lease Asset(s)**" means the assets to be sold by the Trustee (in its capacity as seller) to Arada (in its capacity as purchaser) in accordance with the Sale and Substitution Undertaking following the delivery of, and as specified in, an applicable Cancellation Notice;

"**Capital Stock**" means, with respect to any person, any and all shares, interests, participations or other equivalents (howsoever designated, whether voting or non-voting) or such person's equity, including any preferred stock of such person, whether outstanding on 4 June 2024 or issued after the date thereof including, without limitation, all series or classes of such Capital Stock;

"**Certificateholder Put Right**" means the right exercisable by the Trustee at the request of Certificateholder pursuant to Condition 11.5 (*Dissolution at the Option of the Certificateholders (Certificateholder Put Right)*);

"**Certificateholder Put Right Date**" means the date on which the relevant Trust Certificates are to be redeemed in accordance with Condition 11.5 (*Dissolution at the Option of the Certificateholders (Certificateholder Put Right)*), as specified in the relevant Exercise Notice, **provided that** such date is a Periodic Distribution Date, unless otherwise specified in the applicable Pricing Supplement;

"**Certificateholder Put Right Exercise Price**" has the meaning given to it in the Purchase Undertaking;

a "**Change of Control**" shall occur if at any time any person other than H.R.H. Prince Khalid Bin Alwaleed Bin Talal Alsaud or H.R.H. Sheikh Sultan bin Ahmed Al Qasimi or their respective lineal descendants acquires, directly or indirectly, more than 50 per cent. of the issued share capital of Arada;

"**Change of Control Dissolution Amount**" has the meaning given to it in Condition 11.7 (*Dissolution at the Option of the Certificateholders (Change of Control Put Right)*);

"**Change of Control Exercise Notice**" has the meaning given to it in Condition 11.7 (*Dissolution at the Option of the Certificateholders (Change of Control Put Right)*);

"**Change of Control Notice**" has the meaning given to it in Condition 11.7 (*Dissolution at the Option of the Certificateholders (Change of Control Put Right)*);

"**Change of Control Put Period**" has the meaning given to it in Condition 11.7 (*Dissolution at the Option of the Certificateholders (Change of Control Put Right)*);

"**Change of Control Put Right**" has the meaning given to it in Condition 11.7 (*Dissolution at the Option of the Certificateholders (Change of Control Put Right)*);

"**Change of Control Put Right Date**" shall be the tenth Payment Business Day after the expiry of the Change of Control Put Period;

"**Clean Up Call Right**" means the right exercisable by the Trustee at the request of Arada pursuant to Condition 11.8 (*Dissolution at the Option of Arada (Clean Up Call Right*));

"**Clean Up Call Right Dissolution Amount**" has the meaning given to it in Condition 11.8 (*Dissolution at the Option of Arada (Clean Up Call Right)*);

"**Clean Up Call Right Dissolution Date**" has the meaning given to it in Condition 11.8 (*Dissolution at the Option of Arada (Clean Up Call Right)*);

"**Clearstream, Luxembourg**" means Clearstream Banking S.A.;

"**Consolidated Cash and Cash Equivalents**" means, in respect of the Group, at any time the aggregate of the following:

(a) cash in hand or on deposit with any acceptable bank or any bank which is licensed by the central bank of its jurisdiction of incorporation;

(b) certificates of deposit, maturing within one year after the relevant date of calculation, issued by an acceptable bank;

(c) any investment in marketable obligations issued or guaranteed by: (i) the government of the United States of America or the United Kingdom or by an instrumentality or agency of the government of the United States of America or the United Kingdom having an equivalent credit rating; or (ii) the government of any country in which Arada has operations, provided in the case of (ii) such obligations have a maturity of less than one year;

(d) open market commercial paper:

  (i) for which a recognised trading market exists;

  (ii) issued in the United States of America or the United Kingdom;

  (iii) which matures within one year after the relevant date of calculation; and

  (iv) which has a credit rating of either A-1 by Standard & Poor's or Fitch or P-1 by Moody's or if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its long-term debt obligations, an equivalent rating; and

(e) Sterling bills of exchange eligible for rediscount at the Bank of England and accepted by an acceptable bank in each case, to which any member of the Group is beneficially entitled at that time and which is capable of being applied against Consolidated Total Indebtedness. An acceptable bank for this purpose is a commercial bank or trust company which has a rating of BBB– or higher by Standard & Poor's or Fitch or Baa3 or higher by Moody's or a comparable rating from a nationally recognised credit rating agency for its long-term obligations;

"**Consolidated EBITDA**" means, in respect of any Measurement Period, the consolidated net pre-taxation profits of the Group for such Measurement Period as adjusted by:

(a) adding back Consolidated Net Finance Charges Payable;

(b) taking no account of any exceptional or extraordinary item;

(c) adding back any amount attributable to minority interests;

(d) adding back depreciation and amortisation; and

(e) taking no account of any revaluation of an asset or any loss or gain over book value arising on the disposal of an asset (otherwise than the ordinary course of trading) by a member of the Group during the Measurement Period,

and:

(i) including the net pre-taxation profits of a member of the Group or business or assets acquired during that Measurement Period for the part of that Measurement Period when it was not a member of the Group and/or the business or assets were not owned by a member of the Group; but

(ii) excluding the net pre-taxation profits attributable to any member of the Group or to any business or assets sold during that Measurement Period;

"**Consolidated Finance Charges Payable**" means, in respect of any Measurement Period, all Finance Charges (but excluding Finance Charges on trade payables) incurred by the Group during such Measurement Period;

"**Consolidated Finance Charges Receivable**" means, in respect of any Measurement Period, all financing charges received or receivable by the Group during such Measurement Period;

"**Consolidated Net Finance Charges Payable**" means, in respect of any Measurement Period, Consolidated Finance Charges Payable less Consolidated Finance Charges Receivable during such Measurement Period;

"**Consolidated Total Indebtedness**" means, in respect of the Group or any Subsidiary, as the case may be, at any time the aggregate of the following:

(a) the outstanding principal amount of any moneys borrowed but excluding all trade payables (as defined in the most recently available audited or auditor reviewed consolidated financial statements of Arada or the relevant Subsidiary, as the case may be);

(b) the outstanding principal amount of any bond, sukuk, note, debenture, loan stock or other similar instrument;

(c) the capitalised element of indebtedness under a finance or capital lease;

(d) the outstanding principal amount of all moneys owing in connection with the sale or discounting of receivables (otherwise than on a non-recourse basis);

(e) the outstanding principal amount of any indebtedness arising from any deferred payment agreements arranged primarily as a method of raising finance or financing the acquisition of an asset;

(f) any fixed or minimum premium payable on the payment or redemption of any instrument referred to in paragraph (b) above;

(g) the outstanding principal amount of any indebtedness arising in connection with any other transaction (including any forward sale or purchase agreement and whether in connection with any Islamic financing arrangements or otherwise) which has the commercial effect of a borrowing; and

(h) the outstanding principal amount of any indebtedness of any person of a type referred to in paragraphs (a) to (g) above which is the subject of a guarantee, indemnity or similar assurance against financial loss given by a member of the Group or the relevant Subsidiary, as the case may be;

provided that Consolidated Total Indebtedness shall not include any indebtedness in respect of letters of credit or performance guarantees issued in the ordinary course of business to the extent such letters of credit or performance guarantees are not drawn upon or, if drawn upon, are honoured in accordance with their terms;

"**Consolidated Total Net Indebtedness**" means at any time Consolidated Total Indebtedness less Consolidated Cash and Cash Equivalents;

"**Day Count Fraction**" has the meaning given to it in Condition 8.2 (*Determination of Periodic Distribution Amount*);

"**Determination Period**" has the meaning given in Condition 8.2 (*Determination of Periodic Distribution Amount*);

"**Dispute**" has the meaning given in Condition 24.2 (*Arbitration*);

"**Dissolution Amount**" means, as appropriate, the Final Dissolution Amount, the Dissolution Event Amount, the Tax Dissolution Amount, the Optional Dissolution Amount (Call), the Optional Dissolution Amount (Put), the Total Loss Dissolution Amount, the Tangibility Event Dissolution Amount, the Change of Control Dissolution Amount or the Clean Up Call Right Dissolution Amount, which shall, unless otherwise specified in the applicable Pricing Supplement, in each case, be equal to the sum of:

(a) the outstanding face amount of the relevant Trust Certificates; and

(b) any due and unpaid Periodic Distribution Amounts of such Trust Certificates; or

(c) such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the applicable Pricing Supplement (and any other amount payable following a Total Loss Event pursuant to the Servicing Agency Agreement);

"**Dissolution Date**" means, as the case may be, (a) the Scheduled Dissolution Date; (b) the Tax Dissolution Date; (c) the Dissolution Event Redemption Date; (d) the Optional Dissolution Date; (e) the Certificateholder Put Right Date; (f) the Total Loss Dissolution Date; (g) the Tangibility Event Put Right Date; (h) the Change of Control Put Right Date; or (i) the Clean Up Call Right Dissolution Date;

"**Dissolution Event**" has the meaning given to it in Condition 15 (*Dissolution Events*);

"**Dissolution Event Amount**" has the meaning given to it in Condition 11.9 (*Dissolution following a Dissolution Event*);

"**Dissolution Event Redemption Date**" has the meaning given to it in Condition 15 (*Dissolution Events*);

"**Dissolution Notice**" has the meaning given to it in Condition 15 (*Dissolution Events*);

"**Euroclear**" means Euroclear Bank SA/NV;

"**Exercise Notice**" means a notice substantially in the form set out in Schedule 1 to the Sale and Substitution Undertaking or the Purchase Undertaking, as applicable;

"**Exercise Price**" has the meaning given to it in the Sale and Substitution Undertaking or the Purchase Undertaking, as applicable;

"**Extraordinary Resolution**" has the meaning given to it in Schedule 4 to the Master Declaration of Trust;

"**Final Dissolution Amount**" has the meaning given to it in Condition 11.1 (*Scheduled Dissolution*);

"**Finance Charges**" means, for any Measurement Period, the aggregate amount of the accrued interest, commission, fees, discounts, prepayment fees, premiums or charges and other finance payments in respect of Financial Indebtedness (whether, in each case, paid or payable by any member of the Group (calculated on a consolidated basis)) in respect of that Measurement Period;

"**Financial Indebtedness**" means any indebtedness for or in respect of:

(a) moneys borrowed;

(b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;

(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with IFRS, be treated as a finance or capital lease;

(e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);

(f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;

(g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);

(h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution excluding any performance or bid bonds;

(i) any amount of any liability under an advance or deferred purchase agreement if one of the primary reasons behind the entry into the agreement is to raise finance;

(j) any obligations incurred in respect of any Islamic financing arrangements; and

(k) (without double counting) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (j) above.

"**Fitch**" means Fitch Ratings Limited;

"**Full Reinstatement Value**" has the meaning given to it in the Servicing Agency Agreement;

"**Global Trust Certificate**" means the Trust Certificates of each Series offered and sold in reliance on Regulation S, which will be sold to Persons who are not U.S. persons (as defined in Regulation S) outside the United States, in registered form;

"**Group**" means Arada and its Subsidiaries taken as a whole;

"**Ijara Percentage**" means the percentage specified hereon which, except when Trust Certificates are issued pursuant to Condition 22 (*Further Issues*), shall be no less than 55 per cent.;

"**IFRS**" means International Financial Reporting Standards;

"**Incur**" and "**Incurrence**" have the meanings given to them in Condition 4.3 (*Financial Covenants*);

"**Indebtedness**" means all obligations, and guarantees or indemnities in respect of obligations, for moneys borrowed or raised (whether or not evidenced by bonds, debentures, notes or other similar instruments) or any *Shari'a* compliant alternative of the foregoing other than any such obligations, guarantees or indemnities owing or given by one member of the Group to another member of the Group;

"**Insurances**" means the insurances in respect of the Lease Asset(s), as provided for in the Servicing Agency Agreement;

"**Investment Grade Rating**" means a rating equal to or higher than: (a) Baa3 (or the equivalent) by Moody's; (b) BBB- (or the equivalent) by Standard & Poor's; or (c) BBB- (or the equivalent) by Fitch or in each case the equivalent thereof from any other Rating Agency (as applicable);

"**Investment Grade Status**" means that Arada has an Investment Grade Rating from at least one Rating Agency;

"**Joint Venture Company**" means an entity which is at any particular time, jointly controlled (whether directly or indirectly) by Arada and any other person or persons. For the purposes of this definition, an entity shall be considered as being "**jointly controlled**" by Arada and such other person or persons if it is accounted for as a jointly controlled entity in the most recently available audited or auditor reviewed consolidated financial statements of Arada and, for the avoidance of doubt, as at 4 June 2024, Nextgen Robopark Investment LLC shall be a Joint Venture Company falling within the scope of this definition;

"**LCIA**" means the London Court of International Arbitration;

"**Lease**" has the meaning given to it in the Lease Agreement;

"**Lease Asset(s)**" has the meaning given to it in the Lease Agreement;

"**Lessee**" means Arada in its capacity as lessee under the Lease Agreement;

"**Lessor**" means the Trustee in its capacity as lessor under the Lease Agreement;

"**Liability**" means, in respect of any person, any actual losses, actual damages, fees, actual costs (excluding any cost of funding and opportunity cost or loss), charges, awards, claims, demands, expenses, judgments, actions, proceedings (or threats of any actions or proceedings) or other liabilities whatsoever including legal fees, travelling expenses and any Taxes and similar charges incurred by that person and references to "**Liabilities**" shall mean all of these;

"**Loss Shortfall Amount**" has the meaning given to it in the Servicing Agency Agreement;

"**Material Subsidiary**" means, at any relevant time, a Subsidiary of Arada:

(a) whose Consolidated EBITDA (consolidated in the case of a Subsidiary which itself has Subsidiaries) or whose total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent in each case (or, in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited consolidated financial statements of Arada and its Subsidiaries relate, are equal to) not less than 10 per cent. of the Consolidated EBITDA of Arada, or, as the case may be, consolidated total assets, of Arada and its Subsidiaries taken as a whole, all as calculated respectively by reference to the then latest audited financial statements (consolidated or, as the case may be, unconsolidated) of such Subsidiary and the then latest audited consolidated financial statements of Arada and its Subsidiaries taken as a whole, provided that in the case of a Subsidiary of Arada acquired after the end of the financial period to which the then latest audited consolidated financial statements of Arada and its Subsidiaries relate, the reference to the then latest audited consolidated financial statements of Arada and its Subsidiaries for the purposes of the calculation above shall, until consolidated financial

statements for the financial period in which the acquisition is made have been prepared and audited as aforesaid, be deemed to be a reference to such first-mentioned financial statements as if such Subsidiary had been shown in such financial statements by reference to its then latest relevant audited financial statements, adjusted as deemed appropriate by Arada;

(b) to which is transferred the whole or substantially the whole of the undertaking and assets of a Subsidiary of Arada which immediately prior to such transfer is a Material Subsidiary, provided that the transferor Subsidiary shall upon such transfer forthwith cease to be a Material Subsidiary and the transferee Subsidiary shall cease to be a Material Subsidiary pursuant to this paragraph (b) on the date on which the consolidated financial statements of Arada and its Subsidiaries for the financial period current at the date of such transfer have been prepared and audited as aforesaid but so that such transferor Subsidiary or such transferee Subsidiary may be a Material Subsidiary on or at any time after the date on which such consolidated financial statements have been prepared and audited as aforesaid by virtue of the provisions of paragraph (a) above or, prior to or after such date, by virtue of any other applicable provision of this definition; or

(c) to which is transferred an undertaking or assets which, taken together with the undertaking or assets of the transferee Subsidiary, generated (or, in the case of the transferee Subsidiary being acquired after the end of the financial period to which the then latest audited consolidated financial statements of Arada and its Subsidiaries relate, generate Consolidated EBITDA equal to) not less than 10 per cent. of the Consolidated EBITDA of Arada, or represent (or, in the case aforesaid, are equal to) not less than 10 per cent. of the consolidated total assets of Arada and its Subsidiaries taken as a whole, all as calculated as referred to in paragraph (a) above, provided that the transferor Subsidiary (if a Material Subsidiary) shall upon such transfer forthwith cease to be a Material Subsidiary unless immediately following such transfer its undertaking and assets generate (or, in the case aforesaid, generate Consolidated EBITDA equal to) not less than 10 per cent. of the Consolidated EBITDA of Arada, or its assets represent (or, in the case aforesaid, are equal to) not less than 10 per cent. of the consolidated total assets of Arada and its Subsidiaries taken as a whole, all as calculated as referred to in paragraph (a) above, and the transferee Subsidiary shall cease to be a Material Subsidiary pursuant to this paragraph (c) on the date on which the consolidated financial statements of Arada and its Subsidiaries for the financial period current at the date of such transfer have been prepared and audited but so that such transferor Subsidiary or such transferee Subsidiary may be a Material Subsidiary on or at any time after the date on which such consolidated financial statements have been prepared and audited as aforesaid by virtue of the provisions of paragraph (a) above or, prior to or after such date, by virtue of any other applicable provision of this definition.

Any report signed by an authorised signatory of Arada whether or not addressed to the Trustee or the Delegate that in their opinion a Subsidiary of Arada is or is not or was or was not at any particular time or throughout any specified period a Material Subsidiary may be relied upon by the Trustee and the Delegate without further enquiry or evidence and with no liability to any person therefor and, if relied upon by the Trustee or the Delegate, shall, in the absence of manifest error, be conclusive and binding on all parties;

"**Measurement Period**" means a period of 12 months ending on the last date of each period in respect of which audited or auditor reviewed consolidated financial statements of Arada are made available;

"**Moody's**" means Moody's Investors Service, Inc.;

"**Murabaha Percentage**" means the percentage specified hereon which, except when Trust Certificates are issued pursuant to Condition 22 (*Further Issues*), shall be no more than 45 per cent.;

"**nominee**" has the meaning given to it in Condition 2.1 (*Form and Denomination*);

"**Optional Dissolution Amount (Call)**" has the meaning given to it in Condition 11.3 (*Dissolution at the Option of Arada (Optional Dissolution Call Right)*);

"**Optional Dissolution Amount (Put)**" has the meaning given to it in Condition 11.5 (*Dissolution at the Option of the Certificateholders (Certificateholder Put Right)*);

"**Optional Dissolution Call Right**" means the right exercisable by the Trustee at the request of Arada pursuant to Condition 11.3 (*Dissolution at the Option of Arada (Optional Dissolution Call Right)*);

"**Optional Dissolution Date**" means the date on which Trust Certificates are to be redeemed in accordance with Condition 11.3 (*Dissolution at the Option of Arada (Optional Dissolution Call Right)*), as specified in the relevant Exercise Notice;

"**Partial Loss Dissolution Event**" means, in relation to any Series, the termination of the Lease on the 61st day after the Partial Loss Event Date as a result of either: (a) the delivery by Arada of a Partial Loss Termination Notice to the Trustee within 30 days after the Partial Loss Event Date in accordance with the terms of the Lease Agreement; or (b) the failure by Arada to replace the Lease Assets within 60 days after the Partial Loss Event Date in accordance with the terms of the Servicing Agency Agreement;

"**Partial Loss Event**" means the partial impairment of one or more Lease Assets in a manner that substantially deprives the Lessee from the benefits expected from the whole of the Lease Assets, as determined by the Lessee and the occurrence of which (a) has been certified in writing by a recognised independent industry expert; (b) has not arisen as a result of the Lessee's negligence or misconduct; and (c) does not constitute a Total Loss Event;

"**Partial Loss Event Date**" has the meaning given to it in the Lease Agreement;

"**Partial Loss Termination Notice**" has the meaning given to it in the Lease Agreement;

"**Payment Business Day**" means:

(a) a day on which banks in the relevant place of surrender (as required) of the definitive Trust Certificate are open for payment of registered securities and for dealings in foreign currencies; and

(b) in the case of payment by transfer to an account:

  (i) if the currency of payment is euro, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or

  (ii) if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the principal financial centre of the currency of payment and in each (if any) Additional Financial Centre;

"**Periodic Distribution Amount**" means, in relation to a Trust Certificate and a Return Accumulation Period, the amount of profit payable in respect of that Trust Certificate for that Return Accumulation Period which amount may be a Fixed Amount, a Broken Amount or an amount otherwise calculated in accordance with Condition 8 (*Fixed Periodic Distribution Provisions*) plus, if applicable, an amount equal to the amount of profit which would have accrued (i) in the previous Return Accumulation Period; and (ii) from (and including) the previous Periodic Distribution Date to the replacement of any Lease Asset(s) with Replacement Lease Asset(s) in accordance with the Servicing Agency Agreement, in each case, had a Total Loss Event not occurred in the previous Return Accumulation Period (and in which case such amount will be funded through the proceeds of Insurance and/or (if applicable) Loss Shortfall Amount);

"**Periodic Distribution Date**" means the first Periodic Distribution Date and any other date or dates specified as such in, or determined in accordance with the provisions of, the applicable Pricing Supplement;

"**Permitted Financial Indebtedness**" means any one or more of the following:

(a) any Financial Indebtedness of Arada or any Subsidiary of Arada outstanding on 4 June 2024;

(b) any Financial Indebtedness owed by Arada or any Subsidiary of Arada to Arada or any other Subsidiary of Arada; provided, however, that any subsequent disposition, pledge or transfer of such Financial Indebtedness (other than to Arada or a Subsidiary of Arada) shall be deemed, in each case, to constitute the Incurrence of such Financial Indebtedness by the obligor thereof;

(c) any Financial Indebtedness of Arada or any Subsidiary of Arada Incurred and outstanding on or prior to the date on which such Subsidiary became a Subsidiary of Arada (other than Financial Indebtedness Incurred in connection with, or to provide all or any portion of the funds or credit support utilised to consummate, the transaction or series of related transactions pursuant to which the Subsidiary became a Subsidiary of Arada);

(d) any amounts owed by Arada or any Subsidiary of Arada to suppliers, contractors, subcontractors and/or project consultants in respect of goods supplied and/or services provided, in each case in the ordinary course of business;

(e) any Project Finance Indebtedness of Arada or a Subsidiary of Arada or any Securitisation Indebtedness;

(f) any Financial Indebtedness for or in respect of any derivative transaction entered into solely to protect Arada or any Subsidiary from fluctuations in profit/interest rates or financing costs or currencies (and is not for speculation);

(g) Financial Indebtedness arising from the honouring by a bank or other financial institution of a cheque, draft or similar instrument drawn against insufficient funds in the ordinary course of business, provided that such Financial Indebtedness is extinguished within 30 business days of its Incurrence;

(h) any Financial Indebtedness arising in the form of deferred payment obligations of Arada or a Subsidiary of Arada in respect of the acquisition of any business, assets or Capital Stock, in each case in the ordinary course of business; and

(i) any Refinancing Financial Indebtedness Incurred by Arada or a Subsidiary of Arada in respect of Financial Indebtedness Incurred by Arada or a Subsidiary of Arada: (i) at any time when Arada had Investment Grade Status; or (ii) pursuant to paragraph (a), (b), (c), (d), (e), (f), (g) or (h) above;

