

**Offer of registering and listing units of Jadwa REIT Saudi Fund has been approved by Capital Market Authority (CMA) on 10/4/1439H corresponding to 28/12/2017G. These Terms and Conditions have been updated on 02/07/1444H corresponding to 24/01/2023G)**

## **Terms and Conditions**

**صندوق جدوى ريت السعودية**  
**JADWA REIT SAUDI FUND**

**(A public closed-ended Shariah-compliant real estate investment traded fund)**

جدوى للاستثمار  
Jadwa Investment



**Jadwa Investment Company**  
**Fund Manager**

**Custodian:**

البلدية المالية  
Albilad Capital

Terms and Conditions Date: 10/4/1439H corresponding to 28/12/2017G

Fund Size: SAR 1,580,000,000

Unit Price: SAR 10

Number of Units Offered: 47,400,000 Units

Percentage of offered units to total fund: 30%

Offering Size: SAR 474,000,000

Fund Currency: Saudi Riyals (SAR)

The Fund increased its capital on (19/02/1443H corresponding to 26/09/2021G). Please refer to the Supplementary Annex no. (1) for more information.

The Fund Manager accepts full responsibility for the accuracy of the information contained in these Terms and Conditions and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief, there are no other facts the exclusion of which would render any statement herein misleading. CMA and Saudi Stock Exchange assume no responsibility for content of these Terms and Conditions, do not make any representations or warranties regarding their accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance on, any part of these Terms and Conditions.

The Saudi Capital Market Authority ("CMA") does not give any assurances regarding the accuracy or completeness of this document. Besides, The CMA expressly disclaims any liability whatsoever for any liability or loss arising from, or incurred in reliance on, any part of this document. Those wishing to subscribe to the Units of the Fund offered under this document, should read this document, and ascertain the accuracy of information related to offered Units. In case it is difficult for them to comprehend the contents of this document, professional advice from a CMA licensed financial advisor should be sought.

"Jadwa REIT Saudi Fund" ("**Fund**") has been approved by the appointed Shariah Board as a Shariah-compliant real estate investment traded fund.

Those wishing to buy the Fund Units offered hereunder are advised to carefully read and duly comprehend these Terms and Conditions and other Fund-related documents. If the contents hereof cannot be understood, such participants should seek the advice of a CMA licensed financial advisor. By investing in the Fund, the investor hereby declares to have fully and duly read these Terms and Conditions and have agreed thereto.

**Ibrahim Mohammad Al Kuwaiflie**

**Manager, Legal and Compliance**

**Tariq Bin Ziyad Al-Sudairy**

**Managing Director and Chief Executive  
Officer**

This is the updated version of the Terms and Conditions of the Jadwa REIT Saudi Fund reflecting changes in the Fund Board as per the letter sent to the CMA on 02/07/1444H corresponding to 24/01/2023G

## Important Notice

These Terms and Conditions contain detailed information on Jadwa REIT Saudi Fund (“**the Fund**”) and the offering of units in the Fund (“**the Units**”). Upon submittal of an application to subscribe for Units, investor's purchase of any of the Fund units serves as an acknowledgment of its part that it has reviewed and accepted the Fund's Terms and Conditions, investors will be treated as applying solely on the basis of the information contained in these Terms and Conditions, copies of which are available on Jadwa Investment website (“**the Fund Manager**”) ([www.jadwa.com](http://www.jadwa.com)) or Saudi Stock Exchange (“**Tadawul**”) website ([www.tadawul.com.sa](http://www.tadawul.com.sa)).

Prospective investors must read the entirety of these Terms and Conditions before purchasing Units in the Fund. An investment in the Fund involves certain risks and may not be suitable for all investors. Investors must be willing to assume the risks associated with an investment in the Fund, which are described in Article (10) of these Terms and Conditions. If an investor does not understand contents of these Terms and Conditions, it must consult a licensed financial adviser.

These Terms and Conditions have been prepared by the Fund Manager, a Saudi Arabian closed joint stock company with Saudi Arabian commercial registration no. 1010228782, and a Capital Market Institution licensed by the CMA under license no. 06034-37, in accordance with the provisions of the Real Estate Investment Funds Regulations issued by the Board of the CMA pursuant to Resolution No. 1-193-2006, dated 19/06/1427H (corresponding to 15/07/2006G) amended by the CMA Board Resolution No. 2-22-2021 dated 12/07/1442H (corresponding to 24/02/2021G) (the “**Real Estate Investment Funds Regulations**”).

The Terms and Conditions also include information that has been presented in compliance with the requirements for registration and admission to listing of the Units on “Tadawul” in accordance with Real Estate Investment Funds Regulations.

The Fund Manager accepts full responsibility for the accuracy of the information contained in these Terms and Conditions, and affirms that according to the best of its knowledge and belief, and after making all possible reasonable enquiries, there are no other facts or omissions from these Terms and Conditions that would make any statement contained herein misleading. While the Fund Manager has made all reasonable enquiries as to the accuracy of the information contained in these Terms and Conditions as at the date hereof, a substantial portion of the information in these Terms and Conditions relevant to the real estate market and industry is derived from external sources. While the Fund Manager has no reason to believe that any of the market and industry information is materially inaccurate, the Fund Manager has not independently verified such information, and no representation or assurance is made with respect to the accuracy or completeness of any of this information.

CMA does not bear any responsibility for the contents of these Terms and Conditions and does not opine or provide any warranties regarding the accuracy or completeness of these Terms and Conditions. CMA shall not be responsible for any financial loss resulting from any provision contained in these Terms and Conditions or any reliance thereon.

These Terms and Conditions must not be considered as a recommendation by the Fund Manager to subscribe in the Initial Offering or to purchase units after being offered in Saudi Stock Exchange. Moreover, information provided in these Terms and Conditions are of a general nature and has been prepared without taking into account individual investment objectives, financial situation or particular investment needs of the persons who intend to invest in the offered Units. Prior to making an investment decision, prospective investors are responsible for obtaining an independent advice from a CMA licensed financial advisor in relation to the Initial Offering and must rely on its own examination of the Fund and the appropriateness of both the investment opportunity and the information herein with regards to the investor's individual objectives, financial situation and needs, including the merits and risks involved in investing in the Fund. An investment in the Fund may be appropriate for some investors but not others, and the prospective investors should not rely on another party's decision to invest or not to invest as a basis for their own examination of the investment opportunity and such investor's individual circumstances. The Fund Manager has not authorized any person to give any information or provide any statement regarding the Units Offering other than those contained in these Terms and Conditions.

Prospective investors should not consider these Terms and Conditions as an advice on any tax, legal, Sharia, investment or any other matters. Prospective Investors are advised to consult with their licensed independent professional, legal and Sharia advisors on the purchase, acquisition or disposition of the Units as well as the regulatory requirements applicable to them, foreign exchange restrictions in this regard and consequences of such purchase, acquisition, sale or disposition in terms of income, tax and Zakat.

**Subscription for Units is only made available to the following categories:**

(A) Saudi natural persons and GCC nationals; (B) Natural persons residing in Saudi Arabia under Residency ID; (C) Institutions, companies, investment funds, other legal entities and legal persons existing in the Kingdom of Saudi Arabia, eligible foreign investors and GCC investors. Recipients of these Terms and Conditions are required to review any legal or regulatory restrictions relevant to the Initial Offer and units sale. Recipients are also required to observe all such restrictions, including Law of Real Estate Ownership and Investment by Non-Saudis.

The information contained in these Terms and Conditions as at issuance date of the same is subject to change. In particular, units' value may be adversely affected by future developments, such as inflation, interest rates change, taxation (for example, value-added tax) or other economic, political or other factors, over which the Fund Manager has no control (See Article (10) of these Terms and Conditions for more details). Neither these Terms and Conditions nor any oral or written information in relation to the Offered Units is intended to be, or should be construed as or relied upon in any way as, a warranty or confirmation as to future earnings, results or events.

Forecasts set forth in these Terms and Conditions have been prepared on the basis of assumptions based on the Fund Manager's information according to its market experience, as well as on publicly available market information. Future operating conditions may differ from

the assumptions used and consequently no affirmation, representation or warranty is made with respect to the accuracy or completeness of any of these forecasts

Certain statements in these Terms and Conditions constitute, or may be deemed to constitute, **“forward-looking assumptions”**. Such assumptions can generally be identified by their use of forward-looking words such as “plans”, “estimates”, “believes”, “expects”, “anticipates”, “may”, “will”, “should”, “expected”, “would be” or the negative thereof or other variations of such terms or comparable terminology. These assumptions reflect current opinions of the Fund Manager with respect to future events, but they are not a guarantee of future performance. There are many factors which may cause the actual results, performance or achievements of the Fund to be materially different from any future results, performance, achievements expressed or implied by such future assumptions. Some of these risks and factors that may create such influence are detailed in other sections of these Terms and Conditions (See Article (10) of these Terms and Conditions for more details). Should any one of these risks or uncertainties materialize or any underlying assumptions prove to be incorrect or inaccurate, actual results of the Fund may vary materially from those described in these Terms and Conditions as predicted, estimated or planned.

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## 2) List of Terms

<b>Capital Market Institutions Regulations</b>	:	Mean the Capital Market Institutions Regulations issued by CMA Board under Resolution No. 1-83-2005 dated 21/5/1426H (corresponding 28/06/2005G) amended by the CMA Board Resolution No. 2-75-2020 dated 22/12/1441H (corresponding to 12/8/2020G) as amended from time to time
<b>Business Day</b>	:	Means any working day in the Kingdom in accordance with official business days applicable at the CMA.
<b>Closing Date</b>	:	Means the Initial Offering (subscription) period expiration date, which ends on 6/5/1439H corresponding to 23/1/2018G.
<b>CMA or the Authority</b>	:	Means the Saudi Arabian Capital Market Authority.
<b>Financial Year</b>	:	Financial year of the Fund shall start on January 01, and shall end on December 31, each year, except for the first year of the establishment of the Fund, from which the financial year shall start on the Date of Listing and shall end on December 31, 2018G.
<b>Fund</b>	:	Means Jadwa REIT Saudi Fund, a public closed-ended Shariah-compliant real estate investment traded fund managed by the Fund Manager.
<b>Fund Term</b>	:	Is 99 years from the Listing Date at Tadawul, renewable in the discretion of the Fund Manager upon CMA approval.
<b>Fund Manager</b>	:	Means Jadwa Investment Company.
<b>Custodian</b>	:	Means Albilad Capital.
<b>Accredited Valuer</b>	:	Means a natural or corporate person licensed to carry out valuation in accordance with the Accredited Valuers Law promulgated under the Royal Decree No. (M/43), dated 09/07/1433H and its Implementing Regulations (Properties Valuation Branch).
<b>Property Manager</b>	:	A company appointed by the Fund Manager to manage any of the Fund's properties.
<b>Lessee</b>	:	A person or a company rents any of the Fund's properties.
<b>Initial Reas Estate Assets</b>	:	Mean the assets mentioned in these Terms and Conditions that will be acquired by the Fund within 60 days from the Closing Date pursuant to the terms of the Purchase Agreements.
<b>Structurally Developed Real Estate Properties</b>	:	Properties developed and ready for use, including residential, commercial, industrial properties etc.

<b>Investment</b>	:	Means each real estate asset in which the Fund acquires under Shariah guidelines and controls or any other Fund investments hereunder.
<b>Total Value of Assets</b>	:	Mean the total value of each asset in the latest statement of financial position of the Fund, including but not limited to cash, Shariah-compliant Murabaha transactions, Shariah-compliant money market transactions, tangible assets and market value of real estate assets based on average evaluation of accredited valuers.
<b>Net Asset Value</b>	:	Means the total value of the Fund's assets minus deductions and liabilities including fees and charges.
<b>Offering or Initial Offering</b>	:	Mean the Initial Public Offering of Units in accordance with these Terms and Conditions or any extension period included therein.
<b>Public Unitholder</b>	:	Means any Unitholder who is not one of the following:  (a) any Substantial Unitholder;  (b) the Fund Manager and its affiliates; and  (c) Fund Board members.
<b>Substantial Unitholder</b>	:	Means a person who owns five percent (5%) or more of the Fund Units.
<b>Real Estate Investment Funds Regulations</b>	:	Mean the Real Estate Investment Funds Regulations issued by the CMA Board under Resolution No. 1-193-2006 dated 19/6/1427H (corresponding to 15/7/2006G); amended by the CMA Board Resolution No. 22-22-2021, dated 12/07/1442H (corresponding to 24/02/2021G).
<b>Related Party</b>	:	Means any of the following:  (1) Fund Manager or Fund Sub-manager.  (2) Custodian or Sub-custodian.  (3) Developer and Engineering Office.  (4) Property Manager.  (5) Accredited Valuer.  (6) Auditor.  (7) Fund Board.  (8) Board members, any executive officers or employees with any of the aforementioned related parties.  (9) Any Unitholder who owns more than 5% of the net assets of



		the Fund.  (10) Any person who is affiliate to or controls any of the aforementioned parties.
<b>Retained Income</b>	:	Means income retained in the Fund after distributing not less than 90% of the Fund's annual net profits, not including profits resulting from the resale of the real estate assets and other investments.
<b>Shariah Board</b>	:	Means the Shariah advisory board of the Fund, which shall be comprised of the Shariah Board of Jadwa Investment Company.
<b>Shariah Guidelines</b>	:	Mean the Fund's Shariah Guidelines approved by the Shariah Board of Jadwa Investment Company, upon which the eligibility for investments are determined by the Fund, as set out in Schedule B of these Terms and Conditions.
<b>Saudi Stock Exchange ("Tadawul")</b>	:	Means Tadawul (an affiliate company wholly owned by the Saudi Tadawul Group.) This expression includes, whenever the context permits, any committee, sub-committee, employee, officer, affiliate, or agent who may be currently assigned any of the Tadawul functions. "At Tadawul" means any activity carried out through or by the installations provided by Tadawul.
<b>Depository Center</b>	:	Means the Securities Depository Center (an affiliate company wholly owned by the Saudi Tadawul Group). The principal activities of the Depository Center is to deposit, register ownership of, transfer, settle, and clear securities; record any ownership entries onto the deposited securities. Besides, the Depository Center also offers several added-value services, such as depositing and managing registers of issuers, managing issuers' general assemblies (AGM) including remote voting services (e-Voting), reporting, notifications, and maintenance of critical core data as well as providing other related services as per the Capital Market Law and its Implementing Regulations.
<b>Unit</b>	:	Means Fund Units. They represent the share of any holder into the Fund. Each Unit is as a common interest in the net assets of the Fund.
<b>Unitholder</b>	:	Means a person owning Units in the Fund representing a common interest in the net assets of the Fund.
<b>Insured Party</b>	:	The Fund Manager, or any of its directors, officers, employees, agents, consultants, subsidiaries, related parties, the custodian, each property manager, members of Sharia Board and the Fund's Board of Directors.
<b>Fund's Net Profits</b>	:	Mean the Fund's total revenues including rental revenues of properties alongside profits of other investments, after deduction of the expenses incurred by the Fund.
<b>White Land</b>	:	Means every vacant land allocated for residential, or commercial residential use, located within the urban boundary

		limits in the Kingdom of Saudi Arabia.
<b>Board of Directors</b>	:	The Fund's Board whose members are appointed by the Fund's Manager to supervise the Fund's businesses.
<b>Independent Director</b>	:	<p>Means an independent Fund Board Director who enjoys complete independence By way of example, the following shall constitute an infringement of such independence:</p> <p>1) an independent Director who is not an employee of the Fund Manager or any of its affiliates, or any Sub-Manager or Custodian or Property Manager or any of its affiliates; or have a material business, or contractual relationship with the Fund Manager or any Sub-Manager or Custodian for such Fund.</p> <p>2) he, during the preceding two years, has been a senior executive of the Fund Manager or any of its affiliates.</p> <p>3) he is a first-degree relative of any Board Member or any senior executives of the Fund Manager or of any other company or any of its affiliates.</p> <p>4) holds control over the Fund Manager or any of its affiliates during the preceding two years.</p>
<b>Value Added Tax (VAT)</b>	:	<p>Is an indirect tax imposed on all goods and services purchased and sold by entities with some exceptions. VAT is a primary source of income that contributes to enhancing States' budgets. KSA has adhered to apply VAT by 5% from 01 January 2018 (14 Rabee II, 1439H). VAT has been levied at each stage of supply chain, including production, distribution and final sale of a commodity or service. A consumer shall pay VAT on the purchased goods and services. Entities shall pay to the Government the VAT collected from consumers' purchases. Thereafter, entities recover VAT they have paid to their suppliers. In addition, on May 11, 2020G, the General Authority of Zakat &amp; Tax issued a resolution raising VAT from 5% to 15% as of July 01, 2020G.</p>
<b>Real Estate Disposition Tax</b>	:	<p>Means a tax imposed on all real estate dispositions the State determines, and such includes sale, legacy, finance lease, lease-to-own, and long-term usufruct leases with term exceeding 50 years. Such tax is calculated as mutually agreed between seller and buyer. The real estate disposition tax was applied pursuant to the Royal Order No. (A/84), dated 14/02/1442H effective Sunday 17/02/1442H. Such tax is to be paid before or during transfer of ownership by the seller, and hence sale of real estate properties becomes exempt from VAT.</p>
<b>Mortgage</b>	:	<p>A contract thereunder a debtor (lessee) transfers movable properties (Fund Units) to be possessed by its creditor (the Fund) in order to secure fulfillment of a commercial obligation (the Lease Contract).</p>