"**Permitted Reorganisation**" means:

(a) (i) any disposal by any Subsidiary of Arada of all or substantially all of its business, undertaking or assets to: (1) any of its own wholly-owned Subsidiaries; (2) Arada; or (3) any wholly-owned Subsidiary of Arada; or (ii) any disposal by Arada of all or substantially all of its business, undertaking or assets to any of its wholly-owned Subsidiaries provided that, in the case of (ii) only, at the same time or prior to any such disposal, all amounts payable by Arada under each Transaction Document to which it is a party have been assumed by such Subsidiary on terms previously approved by an Extraordinary Resolution;

(b) any amalgamation, consolidation or merger of a Subsidiary of Arada with Arada or with any other Subsidiary of Arada; or

(c) any amalgamation, consolidation, restructuring, merger or reorganisation on terms previously approved by the Delegate or by an Extraordinary Resolution;

"**Permitted Security**" means:

(a) any Security existing on 4 June 2024;

(b) any Security created or outstanding with the approval of the Certificateholders by an Extraordinary Resolution;

(c) any Security on assets or property existing at the time Arada or any Subsidiary acquired such assets or property provided that such Security was not created in contemplation of such acquisition;

(d) any Security securing Indebtedness of any person and/or its Subsidiaries existing at the time that such person is merged into or consolidated with Arada or a Subsidiary provided that such Security was not created in contemplation of such merger or consolidation and does not extend to any other assets or property of Arada or any Subsidiary;

(e) any Security arising by operation of law and in the ordinary course of trading and not as result of any default or omission by Arada or any Subsidiary;

(f) any Security not otherwise permitted under any other paragraph of this definition created by, or outstanding in respect of, Arada and/or any Subsidiary, provided that the aggregate of all outstanding amounts secured by such Security (when aggregated with the aggregate of all outstanding amounts (if any) secured by other Security created by, or outstanding in respect of, Arada and/or any Subsidiary (but ignoring for these purposes any outstanding amounts secured by any Security under paragraphs (a) to (d) above (inclusive) and paragraph (f) below)) does not exceed 15 per cent. of the consolidated total assets of Arada by reference to the then latest audited or auditor reviewed consolidated financial statements of Arada; or

(g) any renewal of or substitution for any Security permitted by any of the preceding paragraphs (a) through (f), provided that with respect to any such Security incurred pursuant to this paragraph (g), the principal amount secured has not increased and the Security has not been extended to any additional property (other than the proceeds of such property);

"**Person"** means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"**Project Finance Indebtedness**" means any Financial Indebtedness issued, borrowed or raised by Arada or any of its Subsidiaries to finance or refinance the ownership, acquisition, construction, development and/or operation of an asset or project where there is no recourse whatsoever for repayment thereof other than:

(a) recourse solely to the property, income, assets or revenues from such asset or project (including insurance proceeds); and/or

(b) recourse, for the purpose only of enabling amounts to be claimed in respect of such Financial Indebtedness, over such asset or project or the income, cash flow or other proceeds deriving therefrom, provided that the extent of such recourse is limited solely to the amount of any recoveries made on any such enforcement;

"**Profit Amount**" has the meaning given to it in the Master Murabaha Agreement;

"**Profit Amount Instalment**" has the meaning given to it in the Master Murabaha Agreement;

"**Rate**" means the rate or rates specified in the applicable Pricing Supplement;

"**Rating Agencies**" means: (a) Standard & Poor's; (b) Moody's; (c) Fitch; and (d) if any one or more of Standard & Poor's, Moody's or Fitch do not make a rating of Arada publicly available, one or more internationally recognised securities rating agencies selected by Arada;

"**Record Date**" means: (a) in respect of a Global Trust Certificate, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant Periodic Distribution Date or the relevant Dissolution Date, as the case may be; and (b) in respect of Trust Certificates in definitive form, the date falling on the seventh day before the relevant Periodic Distribution Date or the Dissolution Date, as the case may be;

"**Refinancing**" means, in respect of any Financial Indebtedness, to refinance, extend, renew, refund, repay or pay, prepay, purchase, redeem, defease or retire, or to issue other Financial Indebtedness in exchange or replacement for, such Financial Indebtedness, and "**Refinanced**" and similar terms are to be construed accordingly;

"**Refinancing Financial Indebtedness**" means Financial Indebtedness that Refinances any Financial Indebtedness of Arada or any Subsidiary of Arada, including Financial Indebtedness that Refinances Refinancing Financial Indebtedness; provided, however, that:

(a) such Refinancing Financial Indebtedness has a Stated Maturity no earlier than the Stated Maturity of the Financial Indebtedness being Refinanced;

(b) such Refinancing Financial Indebtedness has an Average Life at the time such Refinancing Financial Indebtedness is Incurred that is equal to or greater than the Average Life of the Financial Indebtedness being Refinanced;

(c) such Refinancing Financial Indebtedness has an aggregate principal amount (or if Incurred with original issue discount, an aggregate issue price) that is equal to or less than the aggregate principal amount (or if Incurred with original issue discount, the aggregate accreted value) then outstanding (plus fees and expenses, including any premium) under the Financial Indebtedness being Refinanced; and

(d) if the Financial Indebtedness being Refinanced is subordinated in right of payment to Arada's payment obligations under the Transaction Documents, such Refinancing Financial Indebtedness is subordinated in right of payment to Arada's payment obligations under the Transaction Documents at least to the same extent as the Financial Indebtedness being Refinanced;

"**Register**" has the meaning given in Condition 2.2 (*Register*);

"**Regulation S**" means Regulation S under the Securities Act;

"**Relevant Date**" means, in relation to any payment, the date on which the payment in question first becomes due or if the full amount payable has not been received in the principal financial centre of the currency of payment by the Principal Paying Agent on or prior to such due date, the date on which the full amount has been so received or (if earlier) the date seven days after that on which notice is duly given to Certificateholders in accordance with Condition 18 (*Notices*) that, upon further presentation or surrender, as applicable, of the Trust Certificate being made in accordance with these Conditions, such payment will be made, **provided that** payment is in fact made upon such presentation or surrender, as applicable;

"**Relevant Indebtedness**" means any present or future indebtedness, other than any Project Finance Indebtedness or Securitisation Indebtedness, which is in the form of, or which is represented or evidenced by, bonds, notes, debentures, loan stock or other securities which for the time being are, or are intended to be or are capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market;

"**Relevant Jurisdiction**" means the Cayman Islands, the Emirate of Sharjah, the UAE or any political subdivision or authority thereof or therein having the power to tax;

"**Relevant Sukuk Obligation**" means any Sukuk Obligation, other than any Project Finance Indebtedness or Securitisation Indebtedness, in respect of which the relevant trust certificates or other securities are, or are intended to be or are capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market;

"**Rental**" has the meaning given to it in the relevant Supplemental Lease Agreement;

"**Replacement Date**" has the meaning given to it in the Servicing Agency Agreement;

"**Replacement Lease Asset(s)**" has the meaning given to it in the Servicing Agency Agreement;

"**Required Amount**" has the meaning given to it in the Servicing Agency Agreement;

"**Reserved Matter**" has the meaning given in Condition 18 (*Meetings of Certificateholders; Modification*);

"**Return Accumulation Commencement Date**" means the Issue Date or such other date as specified in the applicable Pricing Supplement;

"**Return Accumulation Period**" means the period from (and including) a Periodic Distribution Date (or the Return Accumulation Commencement Date) to (but excluding) the next (or first) Periodic Distribution Date;

"**Rules**" has the meaning given in Condition 24.2 (*Arbitration*);

"**Scheduled Dissolution Date**" means the date on which Trust Certificates are to be redeemed in accordance with Condition 11.1 (*Scheduled Dissolution*);

"**Securities Act**" means the United States Securities Act of 1933;

"**Securitisation Indebtedness**" means any Financial Indebtedness issued, borrowed or raised by Arada or any of its Subsidiaries in connection with any securitisation (Islamic or otherwise) of existing or future assets and/or revenues, provided that:

(a) any Security given by Arada or any Subsidiary in connection therewith is limited solely to the assets and/or revenues which are the subject of the securitisation;

(b) each person participating in such securitisation expressly agrees to limit its recourse to the assets and/or revenues so securitised as the principal source of repayment for the money advanced or payment of any other liability; and

(c) there is no other recourse to Arada or any Subsidiary in respect of any default by any person under the securitisation;

"**Security**" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

"**Service Charge Amounts**" has the meaning given to it in the Servicing Agency Agreement;

"**Specified Currency**" means the currency specified as such in the applicable Pricing Supplement or, if none is specified, the currency in which the Trust Certificates are denominated;

"**Specified Denominations**" means the denominations specified as such in the applicable Pricing Supplement;

"**Standard & Poor's**" means Standard & Poor's Rating Services, a division of the McGraw-Hill Companies Inc;

"**Stock Exchange**" means, in relation to the Trust Certificates, the stock exchange or exchanges (if any) on which the Trust Certificates are for the time being quoted or listed;

"**Subsidiary**" means in relation to any company or corporation, a company or corporation:

(a) which is controlled, directly or indirectly, by the first mentioned company or corporation;

(b) more than half of the Capital Stock of which is beneficially owned, directly or indirectly by the first mentioned company or corporation; or

(c) which is a Subsidiary of another Subsidiary of the first mentioned company or corporation,

and for this purpose a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body;

"**Sukuk Obligation**" means any undertaking or other obligation to pay any money given in connection with any issue of trust certificates or other securities intended to be issued in compliance with the principles of *Shari'a*, whether or not in return for consideration of any kind;

"**T2**" means the real time gross settlement system operated by the Eurosystem or any successor system;

"**Tangibility Event Put Right**" means the right exercisable by a Certificateholder pursuant to Condition 11.6 (*Dissolution at the Option of the Certificateholders (Tangibility Event Put Right)*);

"**Tangibility Event Put Right Exercise Price**" has the meaning given to it in the Purchase Undertaking;

"**Tangibility Event Dissolution Amount**" has the meaning given to it in Condition 11.6 (*Dissolution at the Option of the Certificateholders (Tangibility Event Put Right)*);

"**TARGET Settlement Day**" means any day on which T2 is open for the settlement of payments in euro;

"**Tax**" means any present or future taxes, levies, imposts, duties (including stamp duties), fees, assessments or other charges of whatever nature imposed or levied by or on behalf of any Relevant Jurisdiction;

"**Tax Dissolution Amount**" has the meaning given to it in Condition 11.2 (*Early Dissolution for Tax Reasons*);

"**Tax Dissolution Date**" has the meaning given to it in Condition 11.2 (*Early Dissolution for Tax Reasons*);

"**Tax Event**" has the meaning given to it in Condition 11.2 (*Early Dissolution for Tax Reasons*);

"**Total Equity**" means the share capital of the Group for the time being issued and paid up or credited as paid up; and the aggregate of the amounts standing to the credit of the consolidated capital and revenue reserves (including share premium account, statutory reserves and profit and loss account but excluding hedging reserves) of the Group;

"**Total Loss Dissolution Amount**" has the meaning given to it in Condition 11.4 (*Dissolution following a Total Loss Event*);

"**Total Loss Dissolution Date**" has the meaning given to it in Condition 11.4 (*Dissolution following a Total Loss Event*);

"**Total Loss Event**" has the meaning given to it in Condition 11.4 (*Dissolution following a Total Loss Event*);

"**Transaction Account**" means the non-interest bearing account in the Trustee's name maintained with the Principal Paying Agent, details of which are specified in the applicable Pricing Supplement and which shall be held in the United Kingdom; and

"**Trust Assets**" means the assets, rights and/or cash described in Condition 6.1 (*Trust Assets*).

1.2 ***Interpretation***

In these Conditions:

(a) any reference to face amount shall be deemed to include any Dissolution Amount and any other amount in the nature of face amounts payable pursuant to these Conditions;

(b) any reference to Periodic Distribution Amounts shall be deemed to include any additional amounts in respect of profit distributions which may be payable under Conditions 11 (*Capital Distributions of Trust*) and 13 (*Taxation*) and any other amount in the nature of a profit distribution payable pursuant to these Conditions;

(c) references to Trust Certificates being "outstanding" shall be construed in accordance with the Master Declaration of Trust; and

(d) any reference to a Transaction Document shall be construed as a reference to that Transaction Document as amended and/or supplemented up to and including the Issue Date.

2. **Form, Denomination and Title**

2.1 ***Form and Denomination***

The Trust Certificates are issued in registered form in the Specified Denominations and, in the case of Trust Certificates in definitive form, are serially numbered.

Upon issue, the Trust Certificates will be represented by a Global Trust Certificate which will be registered in the name of nominees for Euroclear and Clearstream, Luxembourg.

For so long as any of the Trust Certificates are represented by a Global Trust Certificate held on behalf of Euroclear and Clearstream, Luxembourg, each Person (other than Euroclear and Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear and Clearstream, Luxembourg as the holder of a particular face amount of such Trust Certificates (in which regard any certificate or other document issued by Euroclear and Clearstream, Luxembourg as to the face amount of such Trust Certificates standing to the account of any Person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Trustee, Arada, the Delegate and the Agents as the holder of such face amount of such Trust Certificates for all purposes other than with respect to payment in respect of such Trust Certificates, for which purpose the registered holder (the "**nominee**") of the Global Trust Certificate shall be treated by the Trustee, Arada, the Delegate and any Agent as the holder of such face amount of such Trust Certificates in accordance with and subject to the terms of the relevant Global Trust Certificate, and the expressions "**Certificateholder**" and "**holder**" in relation to any Trust Certificates and related expressions shall be construed accordingly. Each Certificateholder must look solely to Euroclear and Clearstream, Luxembourg for its share of each payment made to the nominee.

Trust Certificates which are represented by a Global Trust Certificate will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg.

References to Euroclear and Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B of the applicable Pricing Supplement.

2.2 ***Register***

The Registrar will maintain a register (the "**Register**") of Certificateholders in respect of the Trust Certificates in accordance with the provisions of the Agency Agreement. In the case of Trust Certificates in definitive form, a definitive Trust Certificate will be issued to each Certificateholder in respect of its registered holding of Trust Certificates.

2.3 ***Title***

The Trustee, Arada, the Delegate and the Agents may (to the fullest extent permitted by applicable laws) deem and treat the Person in whose name any outstanding Trust Certificate is for the time being registered (as set out in the Register) as the holder of such Trust Certificate or of a particular face amount of the Trust Certificates for all purposes (whether or not such Trust Certificate or face amount shall be overdue and notwithstanding any notice of ownership thereof or of trust or other interest with regard thereto, and any notice of loss or theft or any writing thereon), and the Trustee, Arada, the Delegate and the Agents shall not be affected by any notice to the contrary.

All payments made to such registered holder shall be valid and, to the extent of the sums so paid, effective to satisfy and discharge the liability for monies payable in respect of such Trust Certificate or face amount.

3. **Transfers of Trust Certificates**

3.1 ***Transfers of beneficial interests in the Global Trust Certificate***

Transfers of beneficial interests in the Global Trust Certificate will be effected by Euroclear and Clearstream, Luxembourg, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of transferors and transferees of such

interests. An interest in the Global Trust Certificate will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Trust Certificates in definitive form only in the Specified Denomination or integral multiples thereof and only in accordance with the rules and operating procedures for the time being of Euroclear and Clearstream, Luxembourg and in accordance with the terms and conditions specified in the Declaration of Trust and the Agency Agreement.

3.2 ***Transfers of Trust Certificates in Definitive Form***

(a) *Transfer*

Subject to this Condition 3.2 and Conditions 3.3 (*Closed Periods*) and 3.4 (*Formalities Free of Charge*), a definitive Trust Certificate may be transferred in whole or in an amount equal to the Specified Denomination or any integral multiple thereof by depositing the definitive Trust Certificate, with the form of transfer on the back duly completed and signed, at the specified office of the Registrar.

(b) *Delivery of new definitive Trust Certificates*

Each new definitive Trust Certificate to be issued upon transfer of definitive Trust Certificates will, within five business days of receipt by the Registrar of the duly completed form of transfer endorsed on the relevant definitive Trust Certificate, be mailed by uninsured mail at the risk of the holder entitled to the definitive Trust Certificate to the address specified in the form of transfer. For the purposes of this Condition, "**business day**" shall mean a day on which banks are open for business in the city in which the specified office of the Registrar is located.

Where some but not all of the Trust Certificates in respect of which a definitive Trust Certificate is issued are to be transferred, a new definitive Trust Certificate in respect of the Trust Certificates not so transferred will, within five business days of receipt by the Registrar of the original definitive Trust Certificate, be mailed by uninsured mail at the risk of the holder of the Trust Certificates not so transferred to the address of such holder appearing on the Register or as specified in the form of transfer.

(c) *Regulations*

All transfers of definitive Trust Certificates and entries on the Register will be made subject to the detailed regulations concerning the transfer of Trust Certificates scheduled to the Master Declaration of Trust. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Certificateholder who requests one. Notwithstanding the above, the Trustee may from time to time agree with the Registrar reasonable regulations to govern the transfer and registration of definitive Trust Certificates.

3.3 ***Closed periods***

No Certificateholder may require the transfer of a definitive Trust Certificate to be registered during the period of 15 days ending on a Periodic Distribution Date or a Dissolution Date or any other date on which any payment of the face amount or payment of any profit in respect of a Trust Certificate falls due.

3.4 ***Formalities free of charge***

Transfers of Trust Certificates on registration or exercise of an early dissolution right will be effected without charge by or on behalf of the Trustee, the Registrar or the Transfer Agent, but upon payment (or the giving of such indemnity as the Trustee, the Registrar and/or the Transfer Agent may reasonably require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer.

3.5 ***Regulations***

All transfers of definitive Trust Certificates and entries on the Register will be made subject to the detailed regulations concerning the transfer of Trust Certificates scheduled to the Master Declaration of Trust. A copy of the current regulations will be mailed (free of charge) by the

Registrar to any Certificateholder who requests one. Notwithstanding the above, the Trustee may from time to time agree with the Registrar reasonable regulations to govern the transfer and registration of definitive Trust Certificates.

4. Status and Limited Recourse

4.1 *Status*

Each Trust Certificate evidences an undivided ownership interest in the Trust Assets subject to the terms of the Declaration of Trust and these Conditions, and is a direct, unsubordinated, unsecured and limited recourse obligation of the Trustee. Each Trust Certificate ranks *pari passu*, without any preference or priority, with the other Trust Certificates.

The payment obligations of Arada (in any capacity) to the Trustee under the Transaction Documents to which it is a party in respect of each Series of Trust Certificates are and will be direct, unconditional, unsubordinated and (subject to the negative pledge provisions described in Condition 5.1 (Negative Pledge)) unsecured obligations of Arada and (save for such exceptions as may be provided by applicable legislation and subject to the negative pledge provisions described in Condition 5.1 (Negative Pledge)) at all times rank at least pari passu with all other present and future unsecured and unsubordinated obligations of Arada from time to time outstanding.

4.2 *Limited Recourse*

The proceeds of the Trust Assets are the sole source of payments on the Trust Certificates. Save as provided in the next sentence, the Trust Certificates do not represent an interest in or obligation of any of the Trustee, Arada, the Delegate, the Agents or any of their respective affiliates. Accordingly, Certificateholders, by subscribing for or acquiring the Trust Certificates, acknowledge that:

(a) they will not have recourse to any assets of the Trustee, the Delegate, the Agents, or any of their respective affiliates in respect of any shortfall in the expected amounts from the Trust Assets to the extent the Trust Assets have been exhausted following which all obligations of the Trustee shall be extinguished; and

(b) any recourse to the assets of Arada shall be limited to the Trust Assets, which include obligations of Arada under the Transaction Documents.

Arada is obliged to make certain payments under the Transaction Documents directly to the Trustee (for and on behalf of the Certificateholders), and the Delegate will have recourse against Arada to recover such payments.

The net proceeds of realisation of, or enforcement with respect to, the Trust Assets may not be sufficient to make all payments due in respect of the Trust Certificates. If, following the distribution of such proceeds, there remains a shortfall in payments due under the Trust Certificates, subject to Condition 16 (*Enforcement and Exercise of Rights*), no holder of Trust Certificates will have any claim against the Trustee, Arada (to the extent that it fulfils all of its obligations under the Transaction Documents), the Delegate, the Agents or any of their respective affiliates or against any assets (other than the Trust Assets to the extent not exhausted) in respect of such shortfall and any unsatisfied claims of Certificateholders shall be extinguished. In particular, no holder of Trust Certificates will be able to petition for, or join any other person in instituting proceedings for, the reorganisation, liquidation, winding-up or receivership of the Trustee, Arada (to the extent that it fulfils all of its obligations under the Transaction Documents), the Delegate, the Agents or any of their respective affiliates as a consequence of such shortfall or otherwise.

4.3 *Agreement of Certificateholders*

By subscribing for or acquiring the Trust Certificates, each Certificateholder acknowledges and agrees that notwithstanding anything to the contrary contained herein or in any other Transaction Document:

(a) no payment of any amount whatsoever shall be made by any of the Trustee, the Delegate (acting in the name and on behalf of the Trustee) or any of their respective agents on their behalf except to the extent funds are available therefor from the Trust Assets;

(b) no recourse shall be had for the payment of any amount owing hereunder or under any relevant Transaction Document, whether for the payment of any fee, indemnity or other amount hereunder or any other obligation or claim arising out of or based upon the Transaction Documents, against the Trustee (and/or its directors, officers, shareholders or administrators), Arada (and/or its officers) (to the extent that it fulfils all of its obligations under the Transaction Documents to which it is a party), the Delegate, any Agent or any of their respective agents or affiliates to the extent the Trust Assets have been exhausted following which all obligations of the Trustee, Arada, the Delegate any Agents and their respective agents or affiliates shall be extinguished;

(c) prior to the date which is one year and one day after the date on which all amounts owing by the Trustee under the Transaction Documents to which it is a party have been paid in full, it will not institute against, or join with any other person in instituting against, the Trustee any bankruptcy, reorganisation, arrangement or liquidation proceedings or other proceedings under any bankruptcy or similar law;

(d) no recourse under any obligation, covenant or agreement contained in any Transaction Document shall be had against any officer, agent, shareholder or director of the Trustee, by the enforcement of any assessment or by any proceeding, by virtue of any statute or otherwise. The obligations of the Trustee under the Transaction Documents to which it is a party are corporate or limited liability obligations of the Trustee and no personal liability shall attach to or be incurred by the officers, agents, shareholders or directors of the Trustee save in the case of their wilful default or actual fraud. Reference in these Conditions to wilful default or actual fraud means a finding to such effect by a court of competent jurisdiction in relation to the conduct of the relevant party; and

(e) it shall not be entitled to claim or exercise any right of set-off, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction, in respect of such Trust Certificate. No collateral is or will be given for the payment obligations by the Trustee under the Trust Certificates.

5. Obligor Covenants

5.1 *Negative Pledge*

So long as any Trust Certificate remains outstanding, Arada covenants and undertakes with the Trustee that it shall not, and it shall procure that no Material Subsidiary (other than a Material Subsidiary that is a Joint Venture Company) will, create or permit to subsist any Security, other than Permitted Security, upon the whole or any part of its present or future assets or revenues (including uncalled capital) to secure any of its Relevant Indebtedness or Relevant Sukuk Obligation or any guarantee or indemnity of its Relevant Indebtedness or Relevant Sukuk Obligation without at the same time or prior thereto securing equally and rateably therewith its obligations under the Transaction Documents to which it is a party or providing such other Security for those obligations as may be approved by the holders of the Trust Certificates by an Extraordinary Resolution.

5.2 *Financial Covenants*

So long as any Trust Certificate remains outstanding, Arada covenants and undertakes with the Trustee that it shall not, and it shall not permit any of its Subsidiaries to, create, issue, incur, assume, guarantee or in any manner become directly or indirectly liable with respect to or otherwise become responsible for, contingently or otherwise, the payment of (individually and collectively, to "**Incur**" or, as appropriate, an "**Incurrence**") any Financial Indebtedness (other than Permitted Financial Indebtedness); provided that Arada and its Subsidiaries will be permitted to Incur additional Financial Indebtedness if:

(a) the ratio of Consolidated Total Net Indebtedness (excluding, for this purpose, any indebtedness arising from any financing provided by the Government of Sharjah) at the

end of the immediately preceding Measurement Period to Total Equity at the end of such Measurement Period does not exceed a ratio of 1.5:1;

(b) the ratio of Consolidated EBITDA for the immediately preceding Measurement Period to Consolidated Net Finance Charges Payable for such Measurement Period is not less than a ratio of 1.5:1; and

(c) the ratio of Consolidated Total Net Indebtedness (excluding, for this purpose, any indebtedness arising from any financing provided by the Government of Sharjah) at the end of the immediately preceding Measurement Period to Consolidated EBITDA for such Measurement Period does not exceed a ratio of 3.0:1.

The provisions of this Condition 5.2 shall not apply for so long as Arada has Investment Grade Status. However, the provisions of this Condition 5.2 shall immediately apply if and for so long as Arada ceases to have Investment Grade Status. For the purposes of this Condition 5.2, "**Permitted Financial Indebtedness**" shall be construed to refer to the date on which the provisions of this Condition 5.2 re-apply in accordance with this Condition 5.2.

For the purposes of this Condition 5:

(i) an accounting term used in this provision is to be construed in accordance with the principles applied in connection with the most recently available audited or auditor reviewed consolidated financial statements of Arada;

(ii) compliance with this provision shall be assessed by reference to the most recently available audited or auditor reviewed consolidated financial statements of Arada;

(iii) any amount in a currency other than U.S.$ is to be taken into account at its U.S.$ equivalent calculated on the basis of: (1) the Principal Paying Agent's spot rate of exchange for the purchase of the relevant currency in the London foreign exchange market with U.S.$ at or about 11:00 a.m. (London time) on the day the relevant amount falls to be calculated; or (2) if the amount is to be calculated on the last day of a financial period of Arada, the then relevant spot rates of exchange used by Arada in, or in connection with, its financial statements for that period; and

(iv) no item must be credited or deducted more than once in any calculation under this provision.

6. The Trust

6.1 *Trust Assets*

The "**Trust Assets**" will comprise:

(a) the cash proceeds of the Trust Certificates, pending application thereof in accordance with the terms of the Transaction Documents;

(b) the rights, title, interests, benefits and entitlements, present and future, of the Trustee in, to and under the Lease Asset(s);

(c) the rights, title, interests, benefits and entitlements, present and future, of the Trustee in, to and under the Transaction Documents (excluding: (i) any representations given by Arada to the Trustee and the Delegate pursuant to the Transaction Documents; and (ii) the covenant given to the Trustee pursuant to clause 15.1 of the Master Declaration of Trust);

(d) all monies standing to the credit of the Transaction Account from time to time; and

(e) all proceeds of the foregoing.

6.2 ***Application of Proceeds from the Trust Assets***

Pursuant to the Declaration of Trust, the Trustee holds the Trust Assets on trust absolutely for and on behalf of the Certificateholders. On each Periodic Distribution Date, or on any Dissolution Date, the Principal Paying Agent, notwithstanding any instructions to the contrary from the Trustee, will apply the monies standing to the credit of the Transaction Account in the following order of priority:

(a) *first*, (to the extent not previously paid) to each of the Delegate, each Agent and/or any Appointee (as defined in the Master Declaration of Trust) in respect of all amounts owing to it under the Transaction Documents in its capacity as Delegate, Agent (in accordance with the Agency Agreement) or Appointee, as applicable;

(b) *secondly*, to the Principal Paying Agent for application in or towards payment *pari passu* and rateably of all Periodic Distribution Amounts due and unpaid;

(c) *thirdly*, only if such payment is made on any Dissolution Date, to the Principal Paying Agent in or towards payment *pari passu* and rateably of the Dissolution Amount*;*

(d) *fourthly*, only if such payment is made on any Dissolution Date on which all the Trust Certificates of the relevant Series are redeemed in full, to the Servicing Agent in or towards payment of all outstanding Service Charge Amounts (if any); and

(e) *fifthly*, only if such payment is made on any Dissolution Date on which all the Trust Certificates of the relevant Series are redeemed in full, to Arada in or towards payment of the residual amount (if any) in consideration for the performance of its obligations under the Servicing Agency Agreement.

7. **Trustee Covenants**

7.1 The Trustee covenants that, for so long as any Trust Certificate is outstanding, it will not (without the prior written consent of the Delegate):

(a) incur any indebtedness, in respect of borrowed money whatsoever (including any Islamic financing), or give any guarantee or indemnity in respect of any obligation of any person or issue any shares (or rights, warrants or options in respect of shares or securities convertible into or exchangeable for shares) or any other certificates except, in all cases, as contemplated in the Transaction Documents;

(b) save as permitted by the Transaction Documents, grant or permit to be outstanding any lien, pledge, charge or other security interest upon any of its present or future assets, properties or revenues (other than those arising by operation of law);

(c) sell, lease, transfer, assign, participate, exchange or otherwise dispose of, or pledge, mortgage, hypothecate or otherwise encumber (by security interest, lien (statutory or otherwise), preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever or otherwise) (or permit such to occur or suffer such to exist), any part of its interest in any of the Trust Assets, except pursuant to the Transaction Documents;

(d) use the proceeds of the issue of the Trust Certificates for any purpose other than as stated in the Transaction Documents;

(e) except as provided in Condition 18 (*Meetings of Certificateholders; Modification*), amend or agree to any amendment of any Transaction Document to which it is a party (other than in accordance with the terms thereof) or its memorandum and articles of association and by-laws (other than in relation to any increase in the aggregate face amount of the Programme);

(f) act as trustee in respect of any trust (other than pursuant to the Declaration of Trust);

(g) have any subsidiaries or employees;

(h) redeem or purchase any of its shares or pay any dividend or make any other distribution to its shareholders (excluding any consideration payable by the Trustee (acting in any capacity) to Arada (acting in any capacity) as contemplated by the Transaction Documents or these Conditions);

(i) prior to the date which is one year and one day after the date on which all amounts owing by the Trustee under the Transaction Documents to which it is a party have been paid in full, put to its directors or shareholders any resolution for, or appoint any liquidator for, its winding-up, liquidation or dissolution or any resolution for the commencement of any other bankruptcy or insolvency proceeding with respect to it; or

(j) enter into any contract, transaction, amendment, obligation or liability other than the Transaction Documents to which it is a party or any permitted amendment or supplement thereto or as expressly permitted or required thereunder or engage in any business or activity other than:

(i) any such contract, transaction, amendment, obligation or liability in relation to its operations that is of a routine or administrative nature;

(ii) as provided for or permitted in the Transaction Documents;

(iii) the ownership, management and disposal of the Trust Assets as provided in the Transaction Documents; and

(iv) such other matters which are incidental thereto.

8. Fixed Periodic Distribution Provisions

8.1 *Periodic Distribution Amount*

A Periodic Distribution Amount for the Trust Certificates will be payable in respect of the Trust Certificates and will be distributable by the Trustee to the Certificateholders, *pro rata* to their respective holdings, out of amounts transferred to the Transaction Account pursuant to the terms of the Servicing Agency Agreement and the other Transaction Documents, in accordance with these Conditions.

8.2 *Determination of Periodic Distribution Amount*

Except as provided in the applicable Pricing Supplement or where a Total Loss Event has occurred in the current or previous Return Accumulation Period, the Periodic Distribution Amount payable in respect of each Trust Certificate in definitive form for any Return Accumulation Period shall be the Fixed Amount. Payments of Periodic Distribution Amount in respect of Trust Certificates in definitive form on any Periodic Distribution Date may, if so specified in the applicable Pricing Supplement, amount to the Broken Amount so specified.

Except in the case of Trust Certificates in definitive form where a Fixed Amount or Broken Amount is specified in the applicable Pricing Supplement, the Periodic Distribution Amount shall be calculated in respect of any period by applying the Rate applicable to the relevant Return Accumulation Period to:

(a) in the case of Trust Certificates which are represented by a Global Trust Certificate, the aggregate outstanding face amount of the Trust Certificates represented by such Global Trust Certificate; or

(b) in the case of Trust Certificates in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Trust Certificate in definitive form is a multiple of the Calculation Amount, the Periodic Distribution Amount payable in respect of such Trust Certificate shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and

the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

In these Conditions:

"**Day Count Fraction**" means, in respect of the calculation of a Periodic Distribution Amount in accordance with these Conditions:

(a) if "**Actual/Actual**" is specified in the applicable Pricing Supplement, the actual number of days in the Return Accumulation Period divided by 365 (or, if any portion of that Return Accumulation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Return Accumulation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Return Accumulation Period falling in a non-leap year divided by 365);

(b) if "**Actual/365 (Fixed)**" is specified in the applicable Pricing Supplement, the actual number of days in the Return Accumulation Period divided by 365;

(c) if "**Actual/365 (Sterling)**" is specified in the applicable Pricing Supplement, the actual number of days in the Return Accumulation Period divided by 365 or, in the case of a Periodic Distribution Date falling in a leap year, 366;

(d) if "**Actual/360**" is specified in the applicable Pricing Supplement, the actual number of days in the Return Accumulation Period divided by 360;

(e) if "**30/360**" is specified in the applicable Pricing Supplement, the number of days in the Return Accumulation Period divided by 360, calculated on a formula basis as follows:

$$\text{DayCountFraction} = \frac{[360 \text{ x } (Y_2 - Y_1) + (30 \text{ x } (M_2 - M_1) + (D_2 - D_1)]}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Return Accumulation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day of the Return Accumulation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Return Accumulation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day of the Return Accumulation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Return Accumulation Period, unless such number is 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Return Accumulation Period, unless such number would be 31 and D^1 is greater than 29, in which case D_2 will be 30;

(f) if "**Actual/Actual (ICMA)**" is specified in the applicable Pricing Supplement:

(i) in the case of Trust Certificates where the number of days in the relevant period from (and including) the most recent Periodic Distribution Date (or, if none, the Return Accumulation Commencement Date) to (but excluding) the relevant payment date (the "**Accrual Period**") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (A) the number of days in such Determination Period and (B) the number of Determination Dates (as specified in the applicable Pricing Supplement) that would occur in one calendar year; or

(ii) in the case of Trust Certificates where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year.

"**Determination Period**" means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Return Accumulation Commencement Date or the final Periodic Distribution Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

"**sub-unit**" means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

8.3 ***Payment in Arrear***

Subject to Condition 8.4 (*Cessation of Profit Entitlement*), Condition 11.2 (*Early Dissolution for Tax Reasons*) to 11.5 (*Dissolution at the Option of the Certificateholders (Certificateholder Put Right)*) and Condition 15 (*Dissolution Events*), and unless otherwise specified in the applicable Pricing Supplement, each Periodic Distribution Amount will be paid in respect of the relevant Trust Certificates in arrear on each Periodic Distribution Date in respect of the Return Accumulation Period ending immediately before that Periodic Distribution Date.

8.4 ***Cessation of Profit Entitlement***

No further amounts will be payable on any Trust Certificate from and including:

(a) the Dissolution Date (excluding a Total Loss Dissolution Date), unless default is made in the payment of the Dissolution Amount (provided that a Sale Agreement has not been entered into in accordance with the terms of the Purchase Undertaking or the Sale and Substitution Undertaking, as the case may be) in which case Periodic Distribution Amounts will continue to accrue in respect of the Trust Certificates in the manner provided in this Condition 8.4 to the earlier of: (i) the Relevant Date; or (ii) the date on which a sale agreement is executed pursuant to the Sale and Substitution Undertaking or the Purchase Undertaking, as the case may be; and

(b) the date on which a Total Loss Event occurs until and excluding the Replacement Date. No profit shall accrue under the Trust Certificates in respect of the period from and including the date of the Total Loss Event until and excluding the Replacement Date. The amount of the profit payable under the Trust Certificates on the first Periodic Distribution Date following the acquisition of the Replacement Lease Asset(s) by the Trustee will be increased to include the amount of profit that would have accrued (had such Total Loss Event not occurred) during the period beginning on the date on which the Total Loss Event occurred and ending on but excluding the date on which the Replacement Lease Asset(s) are acquired by the Trustee.

9. **Payment**

Payment of Dissolution Amounts and Periodic Distribution Amounts will be made by transfer to the registered account (as defined below) of a Certificateholder. Payments of Dissolution Amounts (where all of the Trust Certificates of the relevant Series are to be redeemed in full) will only be made against surrender of the relevant Trust Certificate (or the certificate representing such Trust Certificate) at the specified office of the Registrar or the Principal Paying Agent. Dissolution

Amounts and Periodic Distribution Amounts will be paid to the Certificateholder shown on the Register at the close of business on the relevant Record Date.

For the purposes of this Condition 9, a Certificateholder's "**registered account**" means the account in the Specified Currency maintained by or on behalf of such Certificateholder with a bank that processes payments in the Specified Currency, details of which appear on the Register at the close of business on the relevant Record Date.

All such payments will be made subject to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions described in Condition 13 (*Taxation*). No commissions or expenses shall be charged to the Certificateholders in respect of such payments.

Payment instructions (for value the due date or, if that is not a Payment Business Day, for value the first following day which is a Payment Business Day) will be initiated on the Payment Business Day preceding the due date for payment or, in the case of a payment of face amounts (where all of the Trust Certificates of the relevant Series are to be redeemed in full) if later, on the Payment Business Day on which the relevant Trust Certificate is surrendered (where such surrender is required) at the specified office of the Registrar or the Principal Paying Agent (for value as soon as practicable thereafter).

Certificateholders will not be entitled to any payment for any delay after the due date in receiving the amount due if the due date is not a Payment Business Day, if the Certificateholder is late in surrendering its Trust Certificate (if required to do so in accordance with this Condition 9).

If the amount of any Dissolution Amount or Periodic Distribution Amount is not paid in full when due, the Registrar will annotate the Register with a record of the amount of such Dissolution Amount or Periodic Distribution Amount in fact paid.

10. Agents

10.1 *Agents of Trustee*

In acting under the Agency Agreement and in connection with the Trust Certificates, the Agents act solely as agents of the Trustee and (to the extent provided therein) the Delegate and do not assume any obligations towards or relationship of agency or trust for or with any of the Certificateholders.

10.2 *Specified Offices*

The names of the initial Agents are set out above. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the Pricing Supplement attached to or endorsed on this Trust Certificate. The Trustee reserves the right at any time to vary or terminate the appointment of any Agent and to appoint additional or other Agents **provided, however, that**:

(a) there will at all times be a Principal Paying Agent; and

(b) there will at all times be a Registrar (which may be the Principal Paying Agent).

Notice of any variation, termination or appointment and of any changes in specified offices will be given to the Certificateholders promptly by the Trustee in accordance with Condition 18 (*Notices*).

11. Capital Distributions of Trust

11.1 *Scheduled Dissolution*

Unless the Trust Certificates are redeemed, purchased and/or cancelled earlier, each Trust Certificate shall be redeemed on the Scheduled Dissolution Date at its Final Dissolution Amount, including all unpaid Periodic Distribution Amounts accrued (if any) to (but excluding) the Scheduled Dissolution Date (the "**Final Dissolution Amount**"). Upon payment in full of such amounts, the Trust will be dissolved, the Trust Certificates shall cease to represent interests in the

Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

11.2 ***Early Dissolution for Tax Reasons***

If a Tax Event occurs, upon receipt of an Exercise Notice from Arada in accordance with the Sale and Substitution Undertaking, the Trust Certificates shall be redeemed by the Trustee in whole, but not in part, on any date (such date, the "**Tax Dissolution Date**") upon giving not less than 30 nor more than 60 days' notice to the Delegate and the Certificateholders in accordance with Condition 18 (*Notices*) (which notice shall be irrevocable) and to the Delegate, at the Dissolution Amount (which, for the avoidance of doubt, shall include any accrued but unpaid Periodic Distribution Amounts) (the "**Tax Dissolution Amount**"), where "**Tax Event**" means the determination by Arada that:

(a) (1) the Trustee has or will become obliged to pay additional amounts as provided or referred to in Condition 13 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the relevant Series; and (2) such obligation cannot be avoided by the Trustee taking reasonable measures available to it; or

(b) (1) Arada has or will become obliged to pay additional amounts pursuant to any Transaction Document to which it is a party as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the relevant Series; and (2) such obligation cannot be avoided by Arada taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which: (1) (in the case of (a) above) the Trustee would be obliged to pay such additional amounts if a payment in respect of the Trust Certificates were then due; or (2) (in the case of (b) above) Arada would be obliged to pay such additional amounts if a payment to the Trustee under the relevant Transaction Document was then due.

Prior to the publication of any notice of redemption pursuant to this Condition 11.2, the Trustee shall deliver to the Delegate: (i) a certificate signed by two directors of the Trustee (in the case of (a) above) or any authorised signatory of Arada (in the case of (b) above) stating that the Trustee is entitled to effect such dissolution and redemption and setting forth a statement of facts showing that the conditions precedent in (a) or (b) above to the right of the Trustee so to dissolve have occurred; and (ii) an opinion of independent legal or tax advisers of recognised international standing to the effect that the Trustee or, as the case may be, Arada has or will become obliged to pay such additional amounts as a result of such change or amendment. The Delegate shall be entitled to accept (without further investigation) any such certificate and opinion as sufficient evidence thereof without incurring any liability to any person in which event it shall be conclusive and binding on the Certificateholders.

Upon the expiry of any such notice as is referred to in this Condition 11.2, the Trustee shall be bound to redeem the Trust Certificates at the Tax Dissolution Amount and, upon payment in full of such amounts to the Certificateholders, the Trust will be dissolved, the Trust Certificates shall cease to represent interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

11.3 ***Dissolution at the Option of Arada (Optional Dissolution Call Right)***

If the Optional Dissolution Call Right option is specified in the applicable Pricing Supplement as being applicable, Arada may in its sole discretion deliver to the Trustee a duly completed Exercise Notice, subject to and in accordance with the provisions of the Sale and Substitution Undertaking and, on receipt of such notice, the Trustee shall redeem the Trust Certificates in whole but not in part on any Optional Dissolution Date at the relevant Optional Dissolution Amount (Call), including all unpaid Periodic Distribution Amounts accrued (if any) to (but excluding) the Optional

Dissolution Date (the "**Optional Dissolution Amount (Call)**") on the Trustee giving not less than 30 days' nor more than 60 days' notice to the Delegate and the Certificateholders (or such other notice period as may be specified hereon) in accordance with Condition 18 (*Notices*) (which notice shall be irrevocable and shall oblige the Trustee to redeem the Trust Certificates on the relevant Optional Dissolution Date).

11.4 ***Dissolution following a Total Loss Event***

The Trustee shall, upon receipt of notice from Arada or otherwise becoming aware of the occurrence of a Total Loss Event (as defined below) and unless the Lease Asset(s) is/are replaced as provided in the Servicing Agency Agreement by no later than the 60th day after the occurrence of a Total Loss Event, redeem the Trust Certificates in whole, but not in part, and dissolve the Trust by no later than the close of business in London on the 61st day after the occurrence of the Total Loss Event (or, if such date is not a Payment Business Day, on the immediately following Payment Business Day) (the "**Total Loss Dissolution Date**"), following notification thereof to the Delegate and the Certificateholders in accordance with Condition 18 (*Notices*). The Trust Certificates will be redeemed at the Dissolution Amount (which for the avoidance of doubt, shall include all accrued but unpaid Periodic Distribution Amounts plus an amount equal to the Periodic Distribution Amounts, which would have accrued had the relevant Total Loss Event not occurred, from and including the date on which such Total Loss Event, to but excluding the Total Loss Dissolution Date) (the "**Total Loss Dissolution Amount**") using the proceeds of: (a) the Insurances payable in respect of the Total Loss Event, which are required to be paid into the Transaction Account by no later than the 60th day after the occurrence of the Total Loss Event; and (b) if required, the Loss Shortfall Amount which is required to be paid into the Transaction Account by no later than the close of business in London on the 61st day after the occurrence of the Total Loss Event.

Upon payment in full of the Total Loss Dissolution Amount to the Certificateholders, the Trust will be dissolved, the Trust Certificates shall cease to represent interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

A "**Total Loss Event**" is the total loss or destruction of, or damage to the whole of, the Lease Asset(s) or any event or occurrence that renders the whole of the Lease Asset(s) permanently unfit for any economic use and the repair or remedial work in respect thereof is wholly uneconomical.

Upon the occurrence of a Total Loss Event, the Servicing Agent shall promptly notify the Lessor, the Delegate and the Trustee of the same and the Trustee shall promptly notify Certificateholders (the "**Trading Notice**") (a) of the occurrence of a Total Loss Event and (b) from the date of the Trading Notice and until any further notice from the Trustee, in consultation with the *Shari'a* Adviser, the Trust Certificates should be tradable only in accordance with the *Shari'a* principles of debt trading (such as the principle that debt is to be traded against tangible assets and/or eligible commodities on a spot settlement basis).

For the avoidance of doubt, neither the Delegate nor any Agent will have any responsibility for monitoring or ensuring compliance with any such *Shari'a* principles of debt trading (such as the principle that debt is to be traded against tangible assets and/or eligible commodities on a spot settlement basis) nor shall it be liable to any Certificateholder or any other persons in respect thereof.

11.5 ***Dissolution at the Option of the Certificateholders (Certificateholder Put Right)***

If Certificateholder Put Right is specified in the applicable Pricing Supplement as being applicable, upon the holder of any Trust Certificate giving to the Trustee in accordance with Condition 18 (*Notices*) (with a copy to the Delegate) not less than 15 days' nor more than 30 days' notice (or such other notice period as may be specified hereon), the Trustee shall, upon the expiry of such notice, redeem such Trust Certificate on the Certificateholder Put Right Date and at the Optional Dissolution Amount (Put) specified in, or determined in the manner specified in, the applicable Pricing Supplement, including all unpaid Periodic Distribution Amounts accrued (if any) to (but excluding) the relevant Certificateholder Put Right Date (the "**Optional Dissolution Amount (Put)**"). For the purposes thereof, the Trustee (or the Delegate (on behalf of the Trustee)) shall deliver to Arada a duly completed Exercise Notice (in the case of delivery by the Trustee, with a copy to the Delegate), subject to and in accordance with the provisions of the Purchase

Undertaking. Trust Certificates may be redeemed or, as the case may be, purchased under this Condition 11.5 (*Dissolution at the Option of the Certificateholders (Certificateholder Put Right)*) in any multiple of their lowest Specified Denomination.