<b>Ordinary Fund Resolution</b>	:	Means a resolution requiring the approval of Unitholders whose ownership represents more than 50% of the total Unitholders present at the meeting of the Unitholders, whether they appear in person or by means of a modern technology.
<b>Special Fund Resolution</b>	:	Means a resolution requiring the approval of Unitholders whose ownership represents 75% or more of the total Unitholders present at the meeting of the Unitholders, whether they appear in person or by means of a modern technology.
<b>Listing Rules</b>	:	Mean the Listing Rules approved by the CMA Board Resolution No. 3-123-2017, dated 09/04/1439H (corresponding to 27/12/2017G) amended by the Resolution No. 1-104-2019, dated 01/02/1441H (corresponding to 30/09/2019G), amended by the Resolution No. 1-22-2021, dated 12/07/1442H (corresponding to 24/02/2021G).

### 3) Fund Guide

#### Fund Manager

Jadwa Investment Company  
Sky Towers, 4<sup>th</sup> Floor  
King Fahad Road  
P.O. Box: 60677  
Riyadh: 11555  
Tel: +966 11-279-1111  
Kingdom of Saudi Arabia  
Website: [www.jadwa.com](http://www.jadwa.com)

جدوى للاستثمار  
Jadwa Investment



#### Custodian

Albilad Capital  
Smart Tower, 1<sup>st</sup> Floor  
Intersection of King Fahad Road and Tahlia Road  
P.O. Box: 140  
Tel: 920001002  
Kingdom of Saudi Arabia  
Website: [www.albilad-capital.com](http://www.albilad-capital.com)

البلاد المالية  
Albilad Capital



#### Administrator

Jadwa Investment Company  
Sky Towers, 4<sup>th</sup> Floor  
King Fahad Road  
P.O. Box: 60677  
Riyadh: 11555  
Tel: +966 11-279-1111  
Kingdom of Saudi Arabia  
Website: [www.jadwa.com](http://www.jadwa.com)

جدوى للاستثمار  
Jadwa Investment



#### Sub-Administrator

APEX Fund Services (Dubai) Limited  
Office 101, 1<sup>st</sup> Floor, Gate Village  
Dubai International Financial Centre  
P.O. Box: 506534  
Dubai, United Arab Emirates  
Website: [www.apexfundsolutions.com](http://www.apexfundsolutions.com)



#### Auditor

Alluhaid and Yahya Chartered Accountants  
(ACA)  
187 Abu Bakr Al Siddiq Road  
Al Morsalat District  
Tel: +966 11-488-9639  
P.O. Box: 4304  
Riyadh 7532  
Kingdom of Saudi Arabia  
Website: [www.aca.com.sa](http://www.aca.com.sa)



#### Legal Counsel

Abuhimed Alsheikh Alhagbani  
Law Firm  
(in affiliation with Clifford Chance LLP)  
The Business Gate, 15<sup>th</sup> Floor  
King Khaled International Airport Road  
Tel: +966 11 -481-9700  
Kingdom of Saudi Arabia  
Website: [www.ashlawksa.com](http://www.ashlawksa.com)



**Shariah Board**  
**Shariah Board of Jadwa Investment Company**

Jadwa Investment Company  
Sky Towers, 4<sup>th</sup> Floor  
King Fahad Road  
P.O. Box: 60677  
Riyadh: 11555  
Tel: +966 11-279-1111  
Kingdom of Saudi Arabia  
Website: [www.jadwa.com](http://www.jadwa.com)

جدوى للاستثمار  
Jadwa Investment



**Real Estate Valuers**

White Cubes Company  
Tel: +966 11-810-1765  
Riyadh, Kingdom of Saudi Arabia  
Website: [www.white-cubes.com](http://www.white-cubes.com)



ValuStrat Company  
6<sup>th</sup> Floor, Southern Tower, King Khalid  
Foundation  
Al Faisaliah Complex, King Fahd Road  
Tel: +966 11 -293-5127  
Riyadh, Kingdom of Saudi Arabia  
Website: [www.valustrat.com](http://www.valustrat.com)



**Technical Due Diligence**

ValuStrat Company  
6<sup>th</sup> Floor, Southern Tower, King Khalid  
Foundation  
Al Faisaliah Complex, King Fahd Road  
Tel: +966 11 -293-5127  
Riyadh, Kingdom of Saudi Arabia  
Website: [www.valustrat.com](http://www.valustrat.com)



**Feasibility Study**

Colliers International Company  
Al Faisaliah Tower, 2<sup>nd</sup> Floor  
P.O. Box: 5678  
Riyadh 11432  
Tel: +966 11-237 7775  
Kingdom of Saudi Arabia  
Website: [www.colliers.com](http://www.colliers.com)



**Property Manager (Marvela, Al Fanar and Al-Sulay Warehouse):**

Abdulkadir Al Muhaidib & Sons Co.  
Salman Al Farsi Road  
P.O. Box: 30  
Dammam 31411  
Tel: +966 13-845-5275  
Kingdom of Saudi Arabia  
Website: [www.muhaidib.com](http://www.muhaidib.com)



**Receiving Agents**

**Banque Saudi Fransi**

Ma'ather Road  
P.O. Box 06006  
Riyadh 11004  
Tel: +966 11-289-9999  
Riyadh, Kingdom of Saudi Arabia  
Website: [www.alfransi.com.sa](http://www.alfransi.com.sa)  
E-mail: [communications@alfransi.com.sa](mailto:communications@alfransi.com.sa)



**Al Rajhi Bank**

P.O. Box: 28  
Riyadh 11004  
Tel: +966 -11-211-6000  
Riyadh, Kingdom of Saudi Arabia  
Website: [www.alrajhi.com.sa](http://www.alrajhi.com.sa)  
E-mail: [contactcenter@alrajhi.com.sa](mailto:contactcenter@alrajhi.com.sa)



**National Commercial Bank**

King Abdul Aziz Road  
P.O. Box: 3555  
Jeddah 21481  
Kingdom of Saudi Arabia  
Tel: +966 12-649-3333  
E-mail: [www.alahli.com](http://www.alahli.com)  
E-mail: [contactus@alahli.com](mailto:contactus@alahli.com)



**Riyad Bank**

King Abdul Aziz Road  
P.O. Box. 22622  
Riyadh 11614  
Kingdom of Saudi Arabia  
Tel: +966 11-401-3030  
Website: [www.riyadbank.com](http://www.riyadbank.com)  
E-mail: [customercare@riyadbank.com](mailto:customercare@riyadbank.com)



**Jadwa Investment Company**

Sky Towers, 4<sup>th</sup> Floor

King Fahad Road

P.O. Box: 60677

Riyadh: 11555

Tel: +966 11-279-1111

Kingdom of Saudi Arabia

Website: [www.jadwa.com](http://www.jadwa.com)

جدوى للإستثمار  
Jadwa Investment



#### 4) Summary of Offering

- Name and Type of Fund** : Fund name is “Jadwa REIT Saudi Fund”, a public closed-ended Shariah-compliant real estate investment traded fund established under the laws and regulations of Saudi Arabia and regulated by the CMA.
- Fund Manager** : Jadwa Investment Company, a Saudi Arabian closed joint stock company with commercial registration no. 1010228782, and a Capital Market Institution licensed by the CMA under license no. 06034-37.
- Custodian** : Albilad Capital
- Auditor** : Alluhaid and Yahya Chartered Accountants (ACA)
- Fund Investment Objectives** : The primary investment objective of the Fund is to provide its investors with regular income by investing in income-generating real estate assets in Saudi Arabia, excluding the Holy Cities of Makkah and Medina.
- Initial Offering Period** : Initial Offering Period commences from 16/4/1439H corresponding to 3/1/2018G and ends on 6/5/1439H corresponding to 23/1/2018 G. (Within fifteen working days)
- Fund Size** : Fund Size is SAR 1,580,000,000 divided into 158,000,000 Units.
- Unit Price at the Initial Offering** : SAR 10.
- Minimum Subscription Initial** : 50 units, which is equivalent to SAR 500.
- Maximum Subscription Initial** : 7,884,200 units, which is equivalent to SAR 78,842,000.
- Eligible Investor** : Subject to the Regulation of Ownership and Investment of Real Estate by Non-Saudis, subscription for Units is only made available to:
- (A) Saudi natural persons and GCC nationals.
  - (B) Natural persons residing in Saudi Arabia under Residency ID.
  - (C) Institutions, companies, investment funds, other legal entities and legal persons existing in the Kingdom of Saudi Arabia, eligible foreign investors and GCC investors.
- Fund Currency** : Saudi Riyals (SAR).
- Fund Term** : Ninety-nine (99) years from the Listing Date, which can be renewed for similar term by the Fund Manager’s sole discretion following the approval of the Fund’s Board and CMA.
- Risk Level** : Medium to high. For more information, see Article (10) of the Terms and Conditions.



- Dividend Policy** : The Fund Manager aims to distribute cash dividends, four times a Georgian year, for the period ending in March, June, September and December to the Unitholders of no less than 90% of the Fund's net profits, not including capital profits resulting from the sale of the real estate assets, which may be reinvested for acquiring additional assets or renovating the Fund's existent assets.
- Financing** : The Fund Manager may obtain Shariah-compliant financing on behalf of the Fund. Such obtained finance shall not exceed a ratio of (50%) of the Fund's total asset value as per the latest audited financial statements.
- Shariah Compliance** : The Fund will make its investments in a manner that is compliant with Shariah.
- Valuation Frequency** : A valuation of the Fund's real estate assets shall be performed, every six months, by two independent and licensed valuers by Saudi Authority for Accredited Valuers.
- Zakat** : The Fund Manager shall not be responsible for paying the Zakat on investment units for the investors. Unitholders shall be responsible for paying the Zakat of their own investment units.
- Subscription Fee** : A Subscription Fee up to 2% of the Subscription Cash Amount shall be deducted upon receiving the Subscription Amount and paid to the Fund Manager.
- Management Fees** : The Fund shall pay the Fund Manager an annual management fee equal to 0.75% of the Fund's Net Asset Value.
- Custody Fee** : The Fund shall pay the Custodian an annual fee equal to 0.025% of the Net Asset Value, which is capped for SAR 320,000.
- Administration Fee** : The Fund shall pay the Administrator an annual fee of SAR 129,000 which is subject to 3% annual increase.
- Transaction Fee** : The Fund Manager shall be paid a 0.75% of the purchase or sale price of each real estate asset acquired or sold by the Fund in consideration for the Fund Manager conducting due diligence, negotiating the purchase or sale terms and completing the transaction. The Transaction Fee shall be payable after closing of the purchase or sale transaction of each real estate asset and shall be applied to Fund's Initial Real Estate Assets.
- Transaction Costs** : The Fund shall pay the Fund Manager all transaction costs attributable to the acquisition of real estate assets including the cost of acquisition of any asset including feasibility studies, due diligence, consulting and legal costs, valuation and fees and charges of establishment of special purpose vehicle. such fees and expenses are expected not to exceed 0.50% of the Fund's Net Asset Value per annum. Only actual expenses will be charged and disclosed according to the most recent examined financial statements or audited annual financial statements, whichever is newer.

- Independent Board Fees** : Each member of the Independent Fund Board will be entitled to SAR 5,000 for each meeting attended, with such entitlement to all members being capped to SAR 20,000 per annum payable at the end of each year. The non-independent members of the Fund Board will not receive any remuneration.
- Auditor Fees** : The Fund shall pay the Auditor an annual audit fee of SAR 40,000.
- Property Manager Fee** : Fund shall pay the Property Manager (Abdulkadir Al Muhaidib & Sons Co.) annual fee of SAR 200,000 in consideration of managing the Marvela Residential Compound, Al-Sulay Warehouse, and Al-Fanar Residential and Commercial Compound. Fund shall not bear the property management fees for managing Almaarefa College and Alyaum Newspaper Tower during the lease and operation period stated in section (G).
- Tadawul Registration Fees** : The Fund expects to pay the following Tadawul registration fees:
- SAR 50,000, plus SAR 2 per investor, subject to a maximum of SAR 500,000 shall be paid to Tadawul in return for setting up a register of Unitholders.
  - SAR 400,000 shall be paid to Tadawul in return for managing the register of Unitholders. These fees can vary from time to time depending on the fund's capital value.
- Tadawul Listing Fees** : The Fund expects to pay the following Tadawul registration fee:
- SAR 50,000 as initial listing fees.
  - 0.03% of the market value of the Fund (subject to a minimum of SAR 50,000 and a maximum of SAR 300,000) annually.
- Other Costs** : The Fund will be responsible for all costs and expenses attributable to the activities, investments and disposition of the Fund. Expenses related to third party services such as legal advisory, asset valuation, governmental costs paid to regulators and the CMA, related insurance costs and other professional services in addition to income purifications costs (if any) and all travel and accommodation costs incurred by each independent member of the Board of Directors of the Fund reasonable to attend meetings, which are expected to not exceed an amount of SR 15,000 per year shall also be borne by the Fund. Such fees and expenses are expected not to exceed 0.1% of the Fund's Net Asset Value per annum.

## 5) Name and Type of Fund

The name of the Fund is “Jadwa REIT Saudi Fund”. A public closed-ended real estate investment traded fund established in KSA under Real Estate Investment Regulations.

## 6) Address of the Head Office of the Fund Manager

Address: Jadwa Investment Company  
Sky Towers  
4<sup>th</sup> Floor  
King Fahad Road  
P.O. Box: 60677  
Riyadh: 11555  
Tel: +966 11-279-1111  
Kingdom of Saudi Arabia  
Website: [www.jadwa.com](http://www.jadwa.com)

## 7) Fund Term and Any Extension (if any)

The Fund term is ninety-nine (99) years from the date on which the Units are listed on the Tadawul. The Fund Term is renewable for a similar term in the sole discretion of the Fund Manager with the approval of the Fund Board and CMA.