To exercise the right to require redemption of any Trust Certificate pursuant to this Condition 11.5 (*Dissolution at the Option of the Certificateholders (Certificateholder Put Right)*) the holder thereof must, if the Trust Certificate is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of the Registrar at any time during normal business hours of such Registrar falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) set out in the Agency Agreement and obtainable from any specified office of the Registrar (a "**Put Notice**") and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition 11.5 (*Dissolution at the Option of the Certificateholders (Certificateholder Put Right)*) and the aggregate face amount of such Trust Certificates to be redeemed and, if less than the full aggregate face amount of the Trust Certificates in definitive form so surrendered is to be redeemed, an address to which a new Trust Certificate in definitive form in respect of the balance of such Trust Certificates in definitive form is to be sent subject to and in accordance with the provisions of Condition 3 (*Transfers of Trust Certificates*).

If the relevant Trust Certificate is represented by a Global Trust Certificate and held through Euroclear and Clearstream, Luxembourg, to exercise the right to require redemption thereof the holder of such Trust Certificate must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on such Certificateholder's instruction by Euroclear and Clearstream, Luxembourg or any depositary or custodian (as applicable) for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time and at the same time present or procure the presentation of the relevant Global Trust Certificate to the Principal Paying Agent for notation accordingly.

No Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg given by a holder of any Trust Certificate pursuant to this Condition 11.5 (*Dissolution at the Option of the Certificateholders (Certificateholder Put Right)*) may be withdrawn without the prior consent of the Trustee except where, prior to the due date of redemption, a Dissolution Event has occurred and the Delegate has declared the Trust Certificates are to be redeemed pursuant to Condition 15 (*Dissolution Events*), in which event such holder, at its option, may elect by notice to the Trustee to withdraw the notice given pursuant to this Condition 11.5 (*Dissolution at the Option of the Certificateholders (Certificateholder Put Right)*).

11.6 ***Dissolution at the Option of the Certificateholders (Tangibility Event Put Right)***

If a Tangibility Event occurs, upon receipt of a Tangibility Event Trustee Notice from Arada in accordance with the Servicing Agency Agreement, the Trustee shall promptly give notice to the Certificateholders (a "**Tangibility Event Notice**") in accordance with Condition 17 (*Notices*) specifying:

(a) that a Tangibility Event has occurred, together with an explanation of the reasons for, and evidence of, such occurrence;

(b) that as determined in consultation with the *Shari'a* Adviser, the Trust Certificates should be tradable only in accordance with the *Shari'a* principles of debt trading (such as the principle that debt is to be traded against tangible assets and/or eligible commodities on a spot settlement basis);

(c) that on the date falling 15 days following the Tangibility Event Put Right Date, the Trust Certificates will be delisted from any stock exchange (if any) on which the Trust Certificates have been admitted to trading or, if such date is not a business day, the next following business day ("**business day**" being, for this purpose, a day on which the stock exchange on which the Trust Certificates are admitted to trading is open for business); and

(d) the Tangibility Event Put Period, during which period any Certificateholder shall have the option to require the redemption of all or any of its Trust Certificates.

Upon receipt of the Tangibility Event Notice, the Certificateholder of any Trust Certificates may elect within the Tangibility Event Put Period to require the redemption of all or any of its Trust Certificates.

If any Certificateholder exercises its right to redeem its Trust Certificates in accordance with this Condition 11.6 (*Dissolution at the Option of the Certificateholders (Tangibility Event Put Right)*), the Trustee shall redeem such Trust Certificates on the Tangibility Event Put Right Date at the Dissolution Amount (which, for the avoidance of doubt, shall include any accrued but unpaid Periodic Distribution Amounts) (the "**Tangibility Event Dissolution Amount**").

To exercise the right to require redemption of any Trust Certificate pursuant to this Condition 11.6 (*Dissolution at the Option of the Certificateholders (Tangibility Event Put Right)*) the holder thereof must, if the Trust Certificate is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of the Registrar at any time during normal business hours of such Registrar falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) set out in the Agency Agreement and obtainable from any specified office of the Registrar (a "**Tangibility Event Put Notice**") and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition 11.6 (*Dissolution at the Option of the Certificateholders (Tangibility Event Put Right)*) and the aggregate face amount of such Trust Certificates to be redeemed and, if less than the full aggregate face amount of the Trust Certificates in definitive form so surrendered is to be redeemed, an address to which a new Trust Certificate in definitive form in respect of the balance of such Trust Certificates in definitive form is to be sent subject to and in accordance with the provisions of Condition 3 (*Transfers of Trust Certificates*).

If the relevant Trust Certificate is represented by a Global Trust Certificate and held through Euroclear and Clearstream, Luxembourg, to exercise the right to require redemption thereof the holder of such Trust Certificate must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on such Certificateholder's instruction by Euroclear and Clearstream, Luxembourg or any depositary or custodian (as applicable) for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time (which shall, if acceptable to the relevant clearing system, be in the form of a duly completed Tangibility Event Put Notice in the form obtainable from the Principal Paying Agent or the Registrar) and at the same time present or procure the presentation of the relevant Global Trust Certificate to the Principal Paying Agent for notation accordingly.

No Tangibility Event Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg given by a holder of any Trust Certificate pursuant to this Condition 11.6 (*Dissolution at the Option of the Certificateholders (Tangibility Event Put Right)*) may be withdrawn without the prior consent of the Trustee except where, prior to the due date of redemption, a Dissolution Event has occurred and the Delegate has declared the Trust Certificates are to be redeemed pursuant to Condition 15 (*Dissolution Events*), in which event such holder, at its option, may elect by notice to the Trustee to withdraw the notice given pursuant to this Condition 11.6 (*Dissolution at the Option of the Certificateholders (Tangibility Event Put Right)*).

To the extent that there are any Trust Certificates in respect of which Tangibility Event Put Notices or other notices in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg have not been delivered following the expiry of the Tangibility Event Put Period, such Trust Certificates shall be delisted from any stock exchange (if any) on which the Trust Certificates have been listed on a date falling 15 days following the Tangibility Event Put Right Date.

If all (and not some only) of the Trust Certificates are to be redeemed on any Tangibility Event Put Right Date in accordance with this Condition 11.6 (*Dissolution at the Option of the Certificateholders (Tangibility Event Put Right)*), upon payment in full of the Tangibility Event Dissolution Amount to the Certificateholders, the Trust will be dissolved, the Trust Certificates shall cease to represent interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

In these Conditions:

"***Shari'a* Adviser**" has the meaning given to it in the Servicing Agency Agreement;

"**Tangible Asset Ratio**" has the meaning given to it in the Servicing Agency Agreement;

a "**Tangibility Event**" shall occur if, at any time, the Tangible Asset Ratio, other than as a result of the occurrence of a Total Loss Event or a Partial Loss Event, falls to less than 33 per cent.;

"**Tangibility Event Put Period**" shall be the period of 30 days commencing on the date that is the 60th day after a Tangibility Event Notice is given;

"**Tangibility Event Put Right Date**" shall be the first Business Day falling 75 days following the expiry of the Tangibility Event Put Period; and

"**Tangibility Event Trustee Notice**" has the meaning given to it in the Servicing Agency Agreement.

For the avoidance of doubt, neither the Delegate nor any Agent will have any responsibility for monitoring or ensuring compliance with any such *Shari'a* principles of debt trading (such as the principle that debt is to be traded against tangible assets and/or eligible commodities on a spot settlement basis) referred to in (b) above nor shall it be liable to any Certificateholder or any other person in respect thereof.

11.7 ***Dissolution at the Option of the Certificateholders (Change of Control Put Right)***

The Trustee, upon receipt of notice from Arada or otherwise upon becoming aware of the occurrence of a Change of Control, and at any time following the occurrence of a Change of Control, shall promptly give notice (a "**Change of Control Notice**") to the Certificateholders in accordance with Condition 18 (*Notices*) of the Change of Control, specifying the nature and details of the Change of Control and require Certificateholders to elect (the "**Change of Control Put Right**") at any time during the period of 30 days from and including the date on which the Change of Control Notice is given (the "**Change of Control Put Period**") if they wish all or any of their Trust Certificates to be redeemed.

If a Change of Control occurs, upon a Certificateholder electing to redeem its Trust Certificates, the Trustee shall redeem such Trust Certificates on the Change of Control Put Right Date at the Change of Control Dissolution Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement, including all unpaid Periodic Distribution Amounts accrued (if any) to (but excluding) the Change of Control Put Right Date (the "**Change of Control Dissolution Amount**").

To exercise the right to require redemption of any Trust Certificate pursuant to this Condition 11.7 (*Dissolution at the Option of the Certificateholders (Change of Control Put Right)*) the holder thereof must, if the Trust Certificate is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of the Registrar at any time during normal business hours of such Registrar falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) set out in the Agency Agreement and obtainable from any specified office of the Registrar (a "**Change of Control Exercise Notice**") and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition 11.7 (*Dissolution at the Option of the Certificateholders (Change of Control Put Right)*) and the aggregate face amount of such Trust Certificates to be redeemed and, if less than the full aggregate face amount of the Trust Certificates in definitive form so surrendered is to be redeemed, an address to which a new Trust Certificate in definitive form in respect of the balance of such Trust Certificates in definitive form is to be sent subject to and in accordance with the provisions of Condition 3 (*Transfers of Trust Certificates*).

If the relevant Trust Certificate is represented by a Global Trust Certificate and/or held through Euroclear and Clearstream, Luxembourg, to exercise the right to require redemption thereof the holder of such Trust Certificate must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream,

Luxembourg (which may include notice being given on such Certificateholder's instruction by Euroclear and Clearstream, Luxembourg or any depositary or custodian (as applicable) for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time (which shall, if acceptable to the relevant clearing system, be in the form of a duly completed Change of Control Exercise Notice in the form obtainable from the Principal Paying Agent or the Registrar) and at the same time present or procure the presentation of the Global Trust Certificate to the Principal Paying Agent for notation accordingly.

No Change of Control Exercise Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg given by a holder of any Trust Certificate pursuant to this Condition 11.7 (*Dissolution at the Option of the Certificateholders (Change of Control Put Right)*) may be withdrawn without the prior consent of the Trustee except where, prior to the due date of redemption, a Dissolution Event has occurred and the Delegate has declared the Trust Certificates are to be redeemed pursuant to Condition 15 (*Dissolution Events*), in which event such holder, at its option, may elect by notice to the Trustee to withdraw the notice given pursuant to this Condition 11.7 (*Dissolution at the Option of the Certificateholders (Change of Control Put Right)*).

If all (and not some only) of the Trust Certificates are to be redeemed on any Change of Control Put Right Date in accordance with this Condition 11.7 (*Dissolution at the Option of the Certificateholders (Change of Control Put Right)*), upon payment in full of the Change of Control Dissolution Amount to the Certificateholders, the Trust will be dissolved, the Trust Certificates shall cease to represent interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

11.8 ***Dissolution at the Option of Arada (Clean Up Call Right)***

If Clean Up Call Right is specified in the applicable Pricing Supplement as being applicable and 75 per cent. or more of the aggregate face amount of the Trust Certificates then outstanding have been redeemed and/or purchased and cancelled pursuant to this Condition 11.8 (*Dissolution at the Option of Arada (Clean Up Call Right)*) or Condition 12 (*Purchase and Cancellation of Trust Certificates*), and upon receipt of an Exercise Notice from Arada in accordance with the Sale and Substitution Undertaking, the Trustee shall redeem the Trust Certificates in whole but not in part, on the Trustee giving not less than 30 days' nor more than 60 days' notice (or such other notice period as may be specified in the applicable Pricing Supplement, such notice period being given within 30 days after the Certificateholder Put Right Date, the Change of Control Put Right Date or the Tangibility Event Put Right Date, if applicable) to the Delegate and the Certificateholders in accordance with Condition 18 (*Notices*) (which notice shall be irrevocable) on the date specified in such notice (the "**Clean Up Call Right Dissolution Date**") at the Clean Up Call Right Dissolution Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement, including all unpaid Periodic Distribution Amounts accrued (if any) to (but excluding) the Clean Up Call Right Dissolution Date (the "**Clean Up Call Right Dissolution Amount**").

11.9 ***Dissolution following a Dissolution Event***

Upon the occurrence of a Dissolution Event, the Trust Certificates shall be redeemed at their Dissolution Event Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement, including all unpaid Periodic Distribution Amounts accrued (if any) to (but excluding) the Dissolution Event Redemption Date (the "**Dissolution Event Amount**"), subject to and as more particularly described in Condition 15 (*Dissolution Events*) and this Condition 11 (*Capital Distributions of Trust*).

11.10 ***No Other Optional Early Dissolution***

Neither the Trustee nor the Certificateholders shall be entitled to redeem, or cause to be redeemed, as applicable, the Trust Certificates, otherwise than as provided in this Condition 11 (*Capital Distributions of Trust*) and Condition 15 (*Dissolution Events*).

11.11 ***Cancellation***

All Trust Certificates which are redeemed will forthwith be forwarded by or on behalf of the Trustee to the Registrar, cancelled and destroyed and accordingly may not be held, reissued or resold.

12. **Purchase and Cancellation of Trust Certificates**

12.1 ***Purchases***

Arada and/or any Subsidiary of Arada may at any time purchase Trust Certificates at any price in the open market or otherwise at any price. Following any purchase of Trust Certificates pursuant to this Condition 12.1, such Trust Certificates may be held, resold or, at the discretion of the holder thereof, cancelled (subject to such Trust Certificates being deemed not to remain outstanding for certain purposes as provided under the Master Declaration of Trust and these Conditions if so held, as more particularly set out in Condition 19 (*Meetings of Certificateholders; Modification*)).

12.2 ***Cancellation***

Upon receipt of a Cancellation Notice from Arada in accordance with the Sale and Substitution Undertaking, Trust Certificates purchased by or on behalf of Arada or any Subsidiary and identified for cancellation in such Cancellation Notice will forthwith be forwarded by or on behalf of the Trustee to the Registrar, cancelled and destroyed and accordingly may not be held, reissued or resold.

13. **Taxation**

All payments in respect of the Trust Certificates shall be made in the Specified Currency without set-off or counterclaim of any kind and free and clear of, and without withholding or deduction for, any Taxes of whatever nature imposed, levied, collected, withheld or assessed by or within a Relevant Jurisdiction or any authority therein or thereof having power to tax, unless the withholding or deduction is required by law. In that event, the Trustee shall pay such additional amounts as will result in receipt by the Certificateholders of such amounts as would have been received by them, had no such withholding or deduction been required, except that no such additional amount shall be payable in respect of any Trust Certificate:

(a) held by or on behalf of a holder who is liable for such Taxes in respect of such Trust Certificate by reason of having some connection with a Relevant Jurisdiction other than the mere holding of the Trust Certificate; or

(b) where the relevant Trust Certificate is required to be surrendered for payment and is surrendered for payment more than 30 days after the Relevant Date except to the extent that the relevant Certificateholder would have been entitled to such additional amount if it surrendered; or

(c) the relevant Trust Certificate for payment on the last day of such period of 30 days.

14. **Prescription**

The rights to receive distributions in respect of the Trust Certificates will be forfeited unless claimed within periods of 10 years (in the case of Dissolution Amounts) and five years (in the case of Periodic Distribution Amounts) from the Relevant Date in respect thereof.

15. **Dissolution Events**

If any of the following events occurs and is continuing (each, a "**Dissolution Event**"):

(a) default is made in the payment of the Dissolution Amount on the date fixed for payment thereof or default is made in the payment of any Periodic Distribution Amount on the due date for payment thereof and, in the case of the Dissolution Amount, such default continues unremedied for a period of seven days and, in the case of a Periodic Distribution Amount, such default continues unremedied for a period of 14 days; or

(b) the Trustee fails to perform or comply with any one or more of its other duties, obligations or undertakings under the Trust Certificates or the Transaction Documents, which failure is, in the sole opinion of the Delegate, incapable of remedy or, if in the sole opinion of the Delegate is capable of remedy, is not, in the sole opinion of the Delegate, remedied within the period of 30 days following the service by the Delegate of a written notice on the Trustee requiring the same to be remedied; or

(c) an Arada Event occurs; or

(d) the Trustee is insolvent or bankrupt or unable to pay its debts as they fall due, makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or any part of (or of a particular type of) the debts of the Trustee; or

(e) a corporate administrator of all or substantially all of the undertaking assets and revenues of the Trustee is appointed, an order is made or an effective resolution passed for the winding-up or dissolution or administration of the Trustee, or the Trustee applies or petitions for a winding-up or administration order in respect of itself or ceases or through an official action of its board of directors threatens to cease to carry on all or substantially all of its business or operations, in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by an Extraordinary Resolution or the Delegate; or

(f) any event occurs that under the laws of the Cayman Islands has an analogous effect to any of the events referred to in paragraphs (d) or (e) above; or

(g) the Trustee repudiates any, or any part of a, Trust Certificate or Transaction Document to which it is a party or does or causes to be done any act or thing evidencing an intention to repudiate any, or any part of a, Trust Certificate or Transaction Document to which it is a party; or

(h) at any time it is or will become unlawful for the Trustee (by way of insolvency or otherwise) to perform or comply with any or all of its duties, obligations and undertakings under the Trust Certificates or the Transaction Documents or any of the obligations of the Trustee under the Trust Certificates or the Transaction Documents are not or cease to be legal, valid, binding and enforceable,

the Delegate, upon receiving notice thereof under the Master Declaration of Trust and subject to it being indemnified and/or secured and/or prefunded to its satisfaction, shall promptly give notice of the occurrence of such Dissolution Event to the holders of Trust Certificates in accordance with Condition 18 (*Notices*) with a request to such holders to indicate to the Trustee and the Delegate if they wish the Trust Certificates to be redeemed and the Trust to be dissolved. Following the issuance of such notice, the Delegate in its sole discretion may, and if so requested by Extraordinary Resolution or in writing by the holders of at least 25 per cent. of the aggregate face amount of the Series of Trust Certificates then outstanding shall, (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction) give notice (a "**Dissolution Notice**") to the Trustee, Arada and the holders of the Trust Certificates of the relevant Series in accordance with Condition 18 (*Notices*) that the Trust Certificates are immediately due and payable at the Dissolution Event Amount, on the date of such notice (the "**Dissolution Event Redemption Date**"), whereupon they shall become so due and payable.

Upon payment in full of such amounts, the Trust will be dissolved, the Trust Certificates shall cease to represent interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

For the purposes of this Condition 15 (*Dissolution Events*), "**Arada Event**" shall mean each of the following events:

(i) if default is made in the payment by Arada (acting in any capacity) of any amount in the nature of: (1) principal (required in order to allow the Trustee (or the Principal Paying Agent on its behalf) to make payment of any Dissolution

Amount (in full or in part) when due under the Trust Certificates); or (2) profit (required in order to allow the Trustee (or the Principal Paying Agent on its behalf) to make payment of any Periodic Distribution Amount (in full or in part) when due under the Trust Certificates) payable by it pursuant to any Transaction Document to which it is a party and, in the case of (1) the default continues for a period of seven days and, in the case of (2), the default continues for a period of 14 days; or

(ii) occurrence of a Partial Loss Dissolution Event; or

(iii) if Arada (acting in any capacity): (a) delivers a notice to the Trustee and/or the Delegate pursuant to clause 5.1.4 of the Servicing Agency Agreement; or (b) fails to perform or observe any one or more of its other obligations under the Transaction Documents (other than its obligations as set out in clauses 5.1, 5.4, 9 of the Servicing Agency Agreement (save for the delivery of the Tangibility Event Trustee Notice)), which failure is, in the sole opinion of the Delegate, incapable of remedy or, if in the sole opinion of the Delegate capable of remedy, is not, in the sole opinion of the Delegate, remedied within the period of 30 days following the service by the Delegate on Arada of notice requiring the same to be remedied; or

(iv) (1) any Indebtedness of Arada or any Material Subsidiary is not paid when due or (as the case may be) within any originally applicable grace period; (2) any such Indebtedness becomes due and payable prior to its stated maturity by reason of default (however described); or (3) Arada or any Material Subsidiary fails to pay when due or (as the case may be) within any originally applicable grace period any amount payable by it under any guarantee of any Indebtedness, provided that each such event shall not constitute an Arada Event unless the aggregate amount of all such Indebtedness, either alone or when aggregated with all other Indebtedness in respect of which such an event shall have occurred and be continuing, shall be more than U.S.$50,000,000 (or its equivalent in any other currency or currencies); or

(v) one or more judgments or orders for the payment of any sum in excess of U.S.$50,000,000 is rendered against Arada or any Material Subsidiary and continues unsatisfied, unstayed and unappealed for a period of 30 days after the date thereof (or, if appealed, the appeal is unsuccessful and thereafter the judgment continues unsatisfied and unstayed for a period of 30 days); or

(vi) any order is made by any competent court or resolution passed for the winding-up or dissolution of Arada or any Material Subsidiary, save in connection with a Permitted Reorganisation; or

(vii) Arada or any Material Subsidiary ceases or threatens to cease to carry on all or substantially all of its business, save in connection with a Permitted Reorganisation, or Arada or any Material Subsidiary stops or threatens to stop payment of, or is unable to, or admits its inability to, pay, its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or

(viii) (1) any court or other formal proceedings are initiated under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official (and such proceedings are not being actively contested in good faith by Arada or the relevant Material Subsidiary), or an administrative or other receiver, manager, administrator or other similar official is appointed, in each case against or in relation to Arada or any Material Subsidiary or, as the case may be, in relation to all or substantially all of the undertaking or assets of Arada, or all or substantially all of the undertaking or assets of such Material Subsidiary, in each case, save in connection with a Permitted Reorganisation; and/or (2) an encumbrancer takes

possession of all or substantially all of the undertaking or assets of Arada, or all or substantially all of the undertaking or assets of any Material Subsidiary, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against any of the same; and (3) any such event as is mentioned in (1) or (2) above (other than the appointment of an administrator) is not discharged within 30 days; or

(ix) Arada or any Material Subsidiary initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors) save in connection with a Permitted Reorganisation; or

(x) any event occurs which under the laws of the United Arab Emirates or any Emirate therein or any other jurisdiction has an analogous effect to any of the events referred to in paragraphs (vi) to (ix) above; or

(xi) at any time it is or becomes unlawful for Arada to perform or comply with any or all of its obligations under or in respect of any Transaction Document or any of the material obligations of Arada thereunder are not or cease to be legal, valid, binding or enforceable; or

(xii) all or substantially all of any of Arada's Material Subsidiaries', revenues or assets are seized, nationalised, expropriated or compulsorily acquired by or under the authority of any national, regional or local government,

provided, however, that, in the case of the happening of any of the events described in paragraphs (iii) or (other than the winding-up or dissolution of Arada) (v) to (xii) (inclusive) above, the Delegate shall have certified in writing to Arada that such event is, in its opinion, materially prejudicial to the interests of the holders of the Trust Certificates.

16. Enforcement and Exercise of Rights

16.1 *Limitation on Liability of the Trustee*

Following the enforcement, realisation and ultimate distribution of the proceeds of the Trust Assets in respect of the Trust Certificates to the Certificateholders in accordance with these Conditions and the Declaration of Trust, the Trustee shall not be liable for any further sums, and accordingly no Certificateholder may take any action against the Trustee or any other Person to recover any such sum in respect of the Trust Certificates or Trust Assets.

16.2 *Delegate not obliged to take action*

The Delegate shall not be bound in any circumstances to take any action to enforce or to realise the Trust Assets or take any action, step or proceedings against Arada and/or the Trustee under any Transaction Document unless directed or requested to do so by Extraordinary Resolution or in writing by the holders of at least 25 per cent. in aggregate face amount of the Trust Certificates then outstanding and subject, in each case, to it being indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.

16.3 *Direct enforcement by Certificateholders*

No Certificateholder shall be entitled to proceed directly against the Trustee or Arada, under any Transaction Document, unless the Delegate, having become so bound to proceed, (i) fails to do so within 30 days of becoming so bound, or (ii) is unable by reason of an order of a court having competent jurisdiction, and such failure or inability is continuing. Under no circumstances shall the Trustee, the Delegate or any Certificateholder have any right to cause the sale or other disposition of any of the Trust Assets (other than as expressly contemplated in the Transaction

Documents and/or these Conditions), and the sole right of the Trustee, the Delegate and the Certificateholders against the Trustee and Arada, as applicable, shall be to enforce their respective obligations under the Transaction Documents.

16.4 ***Limited recourse***

Conditions 16.1 (*Limitation on Liability of the Trustee*), 16.2 (*Delegate not obliged to take action*) and 16.3 (*Direct enforcement by Certificateholders*) are subject to this Condition 16.4. After enforcing or realising the Trust Assets in respect of the Trust Certificates of the relevant Series and distributing the net proceeds of the relevant Trust Assets in accordance with Condition 6.2 (*Application of Proceeds from the Trust Assets*) and the Declaration of Trust, the obligations of the Trustee in respect of the Trust Certificates of the relevant Series shall be satisfied and no Certificateholder may take any further steps against the Trustee or the Delegate or any other Person to recover any further sums in respect of the Trust Certificates of the relevant Series and the right to receive any such sums unpaid shall be extinguished.

17. **Replacement of Definitive Trust Certificates**

Should any definitive Trust Certificate be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Registrar upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Trustee may reasonably require (in light of prevailing market practice). Mutilated or defaced definitive Trust Certificates must be surrendered and cancelled before replacements will be issued.

18. **Notices**

All notices to the Certificateholders will be valid if mailed to them by first class pre-paid registered mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses in the Register.

The Trustee shall also ensure that notices are duly given or published in a manner which complies with the rules and regulations of any listing authority, stock exchange and/or quotation system (if any) on which the Trust Certificates are for the time being listed or on which they have been admitted to trading and/or quotation (as applicable).

Any notice shall be deemed to have been given on the fourth day (other than a Saturday or Sunday) after being mailed or on the date of publication or, if so published more than once or on different dates, on the date of the first publication.

So long as the Global Trust Certificate representing the Trust Certificates is held in its entirety on behalf of Euroclear and Clearstream, Luxembourg, there may be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and Clearstream, Luxembourg for communication by them to the Certificateholders. Any such notice shall be deemed to have been given to the Certificateholders on the day on which the said notice was given to Euroclear and Clearstream, Luxembourg.

Notices to be given by any Certificateholder shall be in writing and given by lodging the same with the Principal Paying Agent. Whilst any of the Trust Certificates are represented by the Global Trust Certificate, such notice may be given by any holder of a Trust Certificate to the Principal Paying Agent through Euroclear and Clearstream, Luxembourg, in such manner as the Principal Paying Agent and Euroclear and Clearstream, Luxembourg may approve for this purpose.

19. **Meetings of Certificateholders; Modification**

19.1 The Master Declaration of Trust contains provisions for convening meetings (including by way of conference call or by use of a videoconference platform) of Certificateholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Master Declaration of Trust. Such a meeting may be convened by the Trustee, Arada or the Delegate, and shall be convened by the Trustee, or, subject to it being indemnified and/or secured and/or pre-funded to its satisfaction, the Delegate, if the Trustee or the Delegate (as the case may be) receives a request in writing from Certificateholders holding not less than 10 per cent. in aggregate face amount of the Trust

Certificates of any Series for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be one or more Persons holding or representing more than 50 per cent. in aggregate face amount of the Trust Certificates for the time being outstanding, or at any adjourned meeting one or more Persons being or representing Certificateholders whatever the aggregate face amount of the Trust Certificates held or represented, unless the business of such meeting includes consideration of proposals to (each, a "**Reserved Matter**"):

(a) amend any Dissolution Date in respect of the Trust Certificates or any date for payment of Periodic Distribution Amounts on the Trust Certificates;

(b) reduce or cancel the face amount of, or any premium payable on redemption of, the Trust Certificates;

(c) reduce the rate of profit in respect of the Trust Certificates or to vary the method or basis of calculating the rate or amount of profit or the basis for calculating any Periodic Distribution Amount in respect of the Trust Certificates;

(d) vary any method of, or basis for, calculating the Dissolution Amount;

(e) vary the currency of payment or denomination of the Trust Certificates;

(f) modify the provisions concerning the quorum required at any meeting of Certificateholders or the majority required to pass an Extraordinary Resolution;

(g) modify or cancel the payment obligations of Arada (in any capacity) and/or the Trustee under the Transaction Documents and/or the Trust Certificates (as the case may be);

(h) amend any of Arada's covenants included in the Purchase Undertaking;

(i) amend the order of application of monies set out in Condition 6.2 (*Application of Proceeds from Trust Assets*); or

(j) amend this definition,

in which case the necessary quorum shall be one or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in aggregate face amount of the Trust Certificates for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on all Certificateholders (whether or not they voted on the resolution).

The Master Declaration of Trust provides that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in aggregate face amount of the Trust Certificates of the relevant Series outstanding or a resolution approved by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) to the Principal Paying Agent or another specified agent and/or the Delegate in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in face amount of the Trust Certificates of the relevant Series outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Certificateholders duly convened and held. Any such resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Certificateholders.

19.2 The Delegate may, without the consent or sanction of the Certificateholders and without prejudice to its rights in respect of any subsequent breach, from time to time and at any time: (a) agree to any modification of any of the provisions of the Master Declaration of Trust or any other Transaction Document that is, in the sole opinion of the Delegate, of a formal, minor or technical nature or is made to correct a manifest error or is not materially prejudicial to the interests of the outstanding Certificateholders and provided that such modification is other than in respect of a Reserved Matter; or (b) (i) agree to waive or authorise any breach or proposed breach of any of the provisions of the Master Declaration of Trust or any other Transaction Document; (ii) determine that any Dissolution Event shall not be treated as such; or (iii) provide its consent to any matter in any Transaction Documents, provided that such waiver, consent, authorisation or determination is in the sole opinion of the Delegate not materially prejudicial to the interests of the outstanding Certificateholders and is other than in respect of a Reserved Matter and not in contravention of any express direction by Extraordinary Resolution or request in writing by the holders of at least 25

per cent. of the outstanding aggregate face amount of Trust Certificates of the relevant Series. No such direction or request will affect a previous waiver, consent, authorisation or determination. Any such modification, authorisation, determination, waiver or consent shall be binding on all Certificateholders and, unless the Delegate agrees otherwise, such modification, waiver, consent, authorisation or determination shall be notified by the Trustee (or Arada on its behalf) to the Certificateholders in accordance with Condition 18 (*Notices*) as soon as practicable.

19.3 In connection with the exercise of its rights, powers, trusts (in the case of the Trustee only), authorities and discretions under the of that Master Declaration of Trust (including, without limitation, any modification), these Conditions and each other Transaction Document, the Trustee and the Delegate shall have regard to the general interests of the Certificateholders as a class and shall not have regard to any interest arising from circumstances particular to individual Certificateholders (whatever their number) and, in particular, but without limitation, shall not have regard to the consequences of such exercise for individual Certificateholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof or taxing jurisdiction and neither the Delegate nor the Trustee shall be entitled to require, nor shall any Certificateholder be entitled to claim from the Trustee, Arada or the Delegate or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Certificateholders (except, in the case of the Trustee and Arada to the extent already provided for in Condition 13 (*Taxation*)).

20. Indemnification and Liability of the Delegate

20.1 The Declaration of Trust contains provisions for the indemnification of the Delegate in certain circumstances and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction.

20.2 The Delegate makes no representation and assumes no responsibility for the validity, sufficiency or enforceability of the obligations of Arada (acting in any capacity) under any Transaction Document and shall not under any circumstances have any Liability or be obliged to account to the Certificateholders in respect of any payment which should have been made by Arada (acting in any capacity), but is not so made, and shall not in any circumstances have any Liability arising from the Trust Assets other than as expressly provided in these Conditions or in the Declaration of Trust.

20.3 Each of the Delegate and the Trustee is exempted from (a) any Liability in respect of any loss or theft of the Trust Assets or any cash, (b) any obligation to insure the Trust Assets or any cash and (c) any claim arising from the fact that the Trust Assets or any cash are held by or on behalf of the Trustee or on deposit or in an account with any depositary or clearing system or are registered in the name of the Trustee or its nominee, unless such loss or theft arises as a result of wilful default, gross negligence or fraud of the Delegate or the Trustee, as the case may be.

21. Currency Indemnity

The Specified Currency is the sole currency of account and payment for all sums payable by the Trustee under or in connection with the Trust Certificates, including damages. Any amount received or recovered in a currency other than the Specified Currency (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction or otherwise) by any Certificateholder in respect of any sum expressed to be due to it from the Trustee shall only constitute a discharge to the Trustee to the extent of the Specified Currency amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that Specified Currency amount is less than the Specified Currency amount expressed to be due to the recipient under any Trust Certificate, the Trustee shall indemnify it against any actual loss (excluding opportunity cost or loss and cost of funding) sustained by it as a result. In any event, the Trustee shall indemnify the recipient against the actual cost (excluding opportunity cost or loss and cost of funding) of making any such purchase. These indemnities constitute a separate and independent obligation from the Trustee's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Certificateholder and shall continue in full force and

effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Trust Certificate or any other judgment or order.

22. **Further Issues**

In respect of any Series, the Trustee shall, subject to and in accordance with the Declaration of Trust, be at liberty from time to time without the consent of the Certificateholders to create and issue additional Trust Certificates having the same terms and conditions as the outstanding Trust Certificates of such Series (or terms and conditions which are the same in all respects save for the date and amount of the first payment of the Periodic Distribution Amount and the date from which Periodic Distribution Amounts start to accrue), and so that the same shall be consolidated and form a single Series with the outstanding Trust Certificates of such Series. Any additional Trust Certificates which are to form a single Series with the outstanding Trust Certificates previously constituted by the Declaration of Trust shall be constituted by a deed supplemental to the Declaration of Trust. References in these Conditions to the Trust Certificates include (unless the context requires otherwise) any other trust certificates issued pursuant to this Condition and forming a single series with the outstanding Trust Certificates.

23. **Contracts (Rights of Third Parties) Act 1999**

No Person shall have any right to enforce any term or condition of the Trust Certificates under the Contracts (Rights of Third Parties) Act 1999.

24. **Governing Law and Dispute Resolution**

24.1 ***Governing Law***

The Declaration of Trust (including these Conditions), the Agency Agreement, the Servicing Agency Agreement, the Master Murabaha Agreement, the Purchase Undertaking, the Sale and Substitution Undertaking and the Trust Certificates and any non-contractual obligations arising out of or in connection with the same are and shall be governed by, and construed in accordance with, English law.

24.2 ***Arbitration***

Subject to Condition 24.3 (*Option to Litigate*), any dispute, claim, difference or controversy arising out of, relating to or having connection with the Declaration of Trust and/or the Trust Certificates (which includes these Conditions) (including any dispute, claim, difference or controversy as to their existence, validity, interpretation, performance, breach or termination of the Declaration of Trust or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with them) (a "**Dispute**") shall be referred to and finally resolved by arbitration in accordance with the Arbitration Rules of the LCIA (the "**Rules**"), which Rules (as amended from time to time) are incorporated by reference into this Condition 24. For these purposes:

(a) the seat of arbitration shall be London;

(b) there shall be three arbitrators, each of whom shall be a lawyer experienced in international securities transactions. The claimant(s), irrespective of number, shall nominate jointly one arbitrator; the respondent(s), irrespective of number, shall nominate jointly the second arbitrator, and a third arbitrator (who shall act as presiding arbitrator) shall be nominated by the arbitrators nominated by or on behalf of the claimant(s) and respondent(s) or, in the absence of agreement on the third arbitrator within 30 days of the date of nomination of the later of the two party-nominated arbitrators to be nominated, the third arbitrator shall be chosen by the LCIA Court (as defined in the Rules); and

(c) the language of the arbitration shall be English.

24.3 ***Option to Litigate***

Notwithstanding Condition 24.2 (*Arbitration*), the Delegate may, in the alternative and at its sole discretion, by notice in writing to the Trustee or Arada:

(a) within 28 days of service of a Request for Arbitration (as defined in the Rules); or

(b) in the event no arbitration is commenced,

require that a Dispute be heard by a court of law. If the Delegate gives such notice, the Dispute to which such notice refers shall be determined in accordance with Condition 24.5 (*Effect of Exercise of Option to Litigate*) and, subject as provided below, any arbitration commenced under Condition 24.2 (*Arbitration*) in respect of that Dispute will be terminated. Each of the parties to the terminated arbitration (other than the Delegate, whose costs will be borne by Arada) will bear its own costs in relation to the terminated arbitration.

24.4 ***Notice to Terminate***

If any notice to terminate is given after service of any Request for Arbitration in respect of any Dispute, the Delegate must also promptly give notice to the LCIA Court and to any Tribunal (each as defined in the Rules) already appointed in relation to the Dispute that such Dispute will be settled by the courts. Upon receipt of such notice by the LCIA Court, the arbitration and any appointment of any arbitrator in relation to such Dispute will immediately terminate. Any such arbitrator will be deemed to be *functus officio*. The termination is without prejudice to:

(a) the validity of any act done or order made by that arbitrator or by the court in support of that arbitration before his appointment is terminated;

(b) his entitlement to be paid his proper fees and disbursements; and

(c) the date when any claim or defence was raised for the purpose of applying any limitation bar or any similar rule or provision.

24.5 ***Effect of exercise of option to litigate***

In the event that a notice pursuant to Condition 24.3 (*Option to Litigate*) is issued, the following provisions shall apply:

(a) subject to paragraph (c) below, the courts of England at the option of the Delegate, shall have exclusive jurisdiction to settle any Dispute and each of the Trustee and Arada submits to the exclusive jurisdiction of such courts;

(b) each of the Trustee and Arada agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary; and

(c) this Condition 24.4 is for the benefit of the Delegate only. As a result, and notwithstanding paragraph (a) above, to the extent allowed by law, the Delegate may take proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, the Delegate may take concurrent Proceedings in any number of jurisdictions.

25. **Service of Process**

Each of the Trustee and Arada has irrevocably appointed Walkers (Europe) at The Scalpel, 11th Floor, 52 Lime Street, London EC3M 7AF, United Kingdom to receive for it and on its behalf, service of process in respect of any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the Trustee or Arada, as the case may be). If for any reason such process agent ceases to be able to act as such or no longer has an address in England, each of the Trustee and Arada shall forthwith appoint a new agent for service of process in England and notify the Delegate and the Certificateholders of such appointment (in accordance with Condition 18 (*Notices*)) within 30 days. Nothing herein shall affect the right to serve process in any other manner permitted by law.

26. **Waiver of Immunity**

Under the Declaration of Trust, Arada has agreed, to the extent that Arada may claim, in any jurisdiction, for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that such immunity (whether or not claimed) may be attributed in any jurisdiction to Arada or its assets or revenues, it shall not claim and it shall irrevocably and unconditionally waive such immunity to the fullest extent permitted by the laws of such jurisdiction in relation to any Proceedings or Disputes. Further, each of the Trustee and Arada have irrevocably and unconditionally consented to the giving of any relief or the issue of any process, including, without limitation, the making, enforcement or execution against any of its assets whatsoever of any award, order or judgment made or given in connection with any Proceedings or Disputes.

27. **Waiver of Interest**

27.1 Each of the Trustee, Arada and the Delegate has in the Declaration of Trust irrevocably agreed that no interest will be payable or receivable under or in connection therewith or any other Transaction Document and each party agrees that it will not claim any interest in respect of any proceedings brought by or on behalf of a party under the Declaration of Trust or any other Transaction Document.

27.2 If it is determined that any interest is payable or receivable in connection therewith or any other Transaction Document by a party, whether as a result of any judicial or arbitral award or by operation of any applicable law or otherwise, such party has agreed in the Declaration of Trust to waive any rights it may have to claim or receive such interest and has agreed therein that if any such interest is actually received by it, it shall promptly donate the same to a registered or otherwise officially recognised charitable organisation.

27.3 For the avoidance of doubt, nothing in this Condition 27 shall be construed as a waiver of rights in respect of any Periodic Distribution Amounts, Required Amounts, Rentals, Dissolution Amounts, Exercise Price, Certificateholder Put Right Exercise Price, Tangibility Event Certificateholder Put Right Exercise Price, Change of Control Exercise Price, Full Reinstatement Value, Loss Shortfall Amount, Deferred Sale Price, Profit Amount Instalments, Profit Amounts or profit or principal or other amount payable of any kind howsoever described payable by Arada (in any capacity) or the Trustee (in any capacity) pursuant to the Transaction Documents and/or these Conditions, howsoever such amounts may be described or recharacterised by way of court or arbitral tribunal.

SUMMARY OF THE PRINCIPAL TRANSACTION DOCUMENTS

The following is a summary of certain provisions of the principal Transaction Documents. Copies of the Transaction Documents will be available for inspection and/or collection at the specified office of the Principal Paying Agent (as defined in the Conditions). Words and expressions defined in the Conditions shall have the meanings in this summary.

The Master Declaration of Trust

The Master Declaration of Trust was entered into on 4 June 2024 between the Trustee, Arada and the Delegate and is governed by English law. Pursuant to the Master Declaration of Trust, a Supplemental Declaration of Trust between the same parties will be entered into on the Issue Date of each Tranche of Trust Certificates and will also be governed by English law.

Upon issue of any Series of Trust Certificates, the Master Declaration of Trust and each relevant Supplemental Declaration of Trust shall together constitute the trust over the relevant Trust Assets declared by the Trustee in relation to such Series.

The Trust Assets in respect of each Series of Trust Certificates comprise, inter alia, the cash proceeds of the Trust Certificates, pending application thereof in accordance with the terms of the Transaction Documents, the rights, title, interests, benefits and entitlements, present and future, of the Trustee in, to and under the Lease Asset(s), the rights, title, interests, benefits and entitlements, present and future, of the Trustee in, to and under the Transaction Documents (excluding: (i) any representations given by Arada to the Trustee and the Delegate pursuant to the Transaction Documents; and (ii) the covenant given to the Trustee pursuant to clause 12.2 of the Master Declaration of Trust), all monies standing to the credit of the relevant Transaction Account from time to time.

Pursuant to the Declaration of Trust, the Trustee will agree to act for and on behalf of the Certificateholders and, *inter alia*, in relation to each Tranche of Trust Certificates:

(a) hold the relevant Trust Assets on trust absolutely for the Certificateholders as tenants in common *pro rata* according to the face amount of the Trust Certificates held by each Certificateholder; and

(b) act as trustee in respect of such Trust Assets, distribute the income from such Trust Assets and perform its duties in accordance with the provisions of the Declaration of Trust.

Each Declaration of Trust will specify, *inter alia*, that in relation to each Series:

(a) no recourse shall be had for the payment of any amount under the Declaration of Trust or under any relevant Contract (as defined in the Declaration of Trust), whether for the payment of any fee, indemnity or other amount under the Declaration of Trust or any other obligation or claim arising out of or based upon any such Contracts, against the Trustee (and/or its directors, officers, shareholders or administrators), the Delegate, any Agent or any of their respective agents or affiliates to the extent the Trust Assets have been exhausted following which all obligations of the Trustee, the Delegate, any Agents and their respective agents or affiliates shall be extinguished;

(b) the Trustee may from time to time (but always subject to the provisions of the Declaration of Trust), without the consent of the Certificateholders, create and issue additional Trust Certificates having the same terms and conditions as the outstanding Trust Certificates of such Series (or terms and conditions that are the same in all respects save for the date and amount of the first payment of the Periodic Distribution Amount and the date from which Periodic Distribution Amounts start to accrue), and so that the same shall be consolidated and form a single series, with the outstanding Trust Certificates of such Series, and that any additional Trust Certificates which are to be created and issued so as to form a single series with the outstanding Trust Certificates of a particular Series which shall be constituted by a Supplemental Declaration of Trust in relation to which all applicable stamp duties or other documentation fees, duties or taxes have been paid and, if applicable, duly stamped and containing such other provisions as are necessary (including making such consequential modifications to the Master Declaration of Trust) in order to give effect to the issue of such additional Trust Certificates; and

(c) on the date upon which any additional Trust Certificates are created and issued pursuant to the provisions pursuant to the provisions described in paragraph (b) above, a Supplemental Purchase

Agreement will be entered into for the sale, transfer and conveyance of rights, title, interests, benefits and other entitlements in, to and under the relevant Additional Asset(s). The Trustee will execute a Declaration of Commingling of Assets for and on behalf of the holders of the existing Trust Certificates and the holders of such additional Trust Certificates so created and issued, declaring that the Additional Asset(s) (as set out in the relevant Declaration of Commingling of Assets) and the Lease Asset(s) in respect of the relevant Series as in existence immediately prior to the creation and issue of the additional Trust Certificates and the investments made pursuant to the Master Murabaha Agreement (and all rights arising under or with respect to such investments made pursuant to the Master Murabaha Agreement) in respect of the relevant Series are commingled and shall collectively comprise part of the Trust Assets for the benefit of the holders of the existing Trust Certificates and the holders of such additional Trust Certificates as tenants in common *pro rata* according to the face amount of Trust Certificates held by each Certificateholder, in accordance with the Declaration of Trust.

In the Declaration of Trust, the Trustee will irrevocably and unconditionally appoint the Delegate to, *inter alia*, exercise all the present and future powers, rights, authorities and discretions (including but not limited to the authority to request instructions from any Certificateholders and the power to sub-delegate and to make any determinations to be made under the Declaration of Trust) vested in the Trustee by the relevant provisions of the Declaration of Trust. The appointment of the Delegate by the Trustee is intended to be in the interests of the Certificateholders and, subject as provided in the Declaration of Trust, does not affect the Trustee's continuing role and obligations as trustee of the trusts created pursuant to the Master Declaration of Trust.