## 8) Description of the Fund’s Purpose, Investment Objectives, and Dividend Distribution Policy to Unitholders

### A) Fund Objectives

- 1- The Fund intends to invest 75% at least of the total value of the Fund’s assets in rental and periodic income-generating structurally developed real estate assets according to the latest audited financial statements.
- 2- The Fund will invest in all cities of KSA, except for the Holy Cities of Makkah and Medina, and in various real estate sectors. Assets acquisition will be financed from the Fund Capital. The Fund’s initial real estate assets are located in Riyadh and the Eastern Province. The Fund may invest outside KSA at no more than 25% of the Fund’s total assets according to the latest audited financial statements.
- 3- All the Fund’s investments will be compliant with Shariah Guidelines.
- 4- The Fund aims to distribute cash dividends four times a Georgian year, for the period ending in March, June, September and December to the Unitholders of no less than 90% of the Fund’s net profits, not including capital profits resulting from the sale of the real estate assets, which may be reinvested for acquiring additional assets or renovating the Fund’s existent assets. The Fund may invest in real-estate development projects at no more than 25% of the Fund’s total assets in order to increase rental returns or achieve capital returns on sale. The Fund will

not invest in white lands.

## B) Dividend Distribution Policy to Unitholders

### 9) Summary of Fund Strategies

#### A) Fields of Investment of the Fund

The table below explains the investment constraints and the minimum and maximum limits of each investment percentage:

Investment Type	Minimum	Maximum		
Periodic income-generating structurally developed real estate assets	75%	100%		
Developing assets	0%	25%		
Investing outside KSA				
Lease hold assets				
Cash				
Money Market Funds publicly offered and licensed by the CMA, managed by Fund Manager or any other Licensed Person, where investment shall be under the Terms and Conditions of these Funds.				
Islamic deposit transactions with local and Gulf banks with a credit rating of at least (Baa3) issued by Moody's. The lowest rating for Fitch and Standard & Poor's Ratings is only BBB.				
Units in CMA real estate licensed investment funds managed by Fund Manager or any other Licensed Person, where investment shall be under the Terms and Conditions of these Funds which are Shariah compliant, and Shariah compliant real estate companies' shares listed in Tadawul (except companies and funds that invest in Makkah and Madinah).				
Debt instruments, traded, publicly offered and licensed by the CMA.				
Assets in Makkah & Madinah			The Fund will not invest in these two cities	
Invest in white lands			The Fund will not invest in white lands	

### 1. Active Management

The Fund shall rely on Jadwa Investment Company's investment team and external advisors and consultants to regularly assess the most attractive sectors in the real estate market. The assets of the Fund shall be managed by an experienced team of professionals specialized in real estate investments. The team shall continuously examine the real estate cycles, market fundamentals and sector characteristics to capitalize on real estate market opportunities and sustain the Fund's long-term goals.

## 2. Investment Decision Making Process

### **Investment Decisions:**

The Fund Manager shall study all the investment decisions affecting the Unitholders and Unit value related to the Fund. In such scenario, each property is individually and separately examined taking into account studying the location attractiveness, competitive advantages, secondary market liquidity, vacancy ratios, expected macro trends, and other factors to reach a decision on each asset. The Fund Manager shall also evaluate the value added to the Fund upon acquiring any new additional assets. As part of its investment decision making process, the Fund Manager may rely on third party advisors, if needed.

### **Steps for Taking Investment Decisions:**

1. Performing an assessment by real estate fund management team of the offered opportunity to ensure that it is in accordance with the Fund objectives.
2. Appointing two independent licensed valuers from the Saudi Authority for Accredited Valuers (TAQEEM) to evaluate the property.
3. Appointing a technical valuer to conduct a proper technical inspection to ensure that the property is free from any defects.
4. Obtaining the approval of the Fund's Board of the property to be acquired.
5. Providing the owner of the asset with a purchase offer, after obtaining the Fund Board's approval.
6. Informing CMA and Unitholders if the property to be acquired is equal to or greater than 10% of the Fund's total assets value in accordance with the latest reviewed interim financial statements or audited annual financial statements, whichever is more recent.
7. Obtaining CMA and Unitholders' approval in case the acquisition was through increasing the Fund capital.
8. Transferring ownership of the acquired assets under the SPV established by the Fund Custodian.

### **Exit Policy:**

The main objective of the Fund is to provide the Unitholders with annual periodic income from the revenue of the Fund's real estates. This would require retention of asset ownership of constructional developed real estates and generation of a periodic rental income for a period of time. The Fund Manager will continuously monitor the market in order to seize opportunities to exit from one or more of its investments on favorable terms achieving the best interest of the Fund.

The reasons for the exit include but are not limited to: (a) Restructuring the Fund's real estate assets to include new properties that increase the efficiency of the Fund's income and commensurate with the description of real estate assets in which the Fund will invest. (b) Changes in the characteristics of the existing real estate assets, e.g. the geographical location of the property and the significant and continuous decline in its revenue.

The Fund shall, generally, retain its real estate assets for a long-term. However, the

Fund Manager will value each of the Fund’s property on a periodic basis and propose specific strategies for it. Such proposals shall include decisions of selling the property after obtaining the approval of the Fund’s Board, if it appears that such decisions are in favor of the Fund and the Unitholders, and such decisions shall be taken without referring to the Unitholders. The Fund Manager shall have any real estate, which is proposed to be sold, valued by two independent valuers licensed by the Saudi Authority for Accredited Valuers. In addition, the Fund Manager shall make endeavors so that the sale price is not less than the average valuation price of the property. Furthermore, the Fund Manager shall make endeavors to buy another real estate commensurate with the Fund’s strategies in order to achieve its objectives, within six months as of the property’s sale such that the price of the bought property shall not be more than the highest valuation price of the two licensed valuers.

## B) Description of the Sectors in which the Fund shall Invest

Jadwa REIT Saudi Fund consists of an investment portfolio distributed between Riyadh and the Eastern Provinces, covering various real estate sectors. The Fund’s initial portfolio includes four different real estate sectors (residential, commercial, warehouse, and educational).

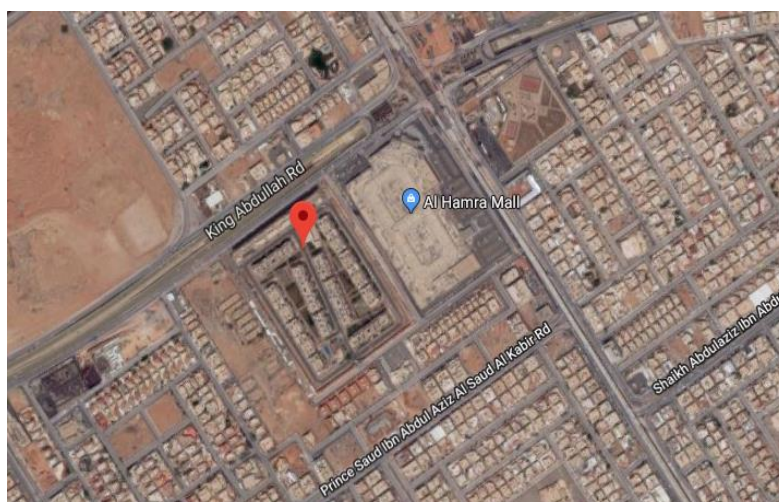
## C) Real Estate Assets to be acquired by the Fund

Below are details of the initial real estate properties to be acquired by the Fund:

Property Name	Property Type	City	Ownership/ Utilization	Development Status	Purchase Value (SAR)	Net Annual Rent	Total Returns Percentage
<b>Marvela Residential Compound</b>	Residential	Riyadh	Owned	Developed	606,000,000	50,000,000	8.25%
<b>Almaarefa College</b>	Educational	Riyadh	Owned	Developed	200,000,000	16,000,000	8.0%
<b>Al-Sulay Warehouse</b>	Logistics	Riyadh	Owned	Developed	221,680,000	20,000,000	9.02%
<b>Alyaum Newspaper Tower</b>	Offices	Dammam	Owned	Developed	275,000,000	23,833,200	8.67%
<b>Al Fanar Residential &amp; Commercial Compound</b>	Mixed-use	Al Khobar	Owned	Developed	243,940,000	20,125,000	8.25%
<b>Total (SAR)</b>					1,546,620,000	129,958,200	8.4%

## D) Information Table of Each Asset

### 1. First Property: Marvela Residential Compound



Map (1): Location of Marvela Residential Compound

Main Points		Marvela Residential Compound
<b>Property Brief</b>		Commercial and residential complex offering apartments, shops and service blocks.
<b>Usage</b>		Residential, commercial and service blocks.
<b>Location</b>		Riyadh City, King Faisal District (24°46'24.65"N 46°46'26.55"E)
<b>Land Area</b>		73,198.17 m <sup>2</sup>
<b>Built Up Area</b>		158,738.99 m <sup>2</sup>
<b>Unit Type</b>		Residential apartments and commercial shops
<b>Number of Units</b>		594 residential apartments and 21 commercial shops
<b>Number of floors</b>		6 floors
<b>Age of the Building</b>		One year from the issuance of the building's construction completion certificate (dated 25/10/1438H)
<b>Occupancy</b>		100%
<b>Date of Operation</b>		Leasing commenced in January 2017, and it's expected that the assets will yield combined annual revenue of approximately SAR 55,000,000 for the offered residential and commercial units.
<b>Total Acquisition Value</b>		SAR 606,000,000
<b>Current Property Owner</b>		The Property is pledged to Banque Saudi Fransi, registered under Sakan Finance Real Estate Company for the benefit of Al Atheer Real Estate Development Company* that is jointly owned by Abdulkadir Al Muhaidib (70% ownership) and Rafal Development Real Estate Company with a percentage (30% ownership). the asset is now unpledged and is owned by the fund.
Management & Leasing Contract Details		
<b>Property Manager</b>		Abdulkadir Al Muhaidib & Sons Co.
<b>Description of the management and</b>	<b>the and</b>	The agreement assigns the property leasing, marketing, management, operation and supervision of maintaining obligations

**leasing agreement** to the Property Manager. Under the terms of this agreement, the property manager guarantees the Fund net effective revenue of SAR 50,000,000 annually. Should the property manager fail to collect the agreed net effective revenue, it shall lease the asset's vacant units to compensate the Fund for any shortfall. Furthermore, any excess of rent above the net effective revenue shall be retained by the Property Manager. The Fund shall pay the property manager a fixed annual management fee of SAR 50,000 in exchange for carrying out the agreed tasks.

**Contract Commencement Date** The Contract shall be effective from the date of ownership transfer from its current owner to the Fund.

A contract will be signed between the Fund and Abdulkadir Al-Muhaidib & Sons Co., which shall be effective from the date of ownership transfer to the Fund, according to the following conditions:

**Lease Term** Five (5) Georgian years, covering the management agreement and the net effective revenue, renewed automatically. Should either party wish to terminate this contract, upon the completion of the initial period (5 years), this will subject to a six-month notice.

**Property Lease Date** Actual property leasing commenced on January 2017.

	2018	2019	2020	2021	2022
<b>Net Revenue** (Inclusive of Residential and Commercial Units)</b>	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000

**Property Net Return** 8.25% 8.25% 8.25% 8.25% 8.25%

**Revenue Payment Method** The annual net effective revenue is paid quarterly at the end of the third month, the sixth month, the ninth month and the twelfth month (i.e., 31/3, 30/6, 30/9 and 31/12) of each calendar rental year.

**Guarantees provided by the Property Manager** The Property Manager shall guarantee the payment of any shortage in the net effective revenue of the Property, if it is less than the agreed amount of SAR 50,000,000. The Property Manager will also provide a promissory note or bank guarantee after transferring the property to the Fund in order to guarantee the net effective revenue, which shall be renewed annually throughout the lease terms. Any excess of rent above the net effective revenue shall be retained by the Property Manager.

**Contract Termination Conditions** With no indemnification, the Owner is entitled to terminate the Contract in any of the following circumstances:

- 1) If the ownership of the Property is transferred.
- 2) If the Second Party fails to comply with its obligations or acknowledgments set out in the Contract (Including delay by the Property Manager in providing promissory note or bank guarantee).
- 3) If the Property Manager enters into any liquidation or bankruptcy, or if a liquidator or receiver is appointed, or if



a third party petitions that the Property Manager's funds and property be liquidated, declared bankrupt, or confiscated.

### **Acknowledgments by the Fund Manager**

- The Fund Manager acknowledges that there is a direct conflict of interest with the Property Manager / Tenant of Real Estate Assets, whose revenues constitute 10% or more of the Fund's annual rental income: The management and lease agreement with Abdulkadir Al-Muhaidib & Sons is a contract with a related party, Al-Muhaidib and Sons that owns 36.6% of the Fund's units (19.2%) directly through the direct ownership of Abdulkadir Al-Muhaidib and Sons in the Fund, indirectly through their ownership of 70% of Al-Atheer Real Estate Development Company, representing 17.4% of the fund units).
- The Fund Manager acknowledges that there is a direct conflict of interest with the owner of the property associated with the Fund: Al Atheer Real Estate Development Company owns 24.93% of the Fund's units.
- The Fund Manager acknowledges that there is no conflict of interest directly or indirectly with the Fund Manager.
- The Fund Manager also acknowledges that the property is free of any irregularities that prevent or may result in non-utilization of the building or operation, or may result in costly repairs and major changes.

\* Refer to Schedule (B).

\*\*Net operating value collected from all lessees in every operating year after deducting all operating costs, operating fees and taxes including VAT and any other fees or amounts that may affect calculation of the net effective revenue. In addition, the agreed net operating revenue is SAR 50,000,000 payable in every operating year for five years.

## 2. Second Property: Almaarefa College



Map (2): Location of Almaarefa College

Main Points		Almaarefa College
<b>Property Brief</b>		College building operated by Almaarefa College, including three colleges (College of Medicine, College of Pharmacy, and College of Applied Sciences). Total capacity of each college is one thousand students, i.e. 3,000 students in all colleges.
<b>Usage</b>		Educational Facility
<b>Location</b>		Al Dir'iyah, Riyadh Province, Khalidiya District (24°45'28.03"N 46°34'46.28"E)
<b>Land Area</b>		18,117.22 m <sup>2</sup>
<b>Built Up Area</b>		41,830 m <sup>2</sup>
<b>Number of Floors</b>		Two ground floors and four upper levels
<b>Number of Lessees</b>		The entire building is leased to a single tenant.
<b>Lease Brief</b>		The entire building will be leased by Almaarefa College for Science & Technology for twenty (20) calendar years renewable for a period of five calendar years. Lease term commence from the date of ownership transfer from its current owner to the Fund. Rent is subject to 3% rental escalation every three years and up to year ten (in the fourth, seventh and tenth years) and rent shall be fixed thereafter.
<b>Age of the Building</b>		Nine years from the operation date
<b>Occupancy</b>		100%
<b>Date of Operation</b>		The Building has been operated on 18/10/1430H.
<b>Total Acquisition Value</b>		SAR 200,000,000
<b>Current Property Owner</b>		The Property is pledged to the Ministry of Finance, on behalf of Dr. Zaid bin Mohammed Al Zamil. the asset is now unpledged and is owned by the fund.
		Lease Contract Details
<b>Lessee</b>		Almaarefa College for Science & Technology*
<b>Property Manager</b>		There is no Property Manager (duties of the Lessee)
<b>Lease Commencement Date</b>		The Contract shall be effective from the date of ownership transfer from its current owner to the Fund.
<b>Lease Term</b>		Twenty (20) calendar years renewable for a period of five calendar years.

**Property Lease Date**

The Building has not been leased since its construction completion, as the property owner was the beneficiary of the same.

	2018	2019	2020	2021	2022
<b>Net Effective Rent</b>	16,000,000	16,000,000	16,000,000	16,480,000	16,480,000
<b>Property Net Return</b>	8.0%	8.0%	8.0%	8.24%	8.24%

**Rent Payment Method**

The net effective rent is paid quarterly at the end of the third month, the sixth month, the ninth month and the twelfth month (i.e., 31/3, 30/6, 30/9 and 31/12) of each Georgian rental year.