In the Declaration of Trust the Delegate will undertake that, *inter alia*, if it has received notice pursuant to the Declaration of Trust of the occurrence of a Dissolution Event in respect of any Trust Certificates and subject to Condition 15 (*Dissolution Events*): (i) it shall, as soon as reasonably practicable, notify the Certificateholders of the occurrence of such Dissolution Event in accordance with Condition 18 (*Notices*) with a request to such holders to indicate whether they wish the Trust Certificates to become immediately due and payable; and (ii) if so requested by Extraordinary Resolution or in writing by Certificateholders representing not less than 25 per cent. in aggregate face amount of the Trust Certificates for the time being outstanding (subject to being indemnified and/or secured and/or prefunded to its satisfaction), or if the Delegate decides in its discretion, it shall give notice to the Trustee, Arada and the Certificateholders in accordance with Condition 18 (*Notices*) that the Trust Certificates are to be redeemed on the Dissolution Event Redemption Date specified in such notice at the Dissolution Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement.

A non-interest bearing Transaction Account in London will be established in the name of the Trustee in respect of each Series of Trust Certificates. Monies received in the Transaction Account in respect of each Series will, *inter alia*, comprise payments corresponding to Periodic Distribution Amounts and/or Dissolution Amounts immediately prior to each Periodic Distribution Date and/or any Dissolution Date, as the case may be. The Master Declaration of Trust provides that all moneys standing to the credit of the Transaction Account from time to time in respect of each Series will be applied in the manner set out in Condition 6.2 (*Application of Proceeds from The Trust Assets*).

In the Master Declaration of Trust, Arada has undertaken that (i) if, at the time of delivery of the Exercise Notice in accordance with the provisions of the Purchase Undertaking, Arada remains in actual or constructive possession, custody or control of all or any part of the Lease Assets, the Certificateholder Put Right Lease Assets, the Change of Control Put Right Lease Assets or the Tangibility Event Put Right Lease Assets (each as defined in the Purchase Undertaking), as the case may be; and (ii) if, following delivery of the Exercise Notice in accordance with the provisions of the Purchase Undertaking, the Exercise Price, the Certificateholder Put Right Exercise Price, the Change of Control Exercise Price or the Tangibility Event Certificateholder Put Right Exercise Price, as the case may be, is not paid in accordance with the provisions of the Purchase Undertaking for any reason whatsoever, Arada shall (as an independent, severable and separately enforceable obligation) fully indemnify the Trustee for the purpose of redemption in full of the Trust Certificates then outstanding or the Certificateholder Put Right Trust Certificates, the Change of Control Put Right Trust Certificates or the Tangibility Event Put Right Trust Certificates (each as defined in the Purchase Undertaking), as the case may be, and, accordingly, the amount payable under any such indemnity claim will equal the Exercise Price, the Certificateholder Put Right Exercise Price, the Change of Control Put Right Exercise Price or Tangibility Event Put Right Exercise Price, as the case may be.

Arada has further undertaken that, if the outstanding Deferred Sale Price is not paid on the relevant Dissolution Date in accordance with the provisions of the Master Murabaha Agreement for any reason

whatsoever, Arada shall (as an independent, severable and separately enforceable obligation) fully indemnify the Trustee for the purpose of redemption in full of the Trust Certificates then outstanding and, accordingly, the amount payable under any such indemnity claim will equal the outstanding Deferred Sale Price.

In addition, if the Trustee fails to comply with any obligation to pay additional amounts pursuant to Condition 13 (*Taxation*), Arada has undertaken that it will unconditionally and irrevocably (irrespective of the payment of any fee), as a continuing obligation, pay to or to the order of the Delegate (for the benefit of the Certificateholders) an amount equal to the liability of the Trustee in respect of any and all additional amounts required to be paid by the Trustee in respect of the Trust Certificates pursuant to Condition 13 (*Taxation*).

Master Purchase Agreement

The Master Purchase Agreement was entered into on 4 June 2024 between the Trustee (in its capacity as purchaser), Aljada Developments LLC and Masaar Developments LLC (in their capacity as sellers) and Arada (in its capacity as obligor) and is governed by the laws of the Emirate of Sharjah and, to the extent applicable in the Emirate of Sharjah, the federal laws of the United Arab Emirates. A Supplemental Purchase Agreement between the same parties will be entered into on the Issue Date of the relevant Tranche (including any additional Tranche of Trust Certificates issued pursuant to Condition 22 (*Further Issues*) (an "**Additional Tranche**")) of Trust Certificates and will also be governed by the laws of the Emirate of Sharjah and, to the extent applicable in the Emirate of Sharjah, the federal laws of the United Arab Emirates.

Pursuant to the Master Purchase Agreement, Aljada Developments LLC and/or Masaar Developments LLC (in their capacity as sellers) may, from time to time, sell, transfer and convey to the Trustee (in its capacity as purchaser), and the Trustee may, from time to time, agree to purchase and accept the transfer and conveyance from Aljada Developments LLC and/or Masaar Developments LLC of, the Asset(s) or Additional Asset(s) along with all of their rights, title, interests, benefits and entitlements, present and future, in, to and under (a) on the Issue Date of the first Tranche of a Series, the relevant Asset(s); and (b) on the Issue Date of any Additional Tranche, the "**Additional Asset(s)**", in each case pursuant to a Supplemental Purchase Agreement which will, among other things, specify the Asset(s) or Additional Asset(s), as the case may be, being sold and the price to be paid for them.

Master Lease Agreement

The Master Lease Agreement was entered into on 4 June 2024 between the Trustee (in its capacity as lessor), Arada (in its capacity as lessee) and the Delegate and is governed by the laws of the Emirate of Sharjah and, to the extent applicable in the Emirate of Sharjah, the federal laws of the United Arab Emirates. A Supplemental Lease Agreement between the same parties will be entered into on the Issue Date of the first Tranche of a Series and will also be governed by the laws of the Emirate of Sharjah and, to the extent applicable in the Emirate of Sharjah, the federal laws of the United Arab Emirates.

Pursuant to the Master Lease Agreement, the Trustee (in its capacity as lessor) may, from time to time, agree to lease to Arada (in its capacity as lessee), and Arada may, from time to time, agree to lease from the Trustee, certain Lease Asset(s) during renewable rental periods commencing on the Lease Commencement Date (which shall be the relevant Issue Date) and extending to the Scheduled Dissolution Date (unless the relevant Supplemental Lease Agreement is terminated earlier in accordance with its terms or extended in accordance with the Purchase Undertaking).

No later than 10.00 am London time on the business day prior to the completion of each rental period the Trustee (in its capacity as lessor) (or its agent) shall send a rental notice to Arada (in its capacity as lessee). Such rental notice shall be irrevocable and Arada (in its capacity as lessee) agrees that, unless it rejects such notice on such day when such rental notice is delivered (in which case it acknowledges that it will be in breach of its undertaking to irrevocably and unconditionally lease from the Trustee (in its capacity as lessor) for the lease term) it will be deemed to have accepted each such rental notice as and when delivered. Where there is any delay or failure by the Trustee (in its capacity as lessor) in delivering a rental notice, the Rental for the relevant rental period shall accrue at the same rate as the Rental for the immediately preceding rental period.

On each "**Additional Servicing Agency Expenses Request Date**" (being the date on which Arada (in its capacity as servicing agent) submit to the Trustee (in its capacity as lessor) or its agent a request for the Trustee's (in its capacity as lessor) approval of Arada (in its capacity as servicing agent) incurring or paying

any proposed liability comprising an additional servicing agency expense prior to incurring or paying such proposed liability), the Trustee (in its capacity as lessor) shall notify Arada (in its capacity as lessee) in writing that it is requested to pay to the Trustee (in its capacity as lessor) on the first business day of the first rental period commencing after the Additional Servicing Agency Expenses Request Date an amount of additional supplementary rental in respect of that rental period (as shall also be specified in the relevant rental notice) equal to the relevant additional servicing agency expenses proposed to be incurred in the rental period in which such Additional Servicing Agency Expenses Request Date falls. Such notice shall be irrevocable and Arada (in its capacity as lessee) hereby agrees that, unless it rejects such notice on such Additional Servicing Agency Expenses Request Date (in which case it acknowledges that such rejection will constitute an Arada Event), it will be deemed to have approved such notice as and when delivered and agreed to pay the requested amount of additional supplementary rental in accordance with such notice and the relevant rental notice.

Arada (in its capacity as lessee) will agree to use the relevant Lease Asset(s) at its own risk. Accordingly, Arada shall from the date of the relevant Supplemental Lease Agreement bear the entire risk of loss of or damage to the relevant Lease Asset(s) or any part thereof arising from the usage or operation thereof by it to the extent that such loss or damage has resulted from Arada's gross negligence, wilful default, actual fraud, or breach of its obligations under the relevant Supplemental Lease Agreement. In addition, the Trustee (in its capacity as lessor) shall not be liable (and Arada (in its capacity as lessee) will waive any claim or right, howsoever arising, to the contrary) for any indirect, consequential or other losses, howsoever arising, in connection with Arada's use or operation of the relevant Lease Asset(s).

If a Total Loss Event occurs with respect to the Lease Asset(s), then, without prejudice to any right or remedy the Lessor may have under any Transaction Document or by law:

(a) the relevant Supplemental Lease Agreement and the Lease shall automatically terminate; and

(b) further Rental payments shall cease to accrue under the relevant Supplemental Lease Agreement from the date of occurrence of the Total Loss Event; and

(c) the Lessee will pay, on the Payment Business Day immediately preceding the Rental Payment Date that would have occurred immediately after the date of such Total Loss Event but for the occurrence of that Total Loss Event, in accordance with the relevant Supplemental Lease Agreement, any Rental that has accrued up to (but excluding) the date of the Total Loss Event and remains unpaid. The obligation of the Lessee to pay such Rental shall survive the termination of the relevant Supplemental Lease Agreement.

If a Partial Loss Event shall occur with respect to any of the Lease Asset(s) and provided that:

(a) the Lease Asset(s) have not been replaced pursuant to the Servicing Agency Agreement and a notice of termination of the Lease on the 61st day after the Partial Loss Event Date (a "**Partial Loss Termination Notice**") has been delivered by Arada (in its capacity as lessee) to the Trustee (in its capacity as lessor) within a period of 30 days after the Partial Loss Event Date; or

(b) such Lease Assets have not been replaced pursuant to the Servicing Agency Agreement and the Lessee has failed to give a Partial Loss Termination Notice within a period of 30 days after the relevant Partial Loss Event Date or otherwise expressly waived its right to give such notice,

then, without prejudice to any right or remedy that the Trustee (in its capacity as lessor) may have under any Transaction Document or by law, the Lease shall terminate on the 61st day after the Partial Loss Event Date (the "**Partial Loss Termination Date**") and further Rental shall cease to accrue from the Partial Loss Termination Date in accordance with the Supplemental Lease Agreement subject to Arada's (in its capacity as lessee) right to any Rental Reimbursement Amount requested and the Trustee (in its capacity as lessor) will be entitled to all proceeds of the insurances payable as a result of the Partial Loss Event.

For the avoidance of doubt, if Arada (in its capacity as lessee) does not issue a Partial Loss Event Termination Notice within 30 days after the Partial Loss Event Date, or it expressly waives such right, it shall not be entitled to exercise such right thereafter.

Provided that the requirements of the Supplemental Lease Agreement have been satisfied and Arada (in its capacity as lessee) has not issued a Partial Loss Termination Notice, by no later than the earlier of (a) the 31st day after the Partial Loss Event Date; and (b) the date on which the relevant Lease Assets are replaced

pursuant to the Servicing Agency Agreement (the "**Replacement Date**"), Arada (in its capacity as lessee) may request a proportionate reduction in Rental by way of reimbursement of the Rental applicable solely to the period from and including the Partial Loss Event Date to but excluding the earlier of: (i) the date on which the relevant Lease Assets are replaced pursuant to the Servicing Agency Agreement; and (ii) the 61st day after the Partial Loss Event Date to take into account the impairment suffered in relation to the Impaired Lease Asset(s) (the "**Rental Reimbursement Amount**"), provided that the Partial Loss Event relating to such Impaired Lease Asset(s) has not arisen as a result of Arada's (in its capacity as lessee) negligence or misconduct (such request, being a "**Rental Reimbursement Request**"). If a Rental Reimbursement Request is made in accordance with this paragraph, the Trustee (in its capacity as lessor) shall procure the payment of the Rental Reimbursement Amount by Arada (in its capacity as servicing agent) (on its behalf) to Arada (in its capacity as lessee) from only: (a) the proceeds of any Insurances paid in respect of the relevant Partial Loss Event in accordance with the Servicing Agency Agreement and/or (b) (to the extent the proceeds of such Insurances (if any) are insufficient) any Loss Shortfall Amount or Partial Loss Shortfall Amount paid in respect of the relevant Partial Loss Event in accordance with clause 5 of the Servicing Agency Agreement, on the 61st day after the Partial Loss Event Date. For the avoidance of doubt, if Arada (in its capacity as lessee) does not make a Rental Reimbursement Request before the earlier of: (i) the 31st day after the Partial Loss Event Date; and (b) the relevant Replacement Date or it expressly waives such right, it shall not be entitled to exercise such right thereafter.

For the avoidance of doubt if, following a Partial Loss Event, the Lease is not terminated pursuant to the Supplemental Lease Agreement and whether or not a Rental Reimbursement Request is made, then the terms of the Lease, including the amount of Rental, shall continue on the same terms as which applied prior to the occurrence of the Partial Loss Event.

Arada (in its capacity as lessee) has undertaken in the Master Lease Agreement, in relation to each Series, that it shall maintain actual or constructive possession, custody or control of all of the Lease Assets during the Lease Term.

Under the Supplemental Lease Agreement, Arada (in its capacity as lessee) will agree to be responsible, at its own cost and expense, for the performance of all ordinary maintenance and repair required for any relevant Lease Asset(s). The Trustee (in its capacity as lessor) shall be responsible for: (i) the performance of all major maintenance and structural repair; (ii) the payment of any proprietorship or other relevant taxes (excluding all taxes that are by law imposed, charged or levied against a lessee or a tenant); and (iii) insuring any relevant Lease Asset(s) in accordance with the Servicing Agency Agreement, and Arada (in its capacity as lessee) will acknowledge that the Trustee (in its capacity as lessor) may procure that the Servicing Agent, in accordance with the terms and conditions set out in the Servicing Agency Agreement, shall perform, or shall procure the performance of, the major maintenance and structural repair, the payment of such taxes and the insurance of such relevant Lease Asset(s), on behalf of the Trustee (in its capacity as lessor).

All payments by Arada (in its capacity as lessee) to the Trustee (in its capacity as lessor) under each Lease Agreement shall be made in the Specified Currency without set-off (except as provided below) or counterclaim of any kind and free and clear of, and without any deduction or withholding, for any Taxes of whatever nature imposed, levied, collected, withheld or assessed by or within any Relevant Jurisdiction or any authority therein or thereof having power to tax, unless the withholding or deduction is required by law. In that event, Arada (in its capacity as lessee) will agree under the relevant Supplemental Lease Agreement to pay such additional amounts as will result in the receipt by or on behalf of the Trustee (in its capacity as lessor) of such amounts as would have been received by it had no such deduction or withholding had been required.

Arada (in its capacity as lessee) will ensure that its payment obligations under each Supplemental Lease Agreement are and will be direct, unconditional, unsubordinated and (subject to the negative pledge provisions described in the Condition 5.1 (*Negative Pledge*)) unsecured obligations of Arada and (save for such exceptions as may be provided by applicable legislation and subject to the negative pledge provisions described in the Condition 5.1 (*Negative Pledge*)) at all times rank at least *pari passu* with all other present and future unsecured and unsubordinated obligations of Arada from time to time outstanding.

Servicing Agency Agreement

The Servicing Agency Agreement was entered into on 4 June 2024 between the Trustee (in its capacity as lessor) and Arada (in its capacity as servicing agent), and is governed by English law.

Pursuant to the Servicing Agency Agreement, Arada (as servicing agent) will be responsible on behalf of the Trustee (in its capacity as lessor) for the carrying out of all major maintenance and structural repair, the payment of proprietorship taxes (if any) charged, levied or claimed in respect of the Lease Asset(s) by any relevant taxing authority, for effecting all appropriate Insurances in respect of the Lease Asset(s) and the appointment of a *Shari'a* adviser.

The Servicing Agent irrevocably undertakes with the Trustee (in its capacity as lessor) that the Servicing Agent, on behalf of the Trustee (in its capacity as lessor), will:

(a) ensure that the Lease Asset(s) are, so long as any Trust Certificates are outstanding, are at all times properly insured (the "**Insurances**") (through brokers and with reputable insurance companies in good financial standing) to the extent consistent with general industry practice by prudent owners of similar assets, and in addition against each Loss Event. The Servicing Agent undertakes to ensure that the insured amount relating to each Loss Event will, at all times, be at least equal to the Full Reinstatement Value;

(b) promptly make a claim in respect of each loss relating to the Lease Asset(s) in accordance with the terms of the Insurances and diligently pursue such claim;

(c) ensure that, in the event of a Loss Event occurring in respect of a Series, unless the relevant Lease Asset(s) that are the subject of such Loss Event are replaced pursuant to the Servicing Agency Agreement, all proceeds of the Insurances against such Loss Event are in an amount equal to the applicable Full Reinstatement Value and are paid in the Specified Currency directly into the Transaction Account by no later than the 60th day after the occurrence of the Loss Event and that the insurers are directed accordingly; and

(d) if within 60 days of the Issue Date of the first Tranche of each Series and for any reason the Servicing Agent is not in compliance with paragraph (a) above, immediately deliver written notice to the Trustee of such non-compliance and the details thereof.

The delivery of the notice referred to in paragraph (d) to the Trustee in relation to non-compliance with paragraph (a) above shall constitute an Arada Event.

If, a Loss Event has occurred and if:

(a) the notice referred to in paragraph (d) above has not been delivered by the Servicing Agent to the Trustee within 60 days of the Issue Date of the first Tranche of the relevant Series and prior to the occurrence of such Loss Event;

(b) the Lease Assets have not been replaced in accordance with the Servicing Agency Agreement; and

(c) the amount (if any) paid into the Transaction Account pursuant to paragraph (c) above is less than the applicable Full Reinstatement Value (the difference between the applicable Full Reinstatement Value and the amount paid into the Transaction Account being the "**Loss Shortfall Amount**"),

then the Servicing Agent undertakes to pay (in same day, freely transferable, cleared funds) the Loss Shortfall Amount directly to the Transaction Account by no later than close of business in London on the 61st day after the occurrence of the Loss Event. Subject to paying such Loss Shortfall Amount in accordance with this paragraph together with the proceeds of Insurance, there will be no further claim against the Servicing Agent for failing to comply with its insurance obligations in respect of the relevant Loss Event.

The Servicing Agency Agreement provides that if on the occurrence of a Loss Event (other than in respect of a Partial Loss Event where a Partial Loss Termination Notice has been delivered pursuant to the Lease Agreement) the Servicing Agent receives notice from Arada that replacement real estate asset(s) located in Sharjah (the "**Replacement Lease Asset(s)**") are available on or before the 60th day after the occurrence of the Loss Event, the Servicing Agent shall notify the Trustee of the same. Immediately following such notice, the Trustee may purchase such Replacement Lease Asset(s) from the relevant seller(s) by way of the payment by Arada (in its capacity as servicing agent) on behalf of the Trustee of the proceeds of the Insurances (or the assignment of the rights to such proceeds) to or to the order of the relevant seller(s) and the transfer to the relevant seller(s) by the Trustee of any residual interest it may hold in the relevant impaired Lease Asset(s) (including any remaining rights in respect of any proceeds of the Insurances), in

each case, on the terms and subject to the conditions of an agreement substantially in the form of a Supplemental Purchase Agreement in consideration for the sale, transfer and conveyance by the relevant seller(s) of the Replacement Lease Asset(s) to the Trustee.

"**Full Reinstatement Value**" shall be equal to, in relation to each Series, the aggregate of: (a) in the case of a Total Loss Event: (i) the aggregate face amount of the Trust Certificates of the relevant Series then outstanding for the relevant Series plus all accrued but unpaid Periodic Distribution Amounts relating to such Trust Certificates up to but excluding the date on which the Total Loss Event occurs; plus, (ii) an amount equal to the Periodic Distribution Amounts relating to such Trust Certificates, which would have accrued (had a Total Loss Event not occurred) during the period beginning on the date on which the Total Loss Event occurs and ending on, but excluding, the earlier of the applicable Dissolution Date or the 61st day after the occurrence of the Total Loss Event, plus; (iii) without duplication or double counting, an amount representing any outstanding amounts payable by the Trustee (in any capacity) under the Transaction Documents to which it is a party (including but not limited to an amount equal to any outstanding Additional Servicing Agency Expenses in respect of which the Lessee has agreed to make a corresponding payment of Additional Supplementary Rental but such payment has not been made in accordance with the Master Lease Agreement and the relevant Supplemental Lease Agreement) provided that, in the case of any amounts payable pursuant to Condition 6.2(a), Arada has received notification from the Delegate, Agent and/or Appointee of such amounts by not later than the third Business Day prior to the 60th day after the occurrence of the Total Loss Event), less; (iv) if any, the aggregate amounts of Deferred Sale Price then outstanding; (b) in the case of a Partial Loss Event: (i) the aggregate Value of the Impaired Lease Assets, plus; (ii) an amount equal to any Rental Reimbursement Amount payable to the Lessee in accordance with the Supplemental Lease Agreement in relation to such Partial Loss Event.

The "**Service Charge Amount**" payable to Arada (in its capacity as servicing agent) shall be an amount equal to, in respect of a rental period, the aggregate of all payments and liabilities made or incurred by the Servicing Agent during such rental period in respect of the services provided under the Servicing Agency Agreement in relation to the relevant Lease Assets as notified by the Servicing Agent to the Trustee (in its capacity as lessor) in accordance with the Servicing Agency Agreement, except for any payments or liabilities which comprise Additional Servicing Agency Expenses.

The Servicing Agency Agreement provides that the Servicing Agent shall appoint from the Issue Date of the first Tranche of each Series, and maintain from such date the appointment of, the *Shari'a* Adviser to advise on any matters requested by the Servicing Agent and also to assist the Servicing Agent in monitoring the compliance by the Servicing Agent with the requirements of AAOIFI *Shari'a* standards when acting in accordance with the terms of the Transaction Documents to which it is a party.

The Servicing Agent shall not incur or pay any liability in any Rental Period in respect of the Services to be performed in relation to the relevant Lease Assets which, individually or in the aggregate, would exceed an amount that is separately agreed between the Trustee (in its capacity as lessor) and the Servicing Agent in relation to each Series (the "**All Expense Reserve Amount**" of the relevant Series and the amount by which such liability exceeds the All Expenses Reserve Amount being the "**Additional Servicing Agency Expenses**") unless: (i) a request for such incurrence or payment of Additional Servicing Agency Expenses has been made by the Servicing Agent to the Trustee (in its capacity as lessor) in accordance with the Servicing Agency Agreement; and (ii) following such request, Arada (in its capacity as lessee) has agreed to pay to the Trustee (in its capacity as lessor) an amount of Additional Supplementary Rental equal to such Additional Servicing Agency Expenses. If, during any Rental Period, the Servicing Agent incurs or pays such liability without first satisfying the foregoing conditions in (i) and (ii) above, then it shall be deemed to have unconditionally agreed to satisfy, donate and pay all such liabilities from its own account and the Lessor shall have no responsibility whatsoever in connection with such liability.