**Lessee Guarantees**

First: assignment of dividends proceeds of all units owned by Almaarefa College for Science & Technology in the Fund (annual dividends of the owned units) for the Fund (Jadwa REIT Saudi Fund);  
and second: pledging 40% of the units owned by Almaarefa College for Science & Technology in the Fund at time of offering, composing 4.8 million units (equivalent to SAR 48,000,000 on the basis that the price per Unit is SAR 10), for four years from the date of title transfer to the Fund.

**Contract Termination Conditions**

The Lessor may terminate the Contract in the following cases:  
 1) Failure to pay the rent for 60 days from its due date;  
 2) Failure of the Lessee to comply with any of the terms of the contract; and  
 3) If the Lessee takes any liquidation or bankruptcy procedures.

**Acknowledgments by the Fund Manager**

- The Fund Manager acknowledges that there is a direct conflict of interest related to the Fund with the Property owner: Dr. Zaid bin Mohammed Al Zamil has agreed to transfer all of his units and rights in the Fund to Almaarefa College for Science & Technology in which he owns 66.2% of its total shares.
- • The Fund Manager acknowledges that there is direct conflict of interest with the Tenant of Real Estate Assets, whose revenues constitute 10% or more of the Fund's annual rental income: the lease agreement entered into with Almaarefa College for Science & Technology is a contract with a related party as Almaarefa College for Science & Technology owns 7.59% of the Fund's units after Dr. Zaid bin Mohammed Al Zamil has transferred all of his units and rights in the Fund to Almaarefa College for Science & Technology.
- The Fund Manager acknowledges that there is no conflict of interest directly or indirectly with the Fund Manager.
- The Fund Manager also acknowledges that the property is free of any irregularities that prevent or may result in non-utilization of the building or operation, or may result in costly repairs and major changes.

\* Refer to Schedule (B).

### 3. Third Property: Al-Sulay Warehouse



Map (3): Location of Al-Sulay warehouse

Main Points	Al-Sulay Warehouse
<b>Property Brief</b>	A complex of 3 warehouses, offices and showroom, which forms part of Al-Muhaidib Warehouses Complex, located in Al-Sulay area in Riyadh.
<b>Usage</b>	Warehouses, offices and shops
<b>Location</b>	Riyadh City, Al-Sulay District (24°36'58.12"N 46°50'20.40"E)
<b>Land Area</b>	218,925 m <sup>2</sup>
<b>Built Up Area</b>	143,400 m <sup>2</sup>
<b>Unit Type</b>	Warehouse (rental area: 127,012 m <sup>2</sup> ), offices (rental area: 2,400 m <sup>2</sup> ) and shops (rental area: 900 m <sup>2</sup> ).
<b>Number of Units</b>	50 units with a total rental area of 130,312 m <sup>2</sup>
<b>Number of Floors</b>	3 floors
<b>Age of the Building</b>	First Warehouse: 8 years from the operation date Second Warehouse: 4 years from the operation date Third Warehouse: Three years from the operation date
<b>Occupancy</b>	100%
<b>Operational Date of the Building</b>	First Warehouse: December 2009 Second Warehouse: November 2013 Third Warehouse: November 2014
<b>Total Acquisition Value</b>	SAR 221,680,000
<b>Current Property Owner</b>	The Property is currently owned by Abdulkadir Al Muhaidib & Sons Co*. the asset is owned by the fund now.

#### Management & Leasing Contract Details

<b>Property Manager</b>	Abdulkadir Al Muhaidib & Sons Co.  The agreement assigns the property leasing, marketing, management, operation, and supervision of maintaining obligations to the Property Manager. Under the terms of this agreement, the property manager guarantees the Fund net effective revenue of SAR 20,000,000 annually. Should the property manager fail to collect the agreed net effective revenue; it shall lease the asset's vacant units to compensate the Fund for any shortfall. Furthermore, any excess of rent above the net effective revenue shall be retained by the Property Manager.
<b>Description of the management and leasing agreement</b>	

The Fund shall pay the property manager a fixed annual management fee of SAR 50,000 in exchange for carrying out the agreed tasks.

**Lease Commencement Date** The Contract shall be effective from the date of ownership transfer from its current owner to the Fund.

A contract will be signed between the Fund and Abdulkadir Al-Muhaidib & Sons Co., which shall be effective from the date of ownership transfer to the Fund, according to the following conditions:

**Lease Term**

Five (5) Georgian years, covering the management agreement and the net effective revenue, renewed automatically. Should either party wish to terminate this contract, upon the completion of the initial period (5 years), this will subject to a six-month notice.

**Property Lease Date** Rental value of the last 3 years is shown below (considering that a warehouse was leased by mid-2015)  
**2015:** 2015: SAR 11,167,900 (number of tenants: 9 tenants).  
**2016:** 2016: SAR 19,420,070 (number of tenants: 9 tenants)  
**2017:** 2017: SAR 20,628,340 (number of tenants: 9 tenants)

	2018	2019	2020	2021	2022
<b>Net Effective Revenue**</b>	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000

<b>Property Net Return</b>	9.02%	9.02%	9.02%	9.02%	9.02%
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**Revenue Payment Method** The annual net effective revenue is paid quarterly at the end of the third month, the sixth month, the ninth month and the twelfth month (i.e., 31/3, 30/6, 30/9 and 31/12) of each calendar rental year.

**Guarantees provided by the Property Manager** The Property Manager shall guarantee the payment of any shortage in the net effective revenue of the Property, if it is less than the agreed amount of SAR 20,000,000. The Property Manager will also provide a promissory note or bank guarantee after transferring the property to the Fund in order to guarantee the net effective revenue, which shall be renewed annually throughout the lease terms. Any excess of rent above the net effective revenue shall be retained by the Property Manager.

**Contract Termination Conditions** With no indemnification, the Owner is entitled to terminate the Contract in any of the following circumstances:

- 1) If the ownership of the Property is transferred.
- 2) If the Second Party fails to comply with its obligations or acknowledgments set out in the Contract (Including delay by the Property Manager in providing promissory note or bank guarantee).
- 3) If the Property Manager enters into any liquidation or bankruptcy, or if a liquidator or receiver is appointed, or if a third party petitions that the Property Manager's

funds and property be liquidated, declared bankrupt, or confiscated.

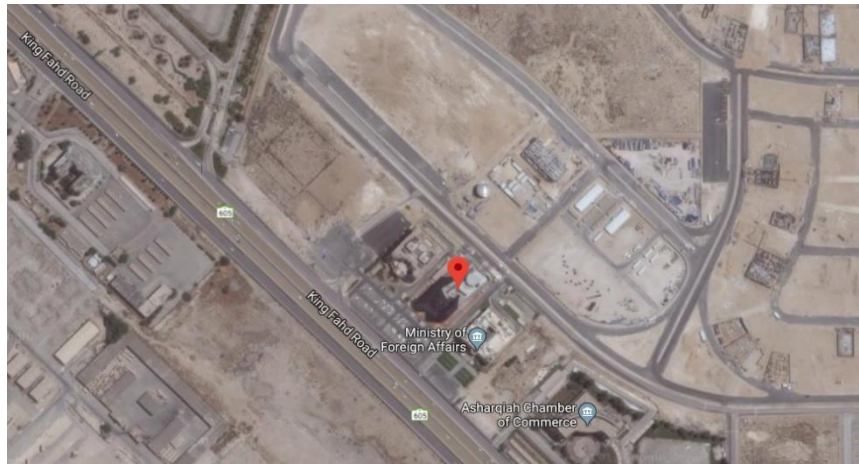
### **Acknowledgments by the Fund Manager**

- The Fund Manager acknowledges that there is a direct conflict of interest with the Property Manager / Tenant of Real Estate Assets, whose revenues constitute 10% or more of the Fund's annual rental income: the management and lease agreement with Abdulkadir Al-Muhaidib & Sons is a contract with a related party, Al-Muhaidib and Sons owns 36.6% of the Fund's units (19.2%) directly through the direct ownership of Abdulkadir Al-Muhaidib and Sons in the Fund, indirectly through their ownership of 70% of Al-Atheer Real Estate Development Company, representing 17.4% of the fund units).
- The Fund Manager acknowledges that there is no conflict of interest directly or indirectly with the Fund Manager.
- The Fund Manager also acknowledges that the property is free of any irregularities that prevent or may result in non-utilization of the building or operation, or may result in costly repairs and major changes.

\* Refer to Schedule (B).

\*\*Net effective revenue: It is the net operating value collected from all lessees in every operating year after deducting all operating costs, operating fees and taxes including VAT and any other fees or amounts that may affect calculation of the net effective revenue. In addition, the agreed net operating revenue is SAR 20,000,000 payable in every operating year for five years.

#### 4. Fourth Property: Alyaum Tower



Map (4): Location of Alyaum Tower

<b>Main Points</b>	Alyaum Tower
<b>Property Brief</b>	An office tower consisting of ground floor, three parking floors, and 17 typical office floors.
<b>Usage</b>	Office building
<b>Location</b>	Dammam City, Al Hussam District (26°22'44.12"N 50°10'15.14"E)
<b>Land Area</b>	4,800 m <sup>2</sup>
<b>Built Up Area</b>	39,242.04 m <sup>2</sup>
<b>Number of Floors</b>	21 floors
<b>Number of Lessees</b>	The entire building is leased to a single tenant.
<b>Lease Brief</b>	The entire building is leased by Worleyparsons Engineering Consultancies Co. Lease date started on 1/10/2016 and continues for seven years. Annual rental value is SAR 23,833,200 for the first three years, paid quarterly. The rent is subject to 6% rental escalation every three years.
<b>Age of the Building</b>	2 Years from the issuance of the power connection certificate issued on (2/11/1436H).
<b>Occupancy</b>	100%
<b>Date of Operation</b>	On 6/12/2015, a master lease agreement was signed with single tenant. The Building will be handed over to the Lessee on 01/01/2016.
<b>Total Acquisition Value</b>	SAR 275,000,000
<b>Current Property Owner</b>	The Property is currently owned by Dar Al Yaum for Press Printing & Publishing*. the asset is now owned by the fund.
<b>Lease Contract Details</b>	
<b>Lessee</b>	Worleyparsons Engineering Consultancies Co.
<b>Property Manager</b>	There is no Property Manager (duties of the Lessee).
<b>Lease Commencement Date</b>	The existing agreement will be transferred to the Fund on the date of ownership transfer to the Fund.

<b>Lease Term</b>	Seven years				
<b>Property Lease Date</b>	On 6/12/2015, a master lease agreement was signed with single tenant The building was handed over to the Lessee on 1/1/2016, for an annual rent of SAR 23,833,200 fixed for the first three years.				
	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Annual Rent</b>	23,833,200	24,190,698	25,263,192	25,263,192	25,263,192
<b>Property Net Return</b>	8.67%	8.80%	9.19%	9.19%	9.19%
<b>Rent Payment Method</b>	After the first rent year, the rent is paid quarterly in advance, at the beginning of the first month, the fourth month, the seventh month and the tenth month (i.e., 1/1, 1/4, 1/7 and 1/10) of each Georgian rental year.				
<b>Seller Guarantees</b>	Pledging 57.7% of the units owned by Dar Al Yaum for Press Printing & Publishing in the Fund at time of offering, composing 11.5 million units (equivalent to SAR 115,000,000 on the basis that the price per Unit is SAR 10), for five years from the date of title transfer to the Fund.				
<b>Contract Termination Conditions</b>	The Lessor may terminate the Contract if rent is not paid for 30 days from the date it becomes due, or if the Lessee fails to comply with any conditions of the Contract, or if the Lessee takes any liquidation or bankruptcy proceedings.				

#### **Acknowledgments by the Fund Manager**

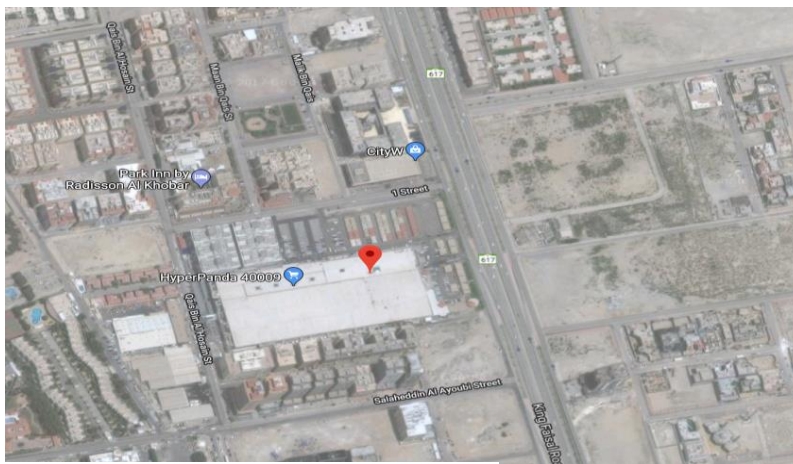
- The Fund Manager acknowledges that there is a direct conflict of interest related to the Fund with the Property owner: Dar Al Yaum for Press Printing & Publishing owns 12.66% of the Fund's units.
- The Fund Manager acknowledges that there is no conflict of interest directly or indirectly with the following parties:
  - Fund Manager;
  - Tenant of Real Estate Assets, whose revenues constitute 10% or more of the Fund's annual rental income;
- The Fund Manager also acknowledges that the property is free of any irregularities that prevent or may result in non-utilization of the building or operation, or may result in costly repairs and major changes.

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\* Refer to Schedule (B).



## 5. Al Fanar Residential & Commercial Compound



Map (5): Location of Al Fanar Compound

<b>Main Points</b>	<b>Al Fanar Residential &amp; Commercial Compound</b>
<b>Property Brief</b>	Commercial and residential complex offering several residential buildings, two commercial buildings offering offices and retail shops.
<b>Usage</b>	Residential and Commercial
<b>Location</b>	Al-Khobar City, Al Rawabi District (26°19'41.47"N 50°12'46.34"E)
<b>Land Area</b>	62,462 m <sup>2</sup>
<b>Built Up Area</b>	44,988.91 m <sup>2</sup>
<b>Unit Type</b>	Apartments, shops and offices
<b>Number of Units</b>	152 units in addition to a commercial retail offering 24,342 m <sup>2</sup> of leasable area
<b>Number of Floors</b>	6 floors
<b>Age of the Building</b>	Residential: One year from the issuance of the power connection certificate issued on (8/11/1437H). Commercial: Nineteen years from the operation date (November 1998G)
<b>Occupancy</b>	100%
<b>Operational Date of the Building</b>	Residential: March 2017G Commercial: November 1998G
<b>Total Acquisition Value</b>	SAR 243,940,000
<b>Current Property Owner</b>	The Property is currently owned by Abdulkadir Al Muhaidib & Sons Co*. the asset is now owned by the fund.
<b>Management &amp; Leasing Contract Details</b>	
<b>Property Manager</b>	Abdulkadir Al Muhaidib & Sons Co.
<b>Description of the management and leasing agreement</b>	Al Fanar Residential - The agreement assigns the property leasing, marketing, management, operation, and supervision of maintaining obligations to the Property Manager. Under the terms of this agreement, the property manager guarantees the Fund net effective revenue of SAR 7,500,000 annually. Should the property manager fail to collect the agreed net effective revenue; it shall lease the asset's vacant units to compensate the Fund for any shortfall. Furthermore, any

excess of rent above the net effective revenue shall be retained by the Property Manager. The Fund shall pay the property manager a fixed annual management fee of SAR 50,000 in exchange for carrying out the agreed tasks.