The Servicing Agent shall submit to the Lessor or its agent the invoice or receipt for (or other evidence of payment or incurrence of) each liability comprising the Service Charge Amount, as soon as practicable after the payment or incurrence thereof. The Servicing Agent shall submit to the Lessor or its agent a request for the Lessor's approval of the Servicing Agent incurring or paying any proposed liability comprising an Additional Servicing Agency Expense prior to incurring or paying such proposed liability (the date of such notice being the "**Additional Servicing Agency Expenses Request Date**").

Subject to the terms of the relevant Supplemental Lease Agreement:

(a) the Trustee (in its capacity as lessor) shall procure that an amount equal to the Service Charge Amount notified to it in accordance with the above paragraph is recorded in the Collection Account on the first business day of the first rental period commencing after the services invoice date; and

(b) the Trustee (in its capacity as lessor) shall procure the reimbursement of the Servicing Agent for each Additional Servicing Agency Expense approved by recording such amount in the Collection Account on the first business day of the first rental period after the Additional Servicing Agency Expenses Request Date or, if the relevant Lease is terminated prior to such date, on the date of termination of such Lease.

An amount equal to an Additional Servicing Agency Expense shall not be reimbursed unless the Servicing Agent evidences the requirement for the payment or the incurrence of each liability comprising such Additional Servicing Agency Expense by delivering to the Trustee (in its capacity as lessor) quotations or other proper evidence of such requirement by no later than the Additional Servicing Agency Expenses Request Date.

In relation to each Series, the Servicing Agent shall ensure that the Tangible Asset Ratio shall, at all times after the Issue Date of the first Tranche of such Series remain more than 50 per cent., and, in each case, the Servicing Agent shall be permitted to take any steps as may be required to maintain such Tangible Asset Ratio and, if, at any time, the Tangible Asset Ratio, other than as a result of the occurrence of a Loss Event, falls: (i) to 50 per cent. or less (but is 33 per cent. or more), the Servicing Agent shall take any and all steps (in consultation with the *Shari'a* Adviser) as may be required to ensure such Tangible Asset Ratio is restored to more than 50 per cent. within the time period determined by the *Shari'a* Adviser; and below (ii) 33 per cent. (such event being a "**Tangibility Event**") within 10 Business Days of the Servicing Agent becoming aware of the Tangibility Event occurring, the Servicing Agent shall send a Tangibility Event Trustee Notice notifying the Trustee of such occurrence and requesting the Trustee to promptly deliver a Tangibility Event Notice to the relevant Certificateholders in accordance with Condition 11.6.

The Servicing Agent shall ensure that its payment obligations under the Servicing Agency Agreement are and will be direct, unconditional, unsubordinated and (subject to the negative pledge provisions described in Condition 5.1 (*Negative Pledge*)) unsecured obligations of the Servicing Agent and (save for such exceptions as may be provided by applicable legislation and subject to the negative pledge provisions described in Condition 5.1 (*Negative Pledge*)) at all times rank at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Servicing Agent from time to time outstanding.

Purchase Undertaking

The Purchase Undertaking was executed on 4 June 2024 by Arada (in its capacity as obligor) as a deed in favour of the Trustee and the Delegate and is governed by English law.

In relation to each Series, provided that no Total Loss Event has occurred and is continuing (or if a Total Loss Event has occurred, the Lease Assets have been replaced pursuant to the Servicing Agency Agreement), Arada (in its capacity as obligor) has irrevocably granted to the Trustee and the Delegate the right to require Arada to purchase all of the Trustee's rights, title, interests, benefits and other entitlements, present and future, in, to and under the relevant Lease Asset(s) (or the applicable proportion thereof, as the case may be) upon the Trustee or the Delegate (on behalf of the Trustee) exercising its right thereunder and delivering an Exercise Notice to Arada in accordance with the terms of the Purchase Undertaking, on the relevant Scheduled Dissolution Date or, if earlier, on the Dissolution Event Redemption Date, the Change of Control Put Right Date, the Certificateholder Put Right Date (if Certificateholder Put Right is specified as applicable in the applicable Pricing Supplement) or the Tangibility Event Put Right Date at the Exercise Price, the Certificateholder Put Right Exercise Price, the Change of Control Exercise Price or the Tangibility Event Put Right Exercise Price, as the case may be.

The "**Exercise Price**", "**Certificateholder Put Right Exercise Price**", "**Change of Control Exercise Price**" or "**Tangibility Event Put Right Exercise Price**" (as the case may be) payable by Arada (as obligor), in relation to each Series, shall be equal to the aggregate face amount of the Trust Certificates then outstanding or the Trust Certificates to be redeemed on the Certificateholder Put Right Date, the Change of Control Put Right Date or the Tangibility Event Put Right Date, as the case may be, for the relevant Series plus all accrued but unpaid Periodic Distribution Amounts (if any) relating to such Trust Certificates plus, without duplication or double counting, if all of the Trust Certificates of the relevant Series are being redeemed in full, an amount representing any amounts payable by the Trustee (in any capacity) under the Transaction Documents to which it is a party (including, but not limited to, if all of the Trust Certificates

of the relevant Series are being redeemed in full, an amount equal to any Additional Servicing Agency Expenses in respect of which an appropriate additional supplementary rental payment has not been made in accordance with the Master Lease Agreement and the relevant Supplemental Lease Agreement) **provided that**, in the case of any amounts payable pursuant to Condition 6.2(a) (*Application of Proceeds from the Trust Assets*), Arada has received a notification from the Delegate of such amounts by not later than the third business day prior to the date on which the Exercise Notice is delivered plus, without duplication or double counting any other amounts payable on redemption of the Trust Certificates or the Trust Certificates to be redeemed on the Certificateholder Put Right Date, the Change of Control Put Right Date or the Tangibility Event Put Right Date, as the case may be, as specified in the applicable Pricing Supplement less, the aggregate amounts of Deferred Sale Price (or the applicable proportion thereof, as the case may be) then outstanding, if any.

Arada (in its capacity as obligor) has undertaken in the Purchase Undertaking that, in relation to any Series, it shall irrevocably and unconditionally fully accept such ownership interest the Trustee may have in the Lease Asset(s), the Certificateholder Put Right Lease Asset(s), the Change of Control Put Right Lease Asset(s) or the Tangibility Event Put Right Lease Asset(s). Arada (in its capacity as obligor) has further undertaken in the Purchase Undertaking that if, at the time of delivery of the exercise notice in accordance with the provisions of the Purchase Undertaking, Arada remains in actual or constructive possession, custody or control of all or any part of the Lease Assets, the Certificateholder Put Right Lease Assets, the Change of Control Put Right Lease Asset(s) or the Tangibility Event Put Right Lease Assets, as the case may be, and if, following delivery of the exercise notice in accordance with the provision of the Purchase Undertaking, the relevant Exercise Price, the Certificateholder Put Right Exercise Price, the Change of Control Exercise Price or the Tangibility Event Put Right Exercise Price, as the case may be, is not paid in accordance with the provisions of the Purchase Undertaking for any reason whatsoever, the Obligor shall (as an independent, severable and separately enforceable obligation) fully indemnify the Trustee for the purpose of redemption in full of the Trust Certificates then outstanding or the Certificateholder Put Right Trust Certificates, the Change of Control Put Right Trust Certificates or the Tangibility Event Put Right Trust Certificates, as the case may be, and, accordingly, the amount payable under any such indemnity claim will equal the Exercise Price, the Certificateholder Put Right Exercise Price, the Change of Control Exercise Price or the Tangibility Event Put Right Exercise Price, as the case may be. Payment of an amount equal to the relevant Exercise Price, the Certificateholder Put Right Exercise Price, Change of Control Exercise Price or Tangibility Event Certificateholder Put Right Exercise Price, as the case may be into the Transaction Account in accordance with the Purchase Undertaking shall evidence the acceptance and conclusion of the transfer of the Trustee's rights, title, interests, benefits and entitlements in, to and under the Lease Asset(s), the Certificateholder Put Right Lease Asset(s) or the Change of Control Put Right Lease Asset(s) or the Tangibility Event Certificateholder Put Right Lease Asset(s), as the case may be, to the Obligor.

Arada (in its capacity as obligor) will also agree in the Purchase Undertaking that all payments by it under the Purchase Undertaking will be made in the Specified Currency without set-off (except as provided below) or counterclaim of any kind and, free and clear of, any deduction or withholding for Taxes of whatever nature imposed, levied, collected, withheld or assessed by or within any Relevant Jurisdiction or any authority therein or thereof having power to tax, unless required by law. In that event, Arada (as obligor) shall pay such additional amounts as will result in the receipt by the Trustee of such amounts as would have been received by it had no withholding or deduction had been required.

The amount equal to the outstanding Additional Servicing Agency Expenses to be paid by Arada as part of the Exercise Price, Certificateholder Put Right Exercise Price, the Change of Control Exercise Price or the Tangibility Event Put Right Exercise Price, as the case may be, payable pursuant to the Purchase Undertaking in respect of which Arada (in its capacity as lessee) has agreed to make a corresponding payment of additional supplementary rental but such payment has not been made in accordance with the Master Lease Agreement and the relevant Supplemental Lease Agreement, and any Additional Servicing Agency Expenses to be paid by the Trustee (in its capacity as lessor) pursuant to the Servicing Agency Agreement, shall be set off against one another and the obligation to pay that part of the Exercise Price, the Certificateholder Put Right Exercise Price, the Change of Control Exercise Price or the Tangibility Event Put Right Exercise Price, as the case may be pursuant to the exercise of the Purchase Undertaking, shall be discharged by such set-off.

Arada (in its capacity as obligor) will ensure that its payment obligations under the Purchase Undertaking are and will be direct, unconditional, unsubordinated and (subject to the negative pledge provisions described in Condition 5.1 (*Negative Pledge*)) unsecured obligations of Arada and (save for such exceptions

as may be provided by applicable legislation and subject to the negative pledge provisions described in Condition 5.1 (*Negative Pledge*)) at all times rank at least *pari passu*, with all other present and future unsecured and unsubordinated obligations of Arada, from time to time outstanding.

Arada has agreed that an Arada Event shall constitute a Dissolution Event for the purposes of the Conditions.

Sale and Substitution Undertaking

The Sale and Substitution Undertaking was executed on 4 June 2024 by the Trustee as a deed in favour of Arada and is governed by English law.

Provided that no Total Loss Event has occurred and is continuing (or if a Total Loss Event has occurred, the Lease Assets have been replaced pursuant to the Servicing Agency Agreement), the Trustee has irrevocably granted to Arada the right to require the Trustee to sell, transfer and/or convey all of its rights, title, interests, benefits and other entitlements, in, to and under the relevant Lease Asset(s) to Arada upon Arada exercising its right thereunder and delivering an Exercise Notice to the Trustee in accordance with the terms of the Sale and Substitution Undertaking, on the Tax Dissolution Date, Optional Dissolution Date or Clean Up Call Right Dissolution Date (as the case may be) at the Exercise Price.

The amount equal to any outstanding Additional Servicing Agency Expenses to be paid by Arada as part of any Exercise Price, in respect of which Arada (in its capacity as lessee) has agreed to make a corresponding payment of additional supplementary rental but such payment has not been made in accordance with the Master Lease Agreement and the Supplemental Lease Agreement and any Additional Servicing Agency Expenses to be paid by the Trustee (in its capacity as lessor) pursuant to the Servicing Agency Agreement, shall be set off against one another, and the obligation to pay that part of the Exercise Price shall be discharged by such set-off.

In addition, under the terms of the Sale and Substitution Undertaking, if at any time Arada wishes to cancel any Trust Certificates purchased pursuant to Condition 12.1 (*Purchases*), Arada may, by exercising its right under the Sale and Substitution Undertaking and by delivering a Cancellation Notice to the Trustee in accordance with the terms of the Sale and Substitution Undertaking, oblige the Trustee to transfer all of its rights, title, interests, benefits and other entitlements, in, to and under the Cancelled Lease Asset(s) to Arada in consideration for which the Trust Certificates purchased shall be cancelled subject to certain conditions set out in the Sale and Substitution Undertaking. Following such transfer, the Trustee shall forthwith surrender to the Registrar the relevant Trust Certificates identified for cancellation in the Cancellation Notice on the Cancellation Date.

Furthermore, pursuant to the terms of the Sale and Substitution Undertaking, the Trustee has granted to Arada the right to require the Trustee to sell all of its rights, title, interests, benefits and other entitlements, in, to and under the substituted Lease Assets to it in exchange for the sale to the Trustee of new Lease Asset(s) subject to certain conditions set out in the Sale and Substitution Undertaking.

Master Murabaha Agreement

The Master Murabaha Agreement was entered into on 4 June 2024 between Arada (in its capacity as buyer, the "**Buyer**"), the Trustee (in its capacity as seller, the "**Seller**") and the Delegate and is governed by English law.

Pursuant to the Master Murabaha Agreement, the Seller may, on receipt of a purchase order from the Buyer in accordance with the terms of the Master Murabaha Agreement, purchase certain commodities on the Issue Date of the relevant Tranche. Following the purchase of the commodities by the Seller, and **provided that** the Seller has acquired title to, and actual or constructive possession thereof, the Seller may deliver to the Buyer by no later than the Issue Date a letter of offer and acceptance indicating the Seller's acceptance of the terms of the purchase order made by the Buyer and detailing the terms of the offer for the sale of the commodities to the Buyer from the Seller on the Issue Date.

On receipt of a letter of offer and acceptance, provided that the Buyer has delivered a duly completed purchase order, the Buyer irrevocably and unconditionally undertakes to accept the terms of, countersign and deliver to the Seller such letter of offer and acceptance in accordance with the Master Murabaha Agreement and (as a result of the Seller having acted on the request of the Buyer set out in the purchase

order) purchase the commodities acquired by the Seller for the Deferred Sale Price in accordance with the terms of the Master Murabaha Agreement.

As soon as the Buyer has countersigned the letter of offer and acceptance, a murabaha contract shall be created between the Seller and the Buyer upon the terms of the letter of offer and acceptance and incorporating the terms and conditions set out in the Master Murabaha Agreement, the Seller agrees to sell and the Buyer agrees to buy the commodities on the terms set out in the letter of offer and acceptance and ownership (including, without limitation, the right of ownership from a *Shari'a* perspective) of and, upon the Buyer obtaining actual or constructive possession of the relevant Commodities thereof, all risks in and to the relevant commodities shall immediately pass to and be vested in the Buyer, together with all rights and obligations relating thereto.

The Buyer has also agreed in the Master Murabaha Agreement that all payments by it under the Master Murabaha Agreement will be made in the Specified Currency without set-off or counterclaim of any kind and, free and clear of, any deduction or withholding for Taxes of whatever nature imposed, levied, collected, withheld or assessed by or within any Relevant Jurisdiction or any authority therein or thereof having power to tax, unless required by law. In that event, the Buyer shall pay such additional amounts as will result in the receipt by or on behalf of the Seller of such amounts as would have been received by it had no withholding or deduction had been made.

The Buyer will ensure that its payment obligations under the Master Murabaha Agreement are and will be direct, unconditional, unsubordinated and (subject to the negative pledge provisions described in Condition 5.1 (*Negative Pledge*)) unsecured obligations of the Buyer and (save for such exceptions as may be provided by applicable legislation and subject to the negative pledge provisions described in Condition 5.1 (*Negative Pledge*)) at all times rank at least *pari passu*, with all other present and future unsecured and unsubordinated obligations of the Buyer, from time to time outstanding.

***Shari'a* Compliance**

Each Transaction Document to which it is a party will provide that each of Arada Sukuk 2 Limited and Arada Developments LLC agrees that it has accepted the *Shari'a* compliant nature of the Transaction Documents to which it is a party and, to the extent permitted by law, further agrees that:

(a) it shall not claim that any of its obligations under the Transaction Documents to which it is a party (or any provision thereof) is *ultra vires*, or not compliant with the principles of *Shari'a*;

(b) it shall not take any steps or bring any proceedings in any forum to challenge the *Shari'a* compliance of the Transaction Documents to which it is a party; and

(c) none of its obligations under the Transaction Documents to which it is a party shall in any way be diminished, abrogated, impaired, invalidated or otherwise adversely affected by any finding, declaration, pronouncement, order or judgment of any court, tribunal or other body that the Transaction Documents to which it is a party are not compliant with the principles of *Shari'a*.

TAXATION

The following is a general description of certain Cayman Islands and UAE tax considerations relating to the Trust Certificates. It does not purport to be a complete analysis of all tax considerations relating to the Trust Certificates, whether in those jurisdictions or elsewhere. Prospective purchasers of Trust Certificates should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Trust Certificates and receiving payments under the Trust Certificates and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Base Offering Circular and is subject to any change in law that may take effect after such date.

Cayman Islands

The following is a discussion of certain Cayman Islands tax consequences of an investment in the Trust Certificates. The discussion is a general summary of present law, which is subject to prospective and retroactive change. It is not intended as tax advice, does not consider any investor's particular circumstances, and does not consider tax consequences other than those arising under Cayman Islands law.

Under existing Cayman Islands laws, payments on Trust Certificates to be issued will not be subject to taxation in the Cayman Islands and no withholding will be required on the payments to any holder of the Trust Certificates, nor will gains derived from the disposal of the Trust Certificates be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance or gift tax.

On 20 October 2023, the Trustee received an undertaking from the Governor in Cabinet of the Cayman Islands, pursuant to the Tax Concessions Act (As Revised) of the Cayman Islands, that for a period of 30 years from the date of grant of that undertaking no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciation shall apply to the Issuer or its operations and, in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable on or in respect of the shares, debentures or other obligations (which includes the Certificates) of the Trustee or by way of the withholding in whole or part of any relevant payment as defined in the Tax Concessions Act (as amended).

Subject as set out below, no capital or stamp duties are levied in the Cayman Islands on the issue or redemption of Trust Certificates. However, an instrument transferring title to any Trust Certificates, if brought to or executed in the Cayman Islands, would be subject to Cayman Islands stamp duty. An annual registration fee is payable by the Trustee to the Cayman Islands Registrar of Companies which is calculated by reference to the nominal amount of its authorised capital. At current rates, this annual registration fee is U.S.$853.66. The foregoing is based on current law and practice in the Cayman Islands and this is subject to change therein.

United Arab Emirates

The following summary of the anticipated tax treatment in the UAE in relation to payments on the Trust Certificates is based on the taxation law and practice in force at the date of this Base Offering Circular and does not constitute legal or tax advice and prospective investors should be aware that the relevant fiscal rules and practice and their interpretation may change. Prospective investors should consult their own professional advisers on the implications of subscribing for, buying, holding, selling, redeeming or disposing of Trust Certificates and the receipt of any payments with respect to such Trust Certificates under the laws of the jurisdictions in which they may be liable to taxation.

Under current legislation, there is no requirement for withholding or deduction for or on account of UAE or Sharjah taxation in respect of payments on debt securities (including in relation to the Trust Certificates). In the event of the imposition of any withholding in the future, the Trustee has undertaken to gross-up any payments subject to certain limited exceptions, as described in Condition 12 (*Taxation*).

The Proposed Financial Transactions Tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria,

Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since ceased to participate.

The Commission's proposal has very broad scope and could, if introduced, apply to certain dealings in the Trust Certificates (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Trust Certificates where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "**established**" in a participating Member State in a broad range of circumstances, including: (a) by transacting with a person established in a participating Member State; or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Trust Certificates are advised to seek their own professional advice in relation to the FTT.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "**foreign financial institution**" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Trustee may be classified as a foreign financial institution for these purposes. A number of jurisdictions (including the UAE and the Cayman Islands) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**") with the United States to implement FATCA, which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Trust Certificates, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Trust Certificates, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Trust Certificates, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Trust Certificates issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are published generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date. Prospective holders of the Trust Certificates should consult their own tax advisers regarding how these rules may apply to their investment in the Trust Certificates.

SUBSCRIPTION AND SALE

Words and expressions defined in the Conditions shall have the same meanings in this section, "Subscription and Sale".

The Dealers have, in a dealer agreement (such dealer agreement as modified and/or supplemented and/or restated from time to time, the "**Dealer Agreement**") dated 4 June 2024, agreed with the Trustee and Arada a basis upon which they or any of them may from time to time agree to purchase Trust Certificates. In the Dealer Agreement, each of the Trustee and Arada has agreed to reimburse the Dealers for certain of their expenses in connection with the issue of Trust Certificates under the Programme.

United States

The Trust Certificates have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, except as permitted by the Dealer Agreement, it will not offer or sell any Series of Trust Certificates: (i) as part of their distribution at any time; or (ii) otherwise until 40 days after the later of the commencement of the offering and the Issue Date of such Series, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Trust Certificates during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of such Series of Trust Certificates within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

The Trust Certificates are being offered and sold outside of the United States to non-U.S. persons in reliance on Regulation S. In addition, until 40 days after the commencement of the offering of a Series of Trust Certificates, an offer or sale of such Series of Trust Certificates within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

United Kingdom

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Trust Certificates which are the subject of the offering contemplated by this Base Offering Circular as completed by the applicable Pricing Supplement in relation thereto to the public in the UK except that it may make an offer of such Trust Certificates to the public in the UK:

(a) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the UK subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Trustee for any such offer; or

(c) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Trust Certificates referred to in (a) to (c) above shall require the Trustee, Arada or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression "**an offer of Trust Certificates to the public**" in relation to any Trust Certificates means the communication in any form and by any means of sufficient information on the terms of the offer and the Trust Certificates to be offered so as to enable an investor to decide to purchase or subscribe for the Trust Certificates and the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of domestic law of the United Kingdom by virtue of the EUWA.

Other UK Regulatory Restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Trust Certificates which have a maturity of less than one year: (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and (ii) it has not offered or sold and will not offer or sell any Trust Certificates other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Trust Certificates would otherwise constitute a contravention of Section 19 of the FSMA by the Trustee;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Trust Certificates in circumstances in which Section 21(1) of the FSMA does not apply to the Trustee or Arada; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Trust Certificates in, from or otherwise involving the United Kingdom.

European Economic Area

In relation to each Member State of the EEA (each a "**Member State**"), each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not made and will not make an offer of Trust Certificates which are the subject of the offering contemplated by this Base Offering Circular as completed by the Pricing Supplement in relation thereto to the public in that Member State, except that it may, make an offer of such Trust Certificates to the public in that Member State:

(a) at any time to any legal entity which is a qualified investor as defined in the EU Prospectus Regulation;

(b) at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer(s) nominated by the Trustee and Arada for any such offer; or

(c) at any time in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation,

provided that no such offer of Trust Certificates referred to above shall require the Trustee, Arada or any Dealer to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purposes of this provision, the expression an "offer of Trust Certificates to the public" in relation to any Trust Certificates in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Trust Certificates to be offered so as to enable an investor to decide to purchase or subscribe for the Trust Certificates and the expression "**EU Prospectus Regulation**" for the purposes of this paragraph means Regulation (EU) 2017/1129.