Al Fanar Commercial- The agreement assigns the property leasing, marketing, management, operation, and supervision of maintaining obligations to the Property Manager. Under the terms of this agreement, the property manager guarantees the Fund net effective revenue of SAR 12,625,000 annually. Should the property manager fail to collect the agreed net effective revenue; it shall lease the asset's vacant units to compensate the Fund for any shortfall. Furthermore, any excess of rent above the net effective revenue shall be retained by the Property Manager. The Fund shall pay the property manager a fixed annual management fee of SAR 50,000 in exchange for carrying out the agreed tasks.

**Lease Commencement Date** The Contract shall be effective from the date of ownership transfer from its current owner to the Fund.

A contract will be signed between the Fund and Abdulkadir Al- Muhaidib & Sons Co., which shall be effective from the date of ownership transfer to the Fund, according to the following conditions:

**Lease Term**

Al Fanar Residential- Eight (8) Georgian years covering the management agreement and the net effective revenue, renewed automatically. Should either party wish to terminate this contract, upon the completion of the initial period (8 years), this will subject to a six-month notice

Al Fanar Commercial - Five (5) Georgian years, covering the management agreement and the net effective revenue, renewed automatically. Should either party wish to terminate this contract, upon the completion of the initial period (5 years), this will subject to a six-month notice.

**Property Lease Date**

Residential Element: Actual leasing commenced on March 2017 ‘The total annual revenue is expected to reach SAR 8,500,000.

Commercial Part: The average rental value for the last three years is as follows:

2015: SAR 15,511,632 (number of tenants: 121 tenant)

2016: SAR 16,177,704 (number of tenants 126 tenant)

2017: SAR 16,488,618 (number of tenants 108 tenant)

The total rental value of the entire Property based on the average of the last three years (SAR 16,059,318) in addition to the expected income generated from the new Residential element (SAR 8,500,000) shall be SAR 24,559,318 per annum.

	2018	2019	2020	2021	2022
<b>Net Effective Revenue** (Inclusive of Residential and Commercial Units)</b>	20,125,000	20,125,000	20,125,000	20,125,000	20,125,000
<b>Property Net Return</b>	8.25%	8.25%	8.25%	8.25%	8.25%

<b>Revenue Payment Method</b>	The annual net effective revenue is paid quarterly at the end of the third month, the sixth month, the ninth month and the twelfth month (i.e., 31/3, 30/6, 30/9 and 31/12) of each calendar rental year.
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<b>Guarantees provided by the Property Manager</b>	The Property Manager shall guarantee the payment of any shortage in the net effective revenue of the Property, if it is less than the agreed amount of SAR 20,125,000. The Property Manager will also provide a promissory note or bank guarantee after transferring the property to the Fund in order to guarantee the net effective revenue, which shall be renewed annually throughout the lease terms. Any excess of rent above the net effective revenue shall be retained by the Property Manager.
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<b>Contract Termination Conditions</b>	<p>With no indemnification, the Owner is entitled to terminate the Contract in any of the following circumstances:</p> <ol style="list-style-type: none"> <li>1) If the ownership of the Property is transferred.</li> <li>2) If the Second Party fails to comply with its obligations or acknowledgments set out in the Contract (Including delay by the Property Manager in providing promissory note or bank guarantee).</li> <li>3) If the Property Manager enters into any liquidation or bankruptcy, or if a liquidator or receiver is appointed, or if a third party petitions that the Property Manager's funds and property be liquidated, declared bankrupt, or confiscated.</li> </ol>
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**Acknowledgments by the Fund Manager**

- The Fund Manager acknowledges that there is a direct conflict of interest with the Property Manager / Tenant of Real Estate Assets, whose revenues constitute 10% or more of the Fund's annual rental income: the management and lease agreement with Abdulkadir Al-Muhaidib & Sons is a contract with a related party, Al-Muhaidib and Sons owns 36.6% of the Fund's units (19.2%) directly through the direct ownership of Abdulkadir Al-Muhaidib and Sons in the Fund, indirectly through their ownership of 70% of Al-Atheer Real Estate Development Company, representing 17.4% of the Fund units).
- The Fund Manager acknowledges that there is no conflict of interest directly or indirectly with the Fund Manager.
- The Fund Manager also acknowledges that the property is free of any irregularities that prevent or may result in non-utilization of the building or operation, or may result in costly repairs and major changes.

\* Refer to Schedule (B).

\*\*Net effective revenue: It is the net operating value collected from all lessees in every operating year after deducting all operating costs, operating fees and taxes including VAT and any other fees or amounts that may affect calculation of the net effective revenue. In addition, the agreed net operating revenue is SAR 20,125,000 payable in every operating year for five years.

## **E) Investment Concentration Policies**

The Fund will mainly target locations within the Kingdom of Saudi Arabia's various cities, except for Makkah and Medina, which are expected to provide attractive return and investment value appreciation. These areas encompass positive demographic characteristics, strong growth in business activities, positive inflow of investment, favorable supply/demand dynamic and newly added infrastructure. In order to diversify investments, the Fund may invest up to 25% of its total asset value in real estate development. In addition, the Fund may invest up to 25% of its total asset value, according to the latest audited financial statements in real estate properties located outside the Kingdom. There are no concentration or diversification restrictions on real estate asset(s) or specific geographical area or the proportion of such concentration/diversification of the Fund as a whole. Besides, the Fund may invest in money market funds publicly offered and licensed by the CMA and managed by Fund Manager or any other Authorized Person, where investment shall be under the Terms and Conditions of these Funds. Further, the Fund may invest in units in CMA real estate licensed investment funds managed by Fund Manager or any other Licensed Person, where investment shall be under the Terms and Conditions of these Funds which are Shariah compliant, and Shariah compliant real estate companies' shares listed in Tadawul (except for companies and funds that invest in Makkah and Madinah).

## F) Previous and Target Lease Revenues for each Property/Utilization

Property Name	2018	2019	2020	2021	2022
Marvela Residential Compound					
<b>Net Rental Return (SAR)</b>	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000
<b>Percentage (Annual rent / total rents for the same year)</b>	38.5%	38.4%	38.1%	37.9%	37.8%
Almaarefa College					
<b>Net Rental Return (SAR)</b>	16,000,000	16,000,000	16,000,000	16,480,000	16,480,000
<b>Percentage (Annual rent / total rents for the same year)</b>	12.3%	12.3%	12.2%	12.5%	12.5%
Al-Sulay Warehouse					
<b>Net Rental Return (SAR)</b>	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
<b>Percentage (Annual rent / total rents for the same year)</b>	15.4%	15.3%	15.2%	15.2%	15.1%
Alyaum Newspaper Tower					
<b>Net Rental Return (SAR)</b>	23,833,200	24,190,698	25,263,192	25,263,192	25,642,140
<b>Percentage (Annual rent / total rents for the same year)</b>	18.3%	18.6%	19.2%	19.2%	19.4%
Al Fanar Residential & Commercial Compound					
<b>Net Rental Return (SAR)</b>	20,125,000	20,125,000	20,125,000	20,125,000	20,125,000
<b>Percentage (Annual rent / total rents for the same year)</b>	15.5%	15.4%	15.3%	15.3%	15.2%
<b>Total value of acquired assets (Inclusive of brokerage fees)</b>	<b>SAR 1,548,620,000</b>				
<b>Total net rental value of acquired assets (SAR)</b>	129,958,200	130,315,698	131,388,192	131,868,192	132,247,140
<b>Targeted total return on initial assets*</b>	<b>8.39%</b>	<b>8.41%</b>	<b>8.48%</b>	<b>8.52%</b>	<b>8.54%</b>
<b>Fund Size (SAR)</b>	1,580,000,000				
<b>Targeted total return on Fund*</b>	8.23%	8.25%	8.32%	8.35%	8.37%
<b>Targeted Net return on Fund*</b>	7.30%	7.32%	7.39%	7.42%	7.44%

<b>Percentage of total expected fund expenses to total fund size</b>	0.93%	0.93%	0.93%	0.93%	0.93%
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\*The above returns were calculated on the assumption that the assets will be acquired before the end of 2018G.

### G) Borrowing Powers and Fund Manager's Policy in Practicing such Powers

The Fund Manager may, on behalf of the Fund, obtain a Shariah compliant finance after obtaining approval from the Fund's Board of Directors and the Shariah Committee. The percentage of financing obtained shall not exceed (50%) of the Fund's total asset value according to the latest audited financial statements. Financing can be obtained from any local bank. All financing costs shall be borne by the Fund.

### H) Methods and Ways to invest the Cash Available in the Fund

The Fund Manager, according to its sole discretion, may invest the available and unused cash, when necessary, with a percentage not exceeding 25% of the Fund's total asset value according to the latest audited financial statements in one or more investments stated in the following table. All investments of the Fund shall be Shariah-compliant.

<b>Investment Type</b>	<b>Minimum total value of the Fund according to last audited financial statements</b>	<b>Maximum total value of the Fund according to last audited financial statements</b>
Cash liquidity		
Money Market Funds publicly offered and licensed by the CMA, managed by Fund Manager or any other Licensed Person, where investment shall be under the Terms and Conditions of these Funds.		
Islamic deposit transactions with local and Gulf banks with a credit rating of at least (Baa3) issued by Moody's. The lowest rating for Fitch and Standard & Poor's Ratings is only BBB.	0%	25%
Units in CMA real estate licensed investment funds managed by the Fund Manager or any other Authorized Person, where the investment shall be under the Terms and Conditions of these Funds which are Shariah compliant, and Shariah compliant real estate companies' shares listed in Tadawul (except companies and funds that invest in Makkah and Madinah).		

Debt instruments, traded, publicly offered and licensed by the CMA.		
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\*Single investment type and total investments type shall not exceed 25% of the total value of the Fund in accordance with the latest audited financial statements.

## I) Disclosure of Details of Use of Offering Proceeds

Item	Amount (SAR)
Total property purchase cost	1,546,620,000
Brokerage fees*	2,000,000
The transaction fees payable to the Fund Manager	11,599,650
The initial charges of listing and registering the Fund's Units with "Tadawul"	110,000
Cash on hand**	19,670,350
<b>Total Fund Value</b>	<b>1,580,000,000</b>

\*It was agreed to pay SAR 2,000,000 as brokerage fees to Msaken Alata, which is not a related party, for the acquisition of Almaarefa Colleges building.

\*\*Will be used to protect Unitholders from any expenses or needs the Fund may require in the future, and to improve the Fund's revenues by making some improvements to the current real estate properties, which may contribute to increasing rental revenues. However, if not used, the Fund Manager will invest them in cash instruments.

## J) Unitholders and Percentage of In-kind Subscriptions of Fund Total Assets Value:

Subscribers	Number of Units	Value of Units (SAR)	Subscriber's Ownership Percentage in the Fund	Subscription Method
Almaarefa College for Science & Technology*	12,000,000	120,000,000	7.59%	In-kind
Dar Al Yaum for Press Printing & Publishing**	20,000,000	200,000,000	12.66%	In-kind
Abdulkadir Al Muhaidib & Sons Co.	30,265,300	302,653,000	19.16%	In-kind

<b>Al Atheer Real Estate Development Company</b>	39,390,000	393,900,000	24.93%	In-kind
<b>Fund Manager</b>	8,944,700	89,447,000	5.66%	Cash
<b>Public</b>	47,400,000	474,000,000	30.0%	Cash
<b>Total</b>	<b>158,000,000</b>	<b>1,580,000,000</b>	<b>100%</b>	

\* 40% of Units owned by Almaarefa College for Science & Technology in the Fund is mortgaged at the time of offering, composing 4.8 million Units (equivalent to SAR 48,000,000, on the basis that the price per Unit is SAR 10), for four years from the date of title transfer to the Fund.

\*\* 57.5% of the Units owned by Dar Al Yaum for Press Printing & Publishing in the Fund is mortgaged at the time of offering, composing 11,5 million Units (equivalent to SAR 115,000,000, on the basis that the price per Unit is SAR 10), for five years from the date title transfer to the Fund.

## 10) Risks of Investing in the Fund

### A) Summary of the Main Risks Involved in the Fund Investment:

Investment in the Fund involves multiple risks and is suitable only for investors who fully understand and are capable of bearing the risks of such an investment. Potential investors should carefully evaluate the considerations set out below, among others, in making their decision. Additional risks and uncertainties not presently known to the Fund Manager, or that it currently deems immaterial, may also have an adverse impact on the Fund's prospects and business. There can be no assurance that the Fund will be able to achieve its investment objective or that investors will receive a return of their capital.

An investment in the Fund does not entail any guarantee that such investment shall be profitable or that an investor shall not incur any loss. As such, each potential investor shall take into account each of the aforementioned risk factors prior to purchasing units in the Fund. Prospective investors may also seek advice from a CMA licensed financial advisor in relation to their financial position and objectives of investing in the Fund. Each investor bears full responsibility for any financial loss resulting from an investment in the Fund unless such loss is due to the fraud, gross negligence or misconduct of the Fund Manager as per the Real Estate Investment Funds Regulations.

#### Risks of not Generating Returns:

There is no assurance that the Fund will be able to generate returns for its investors or that the returns will be commensurate with the risks of investing in the Fund and the nature of the transactions described herein. It is possible that the Units may fall in value or that investors might lose some or all of the capital they have invested. There can be no assurance that projected or targeted returns for the Fund will be achieved. The figures and statistics set out in these Terms and Conditions are for illustrative purposes only and do not represent profit forecasts. Actual returns cannot



be predicted and may differ from the illustrative statistics set out in these Terms and Conditions.

*Risks of Previous Operational History:*

The Fund has no operating history based on which potential investors may evaluate its performance or any track record of success. Although the Fund Manager has experience managing real estate funds, the Fund Manager has limited experience in managing real estate investment traded funds as its legislations has been only recently drafted in the Kingdom. The nature of, and the risks associated with, the Fund's future investments may differ substantially from those investments and strategies undertaken historically by the Fund Manager. Past results of the Fund Manager are not necessarily indicative of future performance. Therefore, the novelty of the product shall be deemed a risk as it is difficult to predict the extent of the change in the value of Units or the proceeds that are supposed to be distributed.

*Regulatory Risks:*

The Fund may cease to qualify as a real estate investment traded fund under the Real Estate Investment Funds Regulations, which would have adverse consequences for the trading liquidity of their Units which may adversely affect the value of investment. Potential investors should note that there is no guarantee that the Fund will, following its election to become a real estate investment traded fund, become a real estate investment traded fund on Tadawul by reason of failure to satisfy regulatory requirements. If the Fund fails to meet any of the regulatory requirements to maintain its status, the CMA may suspend the trading of Units or cancel the Fund's listing. The inability to maintain its listing on Tadawul could adversely impact the marketability and liquidity of the Units and their value. Any change in relevant laws, and regulations may affect the Fund's business and investments, which may adversely affect the unit price.

*Liquidity Risks:*

The Fund intends to apply for admission of the Units to trading on Saudi Stock Exchange (Tadawul). This should not be taken as implying that there will be liquidity to trade units. If there is no liquidity market or sufficient liquidity allowing Unitholders to trade their units on the basis of oversupply and demand, and in the event that the foregoing is not, then the value of the units and their trading rates will be adversely affected. In addition, relatively few trades will have a negative impact on the market value of the units, and it may be difficult to implement operations, especially those related to a large number of units. In addition, a substantial proportion of the Units may be issued to a limited number of investors, which could adversely affect the development of an active and liquid market for the Units. Although the Units will be traded, the market liquidity of Units in real estate investment traded funds may be less than that of shares issued by listed companies.

### Substantial Sale of Unit Risks:

Subsequent sales by the Unitholders of a substantial number of Units may significantly reduce the Unit's market price. Any rumors about the performance of the Fund may lead to the sale of units by unit owners, which will affect the unit price.

### Risks of price changes:

The market price of Units may not reflect the real value of Fund's investments and assets. Unit's market price depends on several factors, which may adversely affect the Unit's market price, including, general movement in local and international share markets, real estate markets, prevailing and anticipated economic conditions, interest rates, financing costs, investor sentiment and general economic conditions. The Units market may fluctuate and a lack of liquidity can have an adverse effect on the market value for the Units. Accordingly, the purchase of such Units is only suitable for investors who can bear the risks associated with such investments.

### Risk of Changes in Interest Rates and General Economic Conditions:

Changes in economic conditions, including interest rates, inflation rates, employment conditions, competition, technological developments, political and diplomatic events and trends, and tax laws can affect substantially and adversely the business and prospects of the Fund. In particular, interest rates' increases may cause investors to demand higher returns to compensate for increases in the cost of money and the opportunity cost. The comparative attractiveness of the Units as an investment may be impacted as a result and demand decreases which may negatively affect the market price of Units. Whereas the Fund may seek financing, then any increase in interest rates in debt markets may impact the Fund's financing terms. Changes in interest rates may impact valuations in the real estate sector generally.

### Trading at a discount to market value Risks:

The Units may trade at a price lower than the Initial Offering Price upon subscription, and Unitholders may not retrieve the full value of their investment. The Units may trade at a discount to the offered price for a variety of reasons, including adverse market conditions, a deterioration in investors' perceptions of the merits of the Fund's investment strategy and investment policy, an excess of supply over demand in the Units. Sales by Unitholders for a large number of units could also significantly reduce the market price of the unit. Accordingly, the purchase of units is only suitable for investors who can bear the risks associated with such investments, especially as they may make it difficult for the investor to exit the Fund at a discount to market value of the Fund's assets.

### Distributions Fluctuation Risks:

Although the Fund is required under the Real Estate Investment Funds Regulations to distribute at least ninety percent (90%) of its net income to the Unitholders, there are no guarantees regarding the amounts of the future distributions. The Fund may

be unable to make any distribution due to unforeseeable events resulting in an increase in costs (including capital expenditures in the case of large-scale urgent renovation works) or a decrease in revenues (such as in the case of uncollected rental income). The Fund's inability to make annual distributions to Unitholders may expose the Fund to certain liabilities that would further affect its financial performance in terms of the Fund unit price.

*Frequency of NAV calculations:*

The value of the Fund's assets shall be determined at least once every six months; however, the value of the investments of the Fund may change in the period between valuations. Accordingly, the market price of the Units may be based on historical information which may not reflect the current value of the underlying Investments of the Fund. Further, all fees and expenses are not adjusted until the next valuation. As such, the Unitholder shall not be aware of the Fund's updated asset value during such period, and may dispose of the Fund's Units in a way that may negatively affect its proceeds and investment values.

*Limitations on Raising Funds for Additional Acquisitions:*

Distribution requirements and finance restrictions under the Real Estate Investment Funds Regulations, and regulatory restrictions on the raising of new equity, may limit the Fund's ability and flexibility to make additional acquisitions. The Fund shall distribute to Unitholders at least 90% of its net profits, except for profits generated due to sale of real estate assets and other investments, which may be reinvested in additional assets, maintenance, or renewal of Fund's existing assets. The Fund's finance percentage must not exceed 50% of the total asset value of the Fund. As a result, the Fund has limited ability to make improvements to its property or pursue growth through acquisition of additional properties. This, in turn, would affect the profitability of the Fund. It should be noted that the Fund is capable of increasing its capital by offering a rights issue in accordance with the CMA's regulations and the Saudi Arabian Companies Law.

*Risks Related to Shariah Controls:*

The Fund's investments must be made in accordance with Shariah principles determined in accordance with the Shariah Guidelines. These principles apply both to the structure of the Investments and, to a certain extent, to the activities of the Fund and the diversification of its Investments. In order to comply with such principles, the Fund may be forced to divest an Investment, or part of an Investment, if the Investment or the investment structure relating to that Investment violates relevant Shariah principles. Additionally, in complying with Shariah principles, the Fund may lose investment opportunities if Shariah Board decides that such investment opportunities do not comply with Shariah principles and thus the Fund cannot capitalize on them. These factors may, under certain circumstances, have an adverse effect on the financial performance of the Fund or its Investments, as compared to results that might be obtained in the absence of the Fund's Shariah investment principles.

### Changes in Market Conditions Risks:

The future performance of the Fund would largely depend on changes in the supply and demand conditions of the real estate and the relevant real estate sub-sector, which may be affected by regional and local economic and political conditions, increased competition thereby a decline in the value of real estate, potential limited availability of mortgage funding or an increase in mortgage rates, and fluctuations of supply and demand. Incorrect forecasts used by the Fund Manager to make investment decisions may have an adverse impact on the Fund's performance.

### Geographic Concentration of Investment Risks:

Due to the Fund's strategy to concentrate investments in properties inside the Kingdom, it will be affected by the economic conditions, downturns, and economic circles which affect the Kingdom. This, in turn, would adversely affect the Fund's investments and Unit price.

### Non-Participation in Management:

Except as mentioned in these Terms and Conditions, investors will have no right or power to participate in the management of the Fund or to influence any of the Fund's investment decisions. All management responsibilities will be entrusted to the Fund Manager. These decisions affect the activities of the Fund and Unitholders as a result.

### Dependence on Key Personnel:

The Fund's success will principally depend on the success of its management team. The loss of the services of any of the members of the Fund management team, in general (whether such loss is through resignation or otherwise), or the inability to attract and retain additional personnel, could materially affect the Fund's business and prospects. Lack of a successful management team for the Fund may negatively affect the ability to develop the Fund's properties and assets and the ability to negotiate for the best interest of the Fund which may affect the Fund's returns and the value of its Units.

### Nature of Investment Risks:

As set out herein, there are no assurances of realization of returns on the invested capital. There will be no assurances that the Fund will be able to realize positive returns on its investments in a timely manner, if at all. The Fund may not be able to sell or dispose of its assets. In addition, if it was decided to dispose of the assets by sale, the Fund may not be able to sell such assets at a price perceived by the Fund Manager to represent a fair value thereof or within the timeframe desired by the Fund. Accordingly, the Fund may never be able to realize any returns on its assets.

### *Conflict of Interests Risks:*

The Fund may experience difference conditions of conflict of interests since the Fund Manager and its related companies, and their respective managers, and managers and affiliates, may be participating in real estate activities or other commercial activities, whether directly or indirectly. In such respect, the Fund Manager may from time to time deal with persons, companies, institutions, or firms, related to the Fund Manager's related companies to facilitate investment opportunities. Entities to which the Fund Board of Directors has entrusted certain responsibilities (including the Fund Manager) are not required to dedicate all their resources to the Fund. In case any of these entities dedicated their responsibilities or resources for other third parties, such might restrict their ability to dedicate their responsibilities and resources for the Fund. Any such conflict of interests may reduce the Fund's ability to achieve its objectives in terms of increasing revenues and ability to accomplish a better market value to units considering that the Fund is entitled to invest in publicly or privately offered funds managed by the Fund Manager under these Terms and Conditions.

### *Risks of Inequality in Information Access:*

The Fund will offer up to 64.3% of its units to the owners of the property in consideration of their in-kind contribution in the Fund's capital. This group also represents the real owners of selling companies and property management companies. Consequently, risks arise from property owners or managers acquiring material information that the Fund Manager may not be aware of or may not realize its significance. In addition, the said parties may have the ability to interpret information in a timely manner, while other investors may not have the ability to do so.

### *Risks of Investment outside the Kingdom:*

International investment, outside the Kingdom, involves many risks. Such risks include exchange rate, political and economic fluctuations, increase of costs incurred by the investor and information security risks. The Fund Manager will seek to engage in investments of statutory, regulatory, and supervisory requirements that are at least similar to those in force by the Kingdom of Saudi Arabia. However, if any of the aforementioned events occurred, this may affect the Fund's profits and/or the valuation of its assets, which may negatively affect the price of its Units.

### *Exchange Rate Risks:*

The Fund's main currency is Saudi Riyals. However, the Fund may acquire properties, enter into investments, pay any fees or costs in any currency other than Saudi Riyals. Accordingly, any change in the exchange rate of such currencies may increase the costs the Fund may bear and which may adversely affect the value and price of the Fund's units. Unitholders whose basic currency is not Saudi Riyal shall be exposed to exchange rate fluctuation risks.

### Technical Risks:

The Fund Manager relies on using the technology in managing the Fund, but information systems may be subject to penetration, virus or partial or total disruption. This would limit the ability of the Fund Manager to manage the Fund's investments effectively, which may adversely affect the performance of the Fund and Unitholders as a result.

### Value Added Taxation Risks:

Saudi Arabia has recently enacted Value Added Tax legislation, which will be implemented starting in 2018. Value added tax may be implemented to initial or future properties acquired by the Fund and may result in an increase in the value of properties, which may adversely affect the Fund's revenues.

### Acquisition of Initial Assets Risks:

The Fund expects to complete acquisition of the Initial Assets within 60 days from the Closing Date. Although the Memorandum of Understanding and Purchase Agreements are binding, if either party to the Purchase Agreements fails to perform under the Purchase Agreements, the acquisition of initial assets or part thereof may not occur within 60 days from the Closing Date or at all. In such case, the Fund would need to identify and complete acquisitions of other assets before it could start producing dividends to Unitholders. In case of not being able to do so, the Fund Manager shall liquidate the Fund and make procedures referred to in Termination of the Fund section in these Terms and Conditions.

### Real Estate Investment Risks:

The Fund will be subject to the general conditions of the real estate sector in the Kingdom of Saudi Arabia, which are influenced by many factors, including but not limited to, macroeconomic growth, political stability, interest rates, supply and demand, availability of finance, investor orientation, liquidity, legal and regulatory environment and other conditions in the Kingdom that affect property prices. This may negatively reflect the unit price.

### Availability of Appropriate Investments in the Future:

Some of the investments of the Fund have been selected by the Fund Manager as of the date hereof. Investors in the Fund will not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding future investments. There can be no assurance that the Fund Manager will be able to identify investments following the acquisition of the Initial Assets that meet the Fund's investment objectives, particularly in the current market environment. Identifying and structuring investments suitable for the Fund is highly complicated and involves a high degree of uncertainty. The Fund Manager's inability to identify suitable investments may adversely affect the ability of the Fund to produce the

desired growth in the market value of Units. In addition, delay in identifying, and acquiring the appropriate investments may adversely affect the periodic distribution of dividends, which shall negatively affect the price of the Unit.

*Lack of High-Quality Real Estate Supply Risks:*

Currently, the Saudi real estate market does not offer much of the high-quality real estate property with global level in terms of design and implementation. Therefore, high demand for high quality properties may lead to appreciation of their value in a manner that is disproportionate to their actual value. Moreover, oversupply of high-quality real estate properties may result in sluggish investment return growth on high quality real estate properties which are targeted by the Fund. This, in turn, would have a negative impact on periodic distribution rate, and the Unit price.

*Risks Associated with Restoration and Maintenance of Buildings:*

Over time, the Fund Manager will incur additional costs to renovate and maintain buildings constructed on the properties of the Fund, which may affect the value of periodic dividend distributions to Unitholders. In addition, the rental value of the buildings owned by the Fund may decline over time, which may adversely affect the rental income of the Fund, which in turn will adversely affect the Unit price.

*Risks of the Lessee's Inability to fulfill Lease Obligations:*

The initial real estate assets are leased by several lessees. The Fund is subject to risks if some failed to fulfill their obligations. If a lessee fails to make due payments on one or more of the initial real estate assets, this would limit the ability of the Fund Manager to re-rent the property or not to lease it on satisfactory terms. In addition, this would reduce rental income from the property. The Fund may make major property renovations in order to attract new lessees in the future according to the best possible conditions, which may temporarily affect the periodic returns distributed to investors.

*Risks Associated with Non-compliance by Property Managers with Contractual Guarantees:*

The Fund Manager will obtain contractual guarantees from the property manager (Al- Muhaidib and Sons) relating to the operational performance of the managed properties (Marvela Residential Compound, Al-Sulay Warehouse, and Al-Fanar Residential and Commercial Compound) related to the Fund under the management agreements. It should be noted that if the Property Manager violates the agreed operational performance obligations, the contractual security provided by property manager may not be legally enforceable. The Fund Manager will also obtain annually-renewed promissory notes from the Property Manager in order to ensure that agreed performance obligations are met under the signed management agreements. The Fund Manager may not be able to renew the promissory notes on an annual basis.

### *Default and Credit Risks of Other Counterparties:*

The Fund will be exposed to the credit risk of parties with whom it conducts business and may also bear risk of settlement default. The Fund will, in certain circumstances, be fully subject to the default of a counterparty, including the landowners, lending banks, property managers and/or contractors. Default by a counterparty by failing to pay any contractual dues to the Fund could reduce the income of the Fund and ultimately affect the returns to Unitholders.

### *Rentals Focus on One Tenant Risk:*

The Fund will achieve most of its income from the amounts received from the Property Manager (Abdul Qader Al Muhaidib & Sons) for the following properties (Marvela Residential Compound, Al-Sulay Warehouse, and Al-Fanar Residential and Commercial Compound). Accordingly, the financial position of the Fund and the results of its operations may be adversely affected by its cash flows and ability to make distributions to investors if the Property Manager fails to pay the rent agreed upon in the management and leasing contract with the Property Manager.

### *Unspecified Use of Returns:*

Except as set out in these Terms and Conditions, and except for the Initial Assets, the Investments of the Fund which are intended to be made after the Listing Date have not been selected by the Fund Manager. Investors in the Fund will not have an opportunity to evaluate the relevant economic, financial and other information regarding Investments.

### *Fluctuations in the Value of Real Estate and other General Real Estate Risks:*

The Investments will be subject to the risks inherent in the ownership, leasing, operation, development and/or re-development of real estate. These risks include but are not limited to, those associated with general and local economic climate, local real estate conditions, changes in supply of or demand for real estate properties, energy and supply shortages, various uninsured or uninsurable risks, natural disasters, government regulations (such as rent control), changes in real property taxes, changes in return rates and the availability of mortgage funding which may render the sale or refinancing of properties difficult or impracticable. They also include environmental liabilities, contingent liabilities on disposition of assets and war and other factors which are beyond the control of the Fund Manager.

Real estate historically has experienced significant fluctuations. It is likely that the Fund may acquire real estate properties during the recovery period in the real estate market before any subsequent deterioration in the market that could affect the market value of the Fund's Investments. There is no assurance that there will be a ready market for the resale of the Investments because the Investments will generally not be liquid.

In addition, adverse changes in the operation of any property, or the financial



condition of any tenant, could have an adverse effect on the rent payments ultimately received by the Fund and, accordingly, on the Fund's ability to make distributions to investors. A lessee may experience, from time to time, a downturn in its business which may weaken its financial condition and result in its failure to make rental payments when due. At any time, a lessee may seek the protection of applicable bankruptcy or insolvency laws, which could result in the rejection and termination of such lessee's lease or other adverse consequences and thereby cause a reduction in the distributable cash flow of the Fund. No assurance can be given that lessees will not file for bankruptcy protection in the future or, if they do, that their leases will continue in effect.

#### *Real Estate Expropriation Risks:*

Certain government authorities in the Kingdom are entitled to expropriate real estates for the public benefit (for example, the construction of roads and public utilities). In theory, the compensation value of expropriated property is supposed to be equal to market value. However, this is not guaranteed, as the value of the compensation may be less than the market value of the property at the time of expropriation or the value paid for the purchase. In case of expropriation, a property is acquired after a period of notification not specified by law as it is adopted pursuant to a specific law. Although compensation may be paid, there is a risk that the compensation would not be adequate compared to the size of investment, lost profit or increase in the value of investment. If the expropriation risk materializes, the value of the distributions to the Unitholders and the value and trading price of the units may decline. In addition, the Unitholders may lose all or part of their invested capital.