Kingdom of Bahrain

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell, any Trust Certificates: except on a private placement basis, to persons in the Kingdom of Bahrain who are "**accredited investors**".

For this purpose, an "**accredited investor**" means:

(a) an individual holding financial assets (either singly or jointly with a spouse) of U.S.$1,000,000 or more (excluding that person's principal place of residence);

(b) a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than U.S.$1,000,000; or

(c) a government, supranational organisation, central bank or other national monetary authority or a state organisation whose main activity is to invest in financial instruments (such as a state pension fund).

Sultanate of Oman

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) this Base Offering Circular has not been filed with or registered as a prospectus with the Capital Market Authority of Oman pursuant to Article 3 of the Capital Market Authority Law (SD 80/98, as amended) (Article 3), will not be offered or sold as an offer of securities in Oman as contemplated by the Commercial Companies Law of Oman (SD 18/19, as amended) or Article 3, nor does it constitute a sukuk offering pursuant to the Sukuk Regulation issued by the Capital Market Authority of Oman (CMA Decision 3/2016); and

(b) the Trust Certificates have not been and will not be offered, sold or delivered, and no invitation to subscribe for or to purchase the Trust Certificates has been or will be made, directly or indirectly, nor may any document or other material in connection therewith be distributed in Oman to any person in Oman other than by an entity duly licensed by the Capital Market Authority of Oman to market non-Omani securities in Oman and then only in accordance with all applicable laws and regulations, including Article 139 of the Executive Regulations of the Capital Markets Law (Decision No. 1/2009, as amended).

Kingdom of Saudi Arabia

No action has been or will be taken in the Kingdom of Saudi Arabia that would permit a public offering of the Trust Certificates. Any investor in the Kingdom of Saudi Arabia or who is a Saudi person (a "**Saudi Investor**") who acquires any Trust Certificates pursuant to an offering should note that the offer of Trust Certificates is a private placement under Article 8 of the "Rules on the Offer of Securities and Continuing Obligations" as issued by the Board of the Capital Market Authority resolution number 3-123-2017 dated 9/04/1439H (corresponding to 27 December 2017, as amended by its resolution number 3-6-2024 dated 5/7/1445H (corresponding to 17 January 2024) (the "**KSA Regulations**"), made through a capital market institution licensed to carry out arranging activities by the Capital Market Authority and following a notification to the Capital Market Authority under Article 10 of the KSA Regulations.

The Trust Certificates may thus not be advertised, offered or sold to any person in the Kingdom of Saudi Arabia other than to "institutional and qualified clients" under Article 8(a)(1) of the KSA Regulations or by way of a limited offer under Article 9 of the KSA Regulations. Each Dealer has represented and agreed that any offer of Trust Certificates made by it to a Saudi Investor will be made in compliance with Article 10 and either Article 8(a)(1) or Article 9 of the KSA Regulations.

Each offer of Trust Certificates shall not therefore constitute a "public offer", an "exempt offer" or a "parallel market offer" pursuant to the KSA Regulations, but is subject to the restrictions on secondary market activity under Article 14 of the KSA Regulations.

State of Qatar (including the Qatar Financial Centre)

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, delivered or sold, and will not offer, sell or deliver at any time, directly or indirectly, any Trust Certificates in the State of Qatar (including the Qatar Financial Centre), except: (i) in compliance with all applicable laws and regulations of the State of Qatar (including the Qatar Financial Centre); and (ii) through persons or corporate entities authorised and licensed to provide investment advice and/or engage in brokerage activity and/or trade in respect of foreign securities in the State of Qatar (including the Qatar Financial Centre).

This Base Offering Circular: (i) has not been, and will not be, registered with or approved by the Qatar Financial Markets Authority, the Qatar Central Bank, the Qatar Stock Exchange or the Qatar Financial Centre Regulatory Authority and may not be publicly distributed in the State of Qatar (including the Qatar

Financial Centre); (ii) is intended for the original recipient only and must not be provided to any other person; and (iii) is not for general circulation in the State of Qatar (including the Qatar Financial Centre) and may not be reproduced or used for any other purpose.

Cayman Islands

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that no invitation, whether directly or indirectly, has been or will be made to the public in the Cayman Islands to subscribe for any Trust Certificates issued under the Programme and this Base Offering Circular shall not be construed as an invitation to any member of the public of the Cayman Islands to subscribe for any Trust Certificates.

UAE (excluding the Dubai International Financial Centre and the Abu Dhabi Global Market)

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Trust Certificates have not been and will not be offered, sold or publicly promoted or advertised by it in the UAE other than in compliance with any laws applicable in the UAE governing the issue, offering or sale of securities.

Dubai International Financial Centre

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered and will not offer the Trust Certificates to be issued under the Programme to any person in the DIFC unless such offer is:

(a) an "**Exempt Offer**" in accordance with the Markets Rules (MKT) Module of the DFSA Rulebook; and

(b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the DFSA Conduct of Business Module of the DFSA Rulebook.

Abu Dhabi Global Market

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered and will not offer the Trust Certificates to any person in the ADGM unless such offer is:

(a) an "**Exempt Offer**" in accordance with Rule 4.3 of the Markets Rules of the Financial Services Regulatory Authority (the "**FSRA**") rulebook; and

(b) made only to persons who meet the Professional Client criteria set out in the Conduct of Business Module of the FSRA rulebook.

State of Kuwait

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Trust Certificates to be issued have not been and will not be offered, sold, promoted or advertised by it in the State of Kuwait other than in compliance with Decree Law No. 31 of 1990 and the implementing regulations thereto, as amended, and Law No. 7 of 2010 and the bylaws thereto, as amended governing the issue, offering and sale of securities.

No private or public offering of the Trust Certificates is being made in the State of Kuwait, and no agreement relating to the sale of the Trust Certificates will be concluded in the State of Kuwait. No marketing or solicitation or inducement activities are being used to offer or market the Trust Certificates in the State of Kuwait.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Trust Certificates (except for Trust Certificates which are "structured products" as defined in the

Securities and Futures Ordinance (Cap.571) of Hong Kong (the "**SFO**")) other than: (i) to "professional investors" as defined in the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, in each case whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Trust Certificates, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to the Trust Certificates which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Singapore

Each Dealer has acknowledged that this Base Offering Circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Trust Certificates or caused the Trust Certificates to be made the subject of an invitation for subscription or purchase, and will not offer or sell any Trust Certificates or cause the Trust Certificates to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Trust Certificates, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA, or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Malaysia

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) this Base Offering Circular has not been registered as a prospectus with the Securities Commission of Malaysia (the "**SC**") under the Capital Markets and Services Act 2007 of Malaysia (the "**CSMA**"); and

(b) accordingly, the Trust Certificates have not been and will not be offered or sold, and no invitation to subscribe for or purchase the Trust Certificates has been or will be made, directly or indirectly, nor may any document or other material in connection therewith be distributed in Malaysia, other than to persons falling within any one of the categories of persons specified under Part 1 of Schedule 6 (or Section 229(1)(b)) and Part 1 of Schedule 7 (or Section 230(1)(b)) and Schedule 8 or (Section 257(3)), read together with Schedule 9 (or Section 257(3)) of the CSMA, subject to any law, order, regulation or official directive of the Central Bank of Malaysia, the SC and/or any other regulatory authority from time to time.

Residents of Malaysia may be required to obtain relevant regulatory approvals, including approval from the Central Bank of Malaysia to purchase the Trust Certificates. The onus is on the Malaysian residents concerned to obtain such regulatory approvals and none of the Dealers shall be responsible for any invitation, offer, sale or purchase of Trust Certificates as aforesaid without the necessary approvals being in place.

General

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will (to the best of its knowledge and belief) comply with all applicable securities laws, regulations and directives in force in any jurisdiction in which it purchases, offers, sells or delivers Trust Certificates or possesses or distributes this Base Offering Circular, any other offering material or any Pricing Supplement and will obtain any consent, approval or permission required

by it for the purchase, offer, sale or delivery by it of Trust Certificates under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Trustee, Arada and any other Dealer shall have any responsibility therefor.

None of the Trustee, Arada or any of the Dealers: (i) makes any representation that any action has been or will be taken in any jurisdiction that would permit a public offering of any Trust Certificates, or possession or distribution of this Base Offering Circular, any other offering, material or any Pricing Supplement, in any country or jurisdiction where action for that purpose is required; or (ii) represents that Trust Certificates may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating any such sale.

With regard to each Tranche, the relevant Dealer(s) will be required to comply with any additional restrictions agreed between the Trustee, Arada and the relevant Dealer(s) and set out in the relevant dealer accession letter or subscription agreement, as the case may be. Any such modification will be set out in the Pricing Supplement issued in respect of the issue of Trust Certificates to which it relates or in a supplement to this Base Offering Circular.

The relevant Dealers will be entitled in certain circumstances to be released and discharged from their obligations in respect of a proposed issue of Trust Certificates under or pursuant to the Dealer Agreement prior to the closing of the issue of such Trust Certificates, including in the event that certain conditions precedent are not delivered or met to their satisfaction on or before the issue date of such Trust Certificates. In this situation, the issuance of such Trust Certificates may not be completed. Investors will have no rights against the Trustee, Arada or the relevant Dealers in respect of any expense incurred or loss suffered in these circumstances.

GENERAL INFORMATION

Authorisation

The establishment of the Programme and the entry by the Trustee into the transaction contemplated by the Transaction Documents and the execution thereof has been duly authorised by a resolution of the Board of Directors of the Trustee dated 3 April 2024. The entry by Arada into the Transaction Documents to which it is a party has been duly authorised by a resolution of the shareholders of Arada dated 28 May 2024.

The Trustee and Arada have each obtained all necessary consents, approvals and authorisations in connection with the establishment of the Programme and will obtain all necessary consents, approvals and authorisations in connection with the issue of any Trust Certificates thereunder and the execution and performance of the Transaction Documents to which they are a party.

Listing of Trust Certificates

Application has been made to the London Stock Exchange for Trust Certificates issued under the Programme during the 12 months from the date of this Base Offering Circular to be admitted to trading on the ISM. The ISM is not a regulated market for the purposes of EU MiFID or UK MiFIR. The ISM is a market designated for professional investors. The Trust Certificates admitted to trading on the ISM are not admitted to the Official List of the UK Financial Conduct Authority. The London Stock Exchange has not approved or verified the contents of this Base Offering Circular.

Application has also been made to the DFSA for the Trust Certificates issued under the Programme to be admitted to the DFSA Official List and to be admitted to trading on Nasdaq Dubai.

The Programme provides that Trust Certificates may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Trustee, Arada and the relevant Dealer(s). Unlisted Trust Certificates may also be issued pursuant to the Programme.

Auditors

Since the date of its incorporation, no financial statements of the Trustee have been prepared. The Trustee has no subsidiaries. The Trustee is not required by Cayman Islands law, and does not intend, to publish audited financial statements or appoint any auditors.

The current auditors of Arada are KPMG Lower Gulf Limited (authorised and regulated under the Register of Practicing Accountants at the UAE Ministry of Economy and Planning as required by UAE Federal Law No. 22 of 1995). The consolidated financial statements of Arada as at for the year ended 31 December 2022 and as at for the year ended 31 December 2022 have been audited without qualification in accordance with International Standards on Auditing by KPMG Lower Gulf Limited, as stated in their audit reports set out herein.

No Significant Change

There has been no significant change in the financial performance or financial position of the Trustee and no material adverse change in the prospects of the Trustee, in each case, since the date of its incorporation.

There has been no significant change in the financial performance or financial position of Arada and its subsidiaries, taken as a whole, since 31 December 2023 and there has been no material adverse change in the prospects of Arada and its subsidiaries, taken as a whole, since 31 December 2023.

Litigation

The Trustee is not and has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Trustee is aware) since the date of its incorporation which may have or have in such period had a significant effect on the financial position or profitability of the Trustee.

Arada is not and has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Arada is aware) in the 12 months preceding

the date of this Base Offering Circular which may have or have in such period had a significant effect on the financial position or profitability of Arada.

Language of this Base Offering Circular

The language of this Base Offering Circular is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

Documents Available

For the period of 12 months following the date of this Base Offering Circular, copies (and English translations where the documents in question are not in English) of the following documents will be available during normal business hours on any day (excluding Saturdays, Sundays and public holidays), for inspection and/or collection from the registered office of the Trustee and from the specified office of the Principal Paying Agent:

(a) the Master Declaration of Trust and each relevant Supplemental Declaration of Trust in relation to Trust Certificates which are listed on the ISM;

(b) the Memorandum and Articles of Association of the Trustee;

(c) the constitutional documents of Arada; and

(d) this Base Offering Circular.

The applicable Pricing Supplement for Trust Certificates that are listed on the DFSA Official List and admitted to trading on Nasdaq Dubai will be published on the website of Nasdaq Dubai at http://www.nasdaqdubai.com.

Clearing Systems

The Trust Certificates have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate common code, International Securities Identification Number (ISIN), Financial Instrument Short Name (FISN) and/or Classification of Financial Instruments (CFI) code (as applicable) for each Tranche of Trust Certificates may be specified in the applicable Pricing Supplement. If the Trust Certificates are to clear through an additional or alternative clearing system, the appropriate information may be specified in the applicable Pricing Supplement. The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Trustee's Legal Entity Identifier

The Trustee's Legal Entity Identifier ("**LEI**") code is 254900QJ8SRKQPBY4V77.

Third-Party Information

Where information in this Base Offering Circular has been sourced from third parties, this information has been accurately reproduced and, as far as the Trustee or Arada is aware and is able to ascertain from the information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.

Arrangers and Dealers not acting for any prospective or actual holders of Trust Certificates

None of the Arrangers or the Dealers is acting for any actual or prospective holders of Trust Certificates, and are neither advising nor treating as a client any other person and will not be responsible to any actual or prospective holders of Trust Certificates and will not be responsible to anyone other than the Trustee for providing the protections afforded to its clients nor for providing the services in relation to the offering described in this Base Offering Circular and/or the applicable Pricing Supplement or any transaction or arrangement referred to herein or therein. None of the Dealers, the Arrangers nor any of their respective affiliates has authorised the content of, or any part of, this Base Offering Circular and/or the applicable Pricing Supplement.

Dealers transacting with Arada

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in various financial advisory, investment banking and/or commercial banking transactions with, and may perform services for Arada in the ordinary course of business for which they have received, and for which they may in the future receive, fees and expenses. In particular, certain of the Dealers are lenders/financiers to Arada and proceeds from the issue of the Trust Certificates may be used to repay or pay such outstanding financings. In connection with any offering under the Programme the Dealers may purchase and sell Trust Certificates in the open market.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative arrangements) and financial instruments (including bank financings) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of Arada. Certain of the Dealers or their affiliates that have a lending/financing relationship with Arada routinely hedge their credit exposure to Arada consistent with their customary risk management policies.

Typically, such Dealers and their affiliates would hedge such exposure by entering into hedging transactions which may consist of taking certain positions in securities, including potentially the Trust Certificates. Any such exposures could adversely affect future trading prices of the Trust Certificates issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, trading positions in such securities and instruments.

Cayman Islands Data Protection

Under the Cayman Islands Data Protection Act (as amended) and, in respect of EU data subjects, the EU General Data Protection Regulation (together, the "**Data Protection Legislation**"), individual data subjects have rights and the Trustee as data controller has obligations with respect to the processing of personal data by the Trustee and its affiliates and delegates. Breach of the Data Protection Legislation by the Trustee could lead to enforcement action.

The Trustee has published a privacy notice (the "**Data Privacy Notice**"), which provides prospective investors with information on the Trustee's use of their personal data in accordance with the Data Protection Legislation. The Data Privacy Notice can be accessed at:

https://www.walkersglobal.com/external/SPVDPNotice.pdf.

Obligor's Website

The Obligor's website is https://www.arada.com. Unless specifically incorporated by reference into this Base Offering Circular (see "*Documents Incorporated by Reference*"), the information contained on this website is not incorporated by reference into, or otherwise included in, this Base Offering Circular.

Shari'a Boards

Emirates NBD Islamic Internal Shariah Supervision Committee

- ***Sheikh Dr. Muhammad Abdulrahim Sultan Al Olama***

Sheikh Dr. Al Olama is a member of the Grand Islamic Scholars Body in Dubai, an Associate Professor of the School of Shari'a at the UAE University in Al Ain and an acknowledged expert in Islamic finance. Sheikh Dr. Al Olama is also the head of the Fatwa Committee of the Zakat Funds in the UAE. He currently serves on a number of *Shari'a* boards representing Islamic financial institutions and Takaful companies.

Sheikh Dr. Al Olama has written extensively on modern Islamic finance and has presented numerous research papers at various international conferences. Sheikh Dr. Al Olama holds a PhD in Comparative Islamic Law from Umm Al Qurra University in Mecca, Kingdom of Saudi Arabia.

- ***Dr. Salim Ali Al-Ali***

Dr. Salim Al-Ali is specialised in Islamic financial law, and legal and regulatory aspects of developing Islamic financial markets and participated in national and international conferences to address *Shari'a*, legal and regulatory issues related to Islamic banks, Islamic capital markets and Takaful. He is also actively involved in the area of Islamic finance by way of consultation, teaching and academic research in different jurisdictions including Malaysia, the UAE and the United Kingdom. He is also a member of the *Shari'a* boards of Emirates NBD Bank PJSC, HSBC Bank Middle East Limited, Al Hilal Bank PJSC and Abu Dhabi Commercial Bank PJSC. Dr. Salim Al-Ali is an Assistant Professor at the College of Law, UAE University, UAE. He obtained his PhD in Islamic Financial Law from the University of London, United Kingdom.

- ***Professor Dr. Mohamed Ali Elgari***

Dr. Elgari is a Professor of Islamic Economics and the former Director of the Centre for Research in Islamic Economics at King Abdul Aziz University in the Kingdom of Saudi Arabia. Dr. Elgari is the recipient of the Islamic Development Bank Prize in Islamic Banking and Finance and holds the KLIFF Islamic Finance Award for Most Outstanding Contribution to Islamic Finance (Individual).

He is a member on the editorial board of several academic publications in the field of Islamic Finance and Jurisprudence, among them the Journal of the Jurisprudence Academy (IWL), Journal of Islamic Economic Studies (IDB), Journal of Islamic Economic (IAIE, London), and the advisory board of the Harvard Series in Islamic Law (Harvard Law School).

Dr. Elgari is also an adviser to numerous Islamic financial institutions throughout the world and is notably on the Shariah board of the Dow Jones Islamic index as well as a member of the Islamic Fiqh Academy and AAOIFI.

Dr. Elgari holds a PhD in Economics from the University of California, United States of America.

- ***Dr. Amin Fateh***

Dr. Amin Fateh is currently a member of many *Shari'a* boards and committees in the UAE and across the world, including those of AAOIFI, Salama Islamic Arab Insurance Company, Standard Chartered Bank and National Bank of Umm Al Quwain. He has over 23 years' experience in the Islamic banking industry and had led the Islamic Shariah advisory of Minhaj for over 10 years. Dr. Fateh has lectured on Islamic finance across the world and has also provided many training courses on the subject. He holds a bachelor's degree and a master's degree in honorable Hadith and a PhD in Islamic Studies.

- ***Dr. Muhammad Qaseem***

Dr. Muhammed Qaseem is a renowned Sharia scholar and Islamic finance expert. He is presently sitting on the Sharia board of Dubai Islamic Bank (DIB) UAE as its Executive Member.

He is also Chairman Sharia Board of Silkbank Ltd Pakistan and Deutsche Bank Malaysia. He has been a member of the Sharia board of the State Bank of Pakistan, Dubai Financial Market and many other Islamic banks and institutions.

Dr. Qaseem holds a PhD in Tafseer and Qur'anic Sciences from the International Islamic University Islamabad where he has taught in various graduate and post graduate programmes for more than 22 years. He is fully proficient in five (5) languages.

As a Sharia Board member/advisor of a number of Islamic financial institutions, Dr. Qaseem has contributed immensely towards disseminating the message of Islamic banking and building its institutions and Sharia frameworks in different countries. He has been instrumental in developing innovative structures and products in some very challenging regulatory environments.

As a Sharia trainer with a distinguished teaching career and a unique blend of Sharia knowledge with practical banking know-how, he has imparted training to hundreds of Islamic bankers in various countries. He has written a number of books and articles, many of which are related to Islamic banking.

Global Shariah Supervisory Committee of Standard Chartered Bank

- ***Dr. Aznan Hasan***

Dr. Aznan Hasan is an Associate Professor in Islamic Law at Ahmad Ibrahim Kulliyyah of Laws, International Islamic University Malaysia. He has been teaching Islamic law at the University since 2003. He is also President of the Association of Shariah Advisors in Islamic Finance and has been Deputy Chairman of Shariah Advisory Council, Securities Commission of Malaysia since July 2010. He was a member of the Shariah Advisory Council, Bank Negara Malaysia (November 2006-August 2008, November 2010-October 2013). He is also the Chairman of the Shariah Supervisory Board, Shariah Advisory Committee, Barclays DIFC (April 2011-present). He is *Shari'a* adviser to Maybank Islamic in Malaysia and has been advising ABSA Islamic Banking, South Africa since July 2010.

- ***Sheikh Nizam Yaquby***

Sheikh Nizam Yaquby studied traditional Islamic studies under the guidance of eminent Islamic scholars from different parts of the world. He has a BA in Economics and Comparative Religions and MSc in Finance from the McGill University, Canada. He is a PhD candidate in Islamic law from the University of Wales. In addition to advising Citi and other Islamic finance institutions and funds, Sheikh Nizam Yaquby is a member of the Islamic Fiqh Academy and AAOIFI. Since 1976, Sheikh Nizam Yaquby has taught Tafsir, Hadith and Fiqh in Bahrain and is a Shari'a adviser to several international and local financial institutions worldwide. He has also published several articles and books on various Islamic subjects including on banking and finance.

- ***Professor Dr. Mohamed Ali Elgari***

Dr. Elgari is a Professor of Islamic Economics and the former Director of the Centre for Research in Islamic Economics at King Abdul Aziz University in the Kingdom of Saudi Arabia. Dr. Elgari is the recipient of the Islamic Development Bank Prize in Islamic Banking and Finance and holds the KLIFF Islamic Finance Award for Most Outstanding Contribution to Islamic Finance (Individual).

He is a member on the editorial board of several academic publications in the field of Islamic Finance and Jurisprudence, among them the Journal of the Jurisprudence Academy (IWL), Journal of Islamic Economic Studies (IDB), Journal of Islamic Economic (IAIE, London), and the advisory board of the Harvard Series in Islamic Law (Harvard Law School).

Dr. Elgari is also an adviser to numerous Islamic financial institutions throughout the world and is notably on the Shariah board of the Dow Jones Islamic index as well as a member of the Islamic Fiqh Academy and AAOIFI.

Dr. Elgari holds a PhD in Economics from the University of California, United States of America.

THE TRUSTEE

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ARADA

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ARRANGERS

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DEALERS

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