#### *Commercial Real Estate Market Risks:*

The Fund may invest in commercial real estate sector, and if the Fund was dependent on the income streams derived from them, the Fund may become exposed to any downturn in such markets. The commercial real estate market is cyclical in nature and is affected by the condition of the economy as a whole. Deteriorating economic conditions adversely affect the value and liquidity of commercial real estate assets. In addition, negative economic conditions have also had, and may continue to have, a material adverse effect on the level, and effective collection, of rental returns and the ability of lessees to make payments which may ultimately flow to the Fund. Declines in the performance of the commercial real estate markets could have a negative impact on rental levels and revenues and vacancy rates, and could as a result have a material adverse effect on the Fund's business and financial condition.

#### *Residential Real Estate Market Risks:*

The Fund may invest in the residential real estate sector. The performance of investments in the residential real estate sector depends heavily on changes in demand and supply levels, which would be greatly affected by economic, political, security, regional and local factors, including increase in competition posed by other residential properties. The Fund's ability to earn net rental income as well as up-keeping the real estate value of the residential properties highly depends on the

ability of the Fund's residential properties to effectively compete with similar properties. If similar residential real estate properties were able to attract lessees better than the Fund, then the net rental income from the Fund may diminish as a result of low demand by lessees. The decrease in the net rental income may reduce the yield distributions to the Unitholders and may cause the value and price of the Units to fall.

*Education Sector Risks:*

Fund's performance will be impacted by factors affecting the education sector in general. These factors may include factors related to demand levels, including any economic downturn or restrictions associated with the education system in general or the revocation of licenses granted to private colleges or universities or any laws or regulations (including those relating to taxes and fees) or factors relating to supply levels including oversupply of private or governmental colleges or universities. Macroeconomics and other factors may have a negative impact on work and personal spending, which may lead to lower occupancy rates in private universities or colleges and affect the total value of real estate properties in the education sector. Therefore, the Fund may be required to exit from assets in consideration of an amount less than the cost of acquisition, resulting in a loss of capital and may not be able to achieve the target returns.

We indicate that one of the requirements for obtaining a college license is that the college be the owner of the property in accordance with the executive rules as well as administrative and technical procedures for private colleges regulations as well as related models. Since the Fund intends to acquire the property of Almaarefa College, there is no guarantee that the Ministry of Education will not withdraw or revoke the license of the College. If the license is withdrawn or revoked, then this would adversely affect the Fund's rental revenues and the Unit price.

*Warehouse Sector Risks:*

Fund's performance will be impacted by factors affecting the warehouse sector in general. These factors may include factors related to demand levels, which are heavily influenced by economic, political, security, regional, and local factors, including increased competition in the warehouse sector. Macroeconomics and other factors may have a negative impact on work, which may lead to lower occupancy rates and the total value of real estate properties in the warehouse sector. Therefore, the Fund may be required to exit from assets in consideration of an amount less than the cost of acquisition, resulting in a loss of capital and may not be able to achieve the target returns.

*Risks of Dependence on Rental Income:*

The Fund may acquire Investments based on values derived from the income expected to be received from the tenants. There can be no assurance that vacant spaces will be leased, expiring leases will be renewed or there will be rent increases over time. If a tenant experiences a financial distress, then it may be unable to make

timely rental payments or renew its lease. Certain tenants may occupy significant portions of the relevant Investments and, accordingly, for so long as the Fund's financial condition, results of operations, cash flow, and ability to distribute dividends to the investors could be materially affected by any adverse conditions impacting those key tenants.

Asset Liquidity Risks:

As an asset class, real estate assets are relatively illiquid and, as such, it may be difficult or impossible for the Fund to sell a certain real estate asset for a particular price at any particular time. The Fund's assets consist of real estate assets. It may be difficult for the Fund to sell its real estate assets (particularly at times of market downturn and specifically those assets that are categorized as larger real estate assets), and the proposed price may be at a significant discount, especially if the Fund is forced to dispose of any of its assets in a short period of time. This may reduce the value of the Units and adversely impact the performance of the Fund.

Real Estate Development Risks:

There is no real estate development project in the initial real estate assets. However, the development of real estate projects in Saudi Arabia presents several risks. The risks in building and marketing a new development include, but are not limited to: (i) delays in timely completion of works; (ii) cost overruns; (iii) inability to generate lease agreements to forecast levels; (iv) force majeure resulting from factors beyond the Fund's control and which are specific to the construction industry (including adverse weather and environmental conditions and lack of building material in the market); and (v) issuance of any decisions related to increasing Saudization in the construction industry may affect the availability of labor to carry out development works, which would hinder the completion of development projects. New project commencement also carries other risks such as the obtainment of zoning, occupancy and other required governmental approvals and permits and development costs in connection with projects that are not pursued to completion. The Fund may fail to achieve its investment objective in case any required municipal approval or consent is denied or not granted on acceptable or reasonable terms. In such case, the Fund may not be able to complete the investment or the development of a real estate project which may negatively affect the value of Units as expected proceeds of development will not be earned on time. The successful completion of such projects will have a direct and significant impact on the value of the Units and any failure to complete a project could reduce dividends and the net asset value of the Fund.

Leverage Risks:

The assets of the Fund may be leveraged, which may adversely affect the income earned by the Fund or may result in a loss of the principal capital and accordingly, the market value of Units. Increases and decreases in the value of the Fund's real estate assets will be magnified when the Fund uses leverage. For example, leverage may cause greater swings in the Fund's Net Asset Value or cause the Fund to lose more than it has invested. The use of leverage creates an opportunity for increased

returns, but at the same time involves a higher degree of risk and may increase the exposure of the Fund and its investments to factors such as rising costs of leverage and downturns in the economy. Moreover, the assets of the Fund may be pledged to a lender for the sole benefit of the Fund and such lender may claim the assets upon an event of default (as specified in the financing documents) by the SPV, the Fund Manager or the Fund itself.

*Risks of Actions Taken by Competitors:*

The Fund competes with other owners, operators and developers of real estate in Saudi Arabia, some of which may own properties similar to those of the Fund in the same area in which the properties are. If the Fund's competitors lease commercial and/or residential space similar to the Fund's properties or sell assets similar to the Fund's properties at valuations below the Fund's valuations for comparable assets, the Fund may be unable to lease its commercial and residential space at favorable pricing, on favorable terms or at all. As a result, the Fund may incur additional costs and expenses for the purposes of maintaining the properties and also be exposed to loss of potential income due to underlying properties being vacant. As such, the projected income and/or returns to Unitholders may be adversely affected.

*Risks of Certain Dispositions:*

In connection with the disposition of Investments, the Fund may be required to make declarations about the business and financial affairs of the Investment typical of those made in connection with the sale of any real estate property, and may be required to indemnify the purchasers of the Investments to the extent that any such declarations are inaccurate. These arrangements may result in contingent liabilities, which might reduce the returns to Unitholders or ultimately have to be funded by the Fund. In addition, the governing documents of the Fund provide that the Fund will indemnify the Fund Manager, its affiliates, including their officers, directors, partners, employees, shareholders, members and other agents, for certain claims, losses, damage and expenses arising out of their activities on behalf of the Fund. Such indemnification obligations could materially impact the returns to investors.

*Risks of Inability to Exit from the Fund's Investments on Advantageous Terms:*

The Fund will exit from its properties and other assets when the Fund Manager believes it is the appropriate time to sell. The Fund's ability to dispose of properties on advantageous terms depends on factors beyond its control, including competition from other sellers and potentially the availability of attractive financing for potential buyers. If the Fund is unable to dispose of its assets on favorable terms or on time, then its financial condition, results of operations, cash flow and ability to distribute dividends to the investors could be adversely affected.

*Risks of Possible Inability to Renew Leases or Re-lease Spaces as Leases Expire:*

The Fund will derive most of its income from rent received from the tenants of the properties. Accordingly, the Fund's financial condition, results of operations, cash

flow and its ability to distribute dividends to Unitholders could be adversely affected if it is unable to promptly re-lease properties or renew expiring leases, or if the rental rates upon renewal or re-lease are significantly lower than expected. Upon the expiry of any lease, there can be no assurance that the lease will be renewed or the tenant replaced. The terms of any subsequent lease may be less favorable to the Fund than the existing lease. In the event of default by a tenant, the lessor may experience delays or limitations in enforcing rights and incur substantial costs in protecting the Funds investment. Further, the Fund's ability to lease space and the rents that it can charge are impacted, not only by tenant demand, but also by the number of other properties it has to compete with to appeal to tenants.

*Risk of Uninsured Losses:*

The Fund Manager will ensure that there is insurance covering all the assets and properties of the Fund in types and amounts that it believes are adequate and appropriate given the relative risks applicable to the property with an appropriate cost of coverage and the application of best industry practices. Certain losses, such as those due to windstorms, floods or seismic activity, may be insured subject to certain limitations, including large deductibles or co-payments and policy limits in addition to delay in collecting claims. The Fund may incur material losses in excess of insurance proceeds and may not be able to continue to obtain insurance at commercially reasonable rates. If the Fund experiences a loss that is uninsured or that exceeds its insured limits with respect to one or more of the properties, then it could lose the capital invested in the damaged properties, as well as the anticipated future revenue from those properties. Certainly, any such losses could adversely affect its financial condition, results of operations, cash flow and ability to distribute to the investors.

*Property Valuation Risks:*

In addition to the valuations carried out by two independent valuers, the Fund Manager may use internal valuations in several contexts in relation to the Fund. The valuations performed by the Fund Manager or the independent valuers will only be an estimate of the worthiness of a property and are not a precise measure of the value that may be obtained in connection with a sale of that property which is based on negotiations between a buyer and seller. The final verification of the property market value depends to a great extent on economic and other conditions beyond the control of the Fund. If the Fund were to liquidate its assets, the realized value may be more or less than the estimated valuation of such assets. In periods of economic volatility, in which there is a perceived greater uncertainty as to value estimates and fewer comparable transactions against which value can be measured, the difference between the estimated value for a real estate asset and the ultimate value for that asset may increase. Further, relative uncertainty as to cash flows in a distressed market can adversely affect the reliability of property value estimates and the negotiations between a buyer and seller and hence final returns to Unitholders.

*Risks of Investing in Murabaha Funds, Listed Equity and Other Real Estate Funds:*

The Fund may invest in SAR Murabaha transactions with local Saudi banks or in Shariah-compliant listed equity of real estate companies or other Shariah-compliant real estate investment funds. The value of these types of investments may fall as they are not deposits in a bank. In addition, there are risks associated with Murabaha transactions arising from trading activities involving dealings in illiquid financial instruments, whose clearance and payments do not fall under a regulated clearing house or stock exchange, which may negatively affect cash distributions and the market value of Units.

*Risks of Economic Fluctuation:*

The Government has recently imposed fees on white (vacant) lands in KSA, known as "vacant lands fees". Such fees provide an incentive to other developers to develop undeveloped plots of land but may result in increased competition in the real estate market. Any future reduction of subsidies on electricity and water in KSA, changes in the expat levy, taxes on expat remittances and the introduction of any new levies on expats and their dependents may reduce disposable income and may reduce demand for the Fund's properties. Moreover, any increase in rent limits or values by the Government may have a negative impact on real estate revenues, cash dividends and market value of the Fund's units.

*Risks of Cancellation of Listing / Suspension of Units:*

There is a risk that CMA may cancel the listing or suspend Fund trading at any time if CMA deems it necessary to protect investors or maintain market regulation or believes that the Fund Manager or Custodian has failed substantially. CMA may also cancel or suspend the listing, if the Fund fails to meet the liquidity standards, as indicated by CMA under the Listing Rules. In this case, it is likely to be outside the control of the Fund Manager. Therefore, this would limit the ability of Unitholders to dispose of their units in the Fund.

*Risks of Concluding Long-Term Leases:*

The Fund will conclude long-term leases with tenants. Such leases may, and may not, include increases in rent. In the event of any increase in operating costs, inflation rates, changes in exchange rates or increases in real estate prices while rental payments hold steady, the proceeds from rent will be reduced. Moreover, given the duration of the lease, the Fund may not be able to renegotiate the lease to reflect previous changes until its expiry. This would result in lower returns compared to those available in market and may also affect the original asset price and the price of the Fund's Units.

*Risks of Fund Termination:*

If the Fund is terminated, the Fund Manager shall initiate liquidation proceedings. This may lead to the sale of fund investments at un-ideal times, at a price that may

not reflect fair market value or in a manner that may not be the best for their sale. All of these have significant adverse effects on fund returns, as well as the final price received by the Unitholder.

*Risks of Application of Zakat, Fees and Taxes:*

The information in these Terms and Conditions is based on existing published legislations at the time of issuing them. Legal, tax, zakat and regulatory changes in the investment environment in the Kingdom, or otherwise, may occur during the Fund Term which could have an adverse effect on the Fund, its Investments or Unitholders. The Fund may have limited legal recourse in the event of a dispute, and remedies might have to be pursued in the courts of the Kingdom. Enforcement of leases and other contracts through the judicial system in the Kingdom is a difficult and lengthy process, and outcomes are unpredictable. Additionally, governmental departments and agencies in the Kingdom, such as the Notary Public, exercise a great deal of discretion with regard to the application of existing legislations. Any changes to existing legislations or failure by governmental departments to apply such legislations may adversely affect the Fund.

*Risks of Value-Added Tax:*

It is known that the value-added tax (VAT) was introduced in the Kingdom of Saudi Arabia on January 01, 2018 as a new tax to be added to the taxation and fees system applicable to specific sectors in the Kingdom. According to the General Authority of Zakat & Tax, whenever any of the cases related to VAT apply to any of the Fund assets and investments, such shall have an impact thereon. Since the imposition of VAT in the Kingdom implies several significant obstacles, in addition to this type of taxes is considered, in nature, complicated and its implementation includes detailed procedures and instructions, whether at the governmental levels or the taxable entities, such entities shall be required to be fully aware of and duly understand the nature and method of implementation of such tax type, how to calculate it, and how to submit ad hoc reports to the competent governmental authorities as prescribed by relevant laws and regulations. As is the case with other laws and regulations, any violation of any of the obligations set under the VAT-related laws and regulations, shall lead to a financial fine and other legal penalties, which may adversely affect the Fund and its investments. In addition, on May 11, 2020G, the General Authority of Zakat & Tax issued a resolution raising VAT from 5% to 15% as of July 01, 2020G.

*Force Majeure & Emergencies:*

The Fund value and investment may be negatively affected by the developments accompanying any Force Majeure events or emergencies and the related actions which are beyond the reasonable control of the Fund and/or Fund Manager. Force Majeure includes, without limitation, acts of God, diseases and epidemics, government decisions and orders related to precautionary and protective measures, earthquakes, riots, terror acts, floods, wars, fires, etc. which may adversely affect the Fund investments and Unit price.

### Risks of Government and Municipality Approvals:

The Fund may fail to achieve its investment objective in case any required approval or license is denied, which may negatively affect the Fund investments and value of Units.

### Saudization Risk:

In application of Saudization policies, the Saudi Arabian government may require the employment of a high percentage of citizens of the Kingdom in various sectors, including the real estate development and investment sector (Saudization). It is unclear at this point to what extent the Fund and its investments will be required to implement Saudization policies. Saudization may require the hiring of additional employees or the provision of additional training, which would entail additional costs and higher operating costs, which would be deducted from the Fund's net income and hence reduce the net profits of the project or the real estate development investment and negatively affect the profits of Unitholders.

### Risks of Third Party Litigation:

Given the nature of its activities, the Fund may become involved in legal proceedings with third parties. In such case, the expense of defending against claims by third parties and any amounts pursuant to settlements or judgments shall be incurred by the Fund, which would reduce the Fund's assets and cash available for distribution to Unitholders. The Fund Manager and others are entitled to indemnification by the Fund in connection with such litigation, subject to certain limitations.

### Risks of Liability and Indemnification Limitation:

These Terms and Conditions limit the circumstances under which the Fund Manager, and its shareholders, directors, officers, employees, advisors and affiliates, can be held liable to the Fund and Unitholders. As a result, the right of Unitholders to recourse and take any action against the Fund Manager in certain cases is limited compared to the cases in which such conditions are absent. In addition, the Fund may be liable for certain claims, losses, damages and expenses arising out of the actions of the Fund Manager; Custodian; Developers; Property Managers, and their directors, officers, employees, agents and affiliates; Shariah Board Members and Fund Board Members on behalf of the Fund, providing that they made such action in good faith and in a manner that is believed to be for the Fund's best interest and the action does not involve fraud, gross negligence or willful misconduct. Such indemnification obligations could negatively impact the returns to Unitholders.

### In-kind Dividends:

Subject to compliance with regulatory requirements, the Fund may distribute in-kind dividends of real estate or interest in other companies in the context of winding up the Fund. In the event of distribution of in-kind dividends, Unitholders may receive interests in a company or property that is difficult to be realized. The distribution of



in-kind dividends in the form of assets may create costs and administrative burdens which investors would not have incurred if the Fund distributed cash dividends.

*Force Majeure:*

The Fund Manager will not be liable to Unitholders for any temporary or permanent loss of their investments either directly or indirectly due to any Force Majeure, including, but not limited to, government decisions, wars, civil strikes, civil disobedience, natural disasters, economic embargoes, trade boycotts, legislative decisions of markets, suspension of trading or inability to communicate with the market for any reason, such as a breakdown of the computer system or any other reason beyond the control of the Fund Manager or the funds in which it invests. In the event of a Force Majeure, any obligation under these Terms and Conditions on the Fund shall be deferred as the Force Majeure event requires. The Fund Manager will announce the Force Majeure event and it will be binding on all investors in the Fund.

*Forward-Looking Statements:*

These Terms and Conditions may contain forward-looking statements relating to future events or the future performance of the Fund. In some cases, forward-looking statements can be identified by terminology such as: “anticipate,” “believe,” “continue,” “estimate,” “expect,” “intend,” “may,” “plans,” “projects,” “should,” “will,” the opposite of such terms or other comparable terminology. These statements are only predictions. Actual events or results may differ materially. In evaluating these statements, investors should specifically consider various factors, including the risks outlined in Article (10). These factors may cause actual events or results to differ materially from any forward-looking statement. The Fund Manager is under no duty to update any of the forward-looking statements after the date of these Terms and Conditions to conform such statements to actual results or to changes in expectations.

The foregoing does not purport to be a complete or exhaustive explanation and summary of all the risk factors involved in an investment in Fund Units. It is strongly recommended that all potential investors seek independent advice from their own professional advisors.

An investment in the Fund does not entail any guarantee that such investment shall be profitable or that an investor shall not incur any loss. As such, each prospective investor shall take into account each of the aforementioned risk factors prior to purchasing units in the Fund. Investors shall solely bear full responsibility for any financial loss resulting from an investment in the Fund unless such loss is due to a fraud, gross negligence, or willful misconduct of the Fund Manager, in accordance with the Real Estate Investment Funds Regulations.

B) Note Regarding Investing in the Fund

An investment in the Fund does not entail any guarantee that such investment shall be

profitable or that an investor shall not incur any loss. Besides, a co-investment in this Fund is not a commercial bank deposit. A co-investment is co-owned by all those participating therein, and therefore, they all share its profits or loss according to what each one owns of the Fund Units. Hence, the Fund Manager does not provide warranties that the Fund shall achieve its objectives nor there shall be any warranties that the Unitholders shall redeem their original investment value when they sell their Units or upon the Fund termination.

## **11) Subscription**

A) (158,000,000) Units have been previously offered at an initial offering price of SAR 10 per unit in order to raise SAR (1,580,000,000), which is the amount required to be raised through the initial offering. This can be achieved through: 1) offering 47,400,000 units to the public (equivalent to SAR 474,000,000). 2) offering 101,655,300 units to property owners as in-kind shares (equivalent to SAR 1,016,553,000). 3) the Fund Manager's subscription with a cash share equivalent to 8,944,700 (equivalent to SAR 89,447,000). The initial offering period will be from 16/4/1439H corresponding to 3/1/2018G to 6/5/1439H 23/1/2018G for a period of five business days. The Fund Manager may extend the offering period for Fifteen (15) business days after obtaining approval from the Fund Board and CMA.

The initial offering may be cancelled and all subscription amounts shall be refunded to investors in the following cases (unless otherwise is decided by CMA):

- a. Failure to raise the minimum limit of subscription of SAR 1,580,000,000;
- b. If public Unitholders are less than fifty (50);
- c. Less than 30% of the Units are subscribed for by the public; or
- d. Failure to transfer initial real estate assets to the Fund.

If the offering is cancelled, all subscription amounts and subscription fees received shall be refunded to the investment account of the subscriber within ten business days from the date of cancellation (less any incurred bank charges, bank transfers or currency exchange charges).

The targeted fund size is SAR 1,580,000,000 divided by 158,000,000 Units with the value of SAR 10 per Unit.

The Fund Manager undertakes that it shall open a separate bank account (or more) with a local bank(s) in the name of the Fund and/or special purpose vehicle that will be formed by the Custodian. All subscription proceeds from investors and Fund revenues shall be deposited with such account(s). Dues and expenses payable regarding the operation and management of Fund shall be withdrawn from such account(s).

## **B) Detailed Statement of the Information of the Additional Real Estate Asset**

### **Owner Subscribing with In-kind Contribution:**

The Fund Manager shall issue 101,655,300 Units of the Fund (representing 64.3% of the Fund Units) to the sellerS of the initial real estate asset as an in-kind contribution in return for paying a portion of the purchase value of the initial real estate.

The Fund shall distribute Units on the Fund subscribers as follows:

<b>Subscribers</b>	<b>Number of Units</b>	<b>Value of Units (SAR)</b>	<b>Subscriber's Ownership Percentage in the Fund</b>	<b>Subscription Method</b>
<b>Almaarefa College for Science &amp; Technology*</b>	12,000,000	120,000,000	7.59%	In-kind
<b>Dar Al Yaum for Press Printing &amp; Publishing**</b>	20,000,000	200,000,000	12.66%	In-kind
<b>Abdulkadir Al Muhaidib &amp; Sons Co.</b>	30,265,300	302,653,000	19.16%	In-kind
<b>Al Atheer Real Estate Development Company</b>	39,390,000	393,900,000	24.93%	In-kind
<b>Fund Manager</b>	8,944,700	89,447,000	5.66%	Cash
<b>Public</b>	47,400,000	474,000,000	30.0%	Cash
<b>Total</b>	<b>158,000,000</b>	<b>1,580,000,000</b>	<b>100%</b>	

\* 40% of Units owned by Almaarefa College for Science & Technology in the Fund is mortgaged at the time of offering, composing 4.8 million Units (equivalent to SAR 48,000,000, on the basis that the price per Unit is SAR 10), for four years from the date of title transfer to the Fund.

\*\* 57.5% of the Units owned by Dar Al Yaum for Press Printing & Publishing in the Fund is mortgaged at the time of offering, composing 11,5 million Units (equivalent to SAR 115,000,000, on the basis that the price per Unit is SAR 10), for five years from the date title transfer to the Fund.

### **C) Detailed Statement of Fund Manager's Subscription Value during Offering Period:**

The Fund Manager will subscribe with a cash share equivalent to 8,944,700 units, i.e. SAR 89,447,000 representing 5.66%

**D) Law of Real Estate Ownership and Investment by Non-Saudis:**

The Fund and its investments shall at all times comply with the regulations governing the ownership of property in the Kingdom, including the Law of Real Estate Ownership and Investment by Non-Saudis.

**E) Detailed Statement of Minimum and Maximum Limits of Subscription:**

During the initial offering period, the minimum limit of subscription shall be at least (50) Units at a subscription price of SAR 10 per Unit with a minimum aggregate Subscription Amount of SAR (500) in addition to subscription fees of 2%.

During the initial offering period, the maximum limit of subscription shall be 7,884,200 Units at a subscription price of SAR 10 per Unit with a maximum aggregate Subscription Amount of SAR 78,842,000 in addition to subscription fees of 2%

**F) How to Submit Subscription Application:**

**1. Subscription for the Fund through Jadwa Investment Company:**

The general conditions for subscription for the Fund by category:

**A. Individuals:**

Including Saudi natural persons, GCC nationals and the natural persons residing in KSA with a resident ID, in a manner that is not prejudicial to the Law of Real Estate Ownership and Investment by Non-Saudis.

**Required documents for individuals:**

- Valid ID.
- Having an active investment portfolio with a Capital Market Institution.
- Having an IBAN account number registered in the name of the subscriber, who wishes to subscribe for the Fund. The subscriber shall transfer the subscription amount from such account and receive the refund of the surplus on the same after allocation.
- Submit all subscription documents (Signed copy of the Terms & Conditions + fully filled and signed subscription form+ copy of the bank transfer + copy of ID signed by the investor).

**Requirements for minors and incapacitated individuals:**

- Individuals under the age of 18 Hijri years may subscribe through the guardian or trustee.

- For a minor under 18 Hijri years, a copy of the national ID or residence permit of the minor along with the ID of the guardian or trustee shall be provided.
- If the client is a Saudi national under 15 Hijri years, the family register in which the minor is added and the national ID of the guardian or trustee must be attached.
- If the client is under 18 years old and under trusteeship, a copy of the trusteeship deed issued by the competent court must be attached.
- An incapacitated person may subscribe through the guardian or trustee, provided that the incapacitated client has an investment portfolio with a Capital Market Institution.
- A divorced Saudi woman or widower with minor children from a non-Saudi husband may subscribe in the names of her children for her own interest, provided that she provides a proof that she is divorced or a widower and a proof that she is the mother of minor children.

## **B. Entities**

Including institutions, companies, investment funds, government entities and other legal entities existing in the Kingdom of Saudi Arabia, eligible foreign investors and GCC investors with legal personality.

### **Required documents for companies:**

- Copy of the commercial register with the company's seal.
- Copy of the Articles of Association and By-Laws with the company's seal.
- Copy of the authorized signatory's ID with the company's seal and signed by the authorized person.

### **Required documents for investment funds:**

- Copy of the Fund Manager's commercial register with the company's seal.
- Copy of the Articles of Association and By-Laws of the Fund Manager with the company's seal.
- Copy of the business license of the Fund Manager.
- Copy of the Fund's Terms and Conditions.
- Copy of CMA's approval of the Fund.
- Copy of the authorized signatory's ID with the company's seal and signed by the authorized person.

### **Required documents for investment portfolios:**

- Copy of the ID of the investment portfolio holder.
- Copy of the Portfolio Manager's commercial register with the company's seal.
- Copy of the Articles of Association and By-Laws of the Portfolio Manager with the company's seal.
- Copy of the business license of the Fund Manager.
- Copy of the investment portfolio management agreement.

- Copy of the authorized signatory's ID with the company's seal and signed by the authorized person.

## 2. Subscription for the Fund through other Receiving Agents:

Subscription will be open to any Saudi natural persons, GCC nationals and the natural persons residing in KSA with a resident ID, in a manner that is not prejudicial to the Law of Real Estate Ownership and Investment by Non-Saudis, through the following:

### - **Through Banque Saudi Fransi**

An investor may subscribe, provided that he has a bank account with Banque Saudi Fransi and an active investment portfolio with any Capital Market Institution licensed by the CMA. The investor will subscribe through the electronic channels of Banque Saudi Fransi after accepting the Terms and Conditions or through the branches of the Bank after submitting a signed copy of the Terms and Conditions.

- The investor shall have a current account in the name of the prime subscriber with Banque Saudi Fransi (in the absence of an account, a current account must be opened with Banque Saudi Fransi).
- The investor shall have an investment portfolio in the name of the prime subscriber with any of the Persons licensed by the CMA.
- The investor shall review and accept the Terms and Conditions of the Fund through the Receiving Agent's website [www.alfransi.com.sa](http://www.alfransi.com.sa).
- The investor shall, on any day during the offering period, submit an application for subscription for the Fund as of the beginning of the subscription period through the Bank's website [www.alfransi.com.sa](http://www.alfransi.com.sa) (the subscription page of "Jadwa REIT Saudi Fund") and filling the subscription form.
- In case of subscription through branches, it is required to attach a copy of the national ID for individuals or the family register if the subscription includes dependents.
- In case of subscription through the website, it is not required to attach a copy of the national ID for individuals or the family register if the subscription includes dependents. A client will not be able to modify the data in the subscription form after filling it, but he can cancel the subscription by contacting the Receiving Agent before maximum 5 pm on the last day of the offering period.

### - **Through Al Rajhi Bank**

An investor may subscribe, provided that he has a bank account with Al Rajhi Bank and an active investment portfolio with any Capital Market Institution licensed by the CMA. The investor will subscribe through the electronic channels of Al Rajhi Bank after accepting the Terms and Conditions or through the branches of the Bank after submitting a signed copy of the Terms and Conditions.

- The investor shall have a current account in the name of the prime subscriber with Al Rajhi Bank (in the absence of an account, a current account must be opened with Al Rajhi Bank).

- The investor shall have an investment portfolio in the name of the prime subscriber with any of the Persons licensed by the CMA.
- The investor shall review and accept the Terms and Conditions of the Fund through the Receiving Agent's website [www.alrajhi.com.sa](http://www.alrajhi.com.sa).
- The investor shall, on any day during the offering period, submit an application for subscription for the Fund as of the beginning of the subscription period through the Bank's website [www.alrajhi.com.sa](http://www.alrajhi.com.sa) (the subscription page of “Jadwa REIT Saudi Fund”) and filling the subscription form.
- In case of subscription through branches, it is required to attach a copy of the national ID for individuals or the family register if the subscription includes dependents.
- In case of subscription through the website, it is not required to attach a copy of the national ID for individuals or the family register if the subscription includes dependents.
- A client will not be able to modify the data in the subscription form after filling it, but he can cancel the subscription by contacting the Receiving Agent before maximum 5 pm on the last day of the offering period.

- **Through NCB**

An investor may subscribe, provided that he has a bank account with NCB and an active investment portfolio with any Capital Market Institution licensed by the CMA. The investor will subscribe through the electronic channels of NCB after accepting the Terms and Conditions or through the branches of the Bank after submitting a signed copy of the Terms and Conditions.

- The investor shall have a current account in the name of the prime subscriber with NCB (in the absence of an account, a current account must be opened with NCB).
- The investor shall have an investment portfolio in the name of the prime subscriber with any of the Persons licensed by the CMA.
- The investor shall review and accept the Terms and Conditions of the Fund through the Receiving Agent's website [www.alahli.com](http://www.alahli.com).
- The investor shall, on any day during the offering period, submit an application for subscription for the Fund as of the beginning of the subscription period through the Bank's website [www.alahli.com](http://www.alahli.com) (the subscription page of “Jadwa REIT Saudi Fund”) and filling the subscription form.
- In case of subscription through branches, it is required to attach a copy of the national ID for individuals or the family register if the subscription includes dependents.

- In case of subscription through branches, it is required to attach a copy of the national ID for individuals or the family register if the subscription includes dependents.
- A client will not be able to modify the data in the subscription form after filling it, but he can cancel the subscription by contacting the Receiving Agent before maximum 5 pm on the last day of the offering period.

- **Through Riyadh Bank**

An investor may subscribe, provided that he has a bank account with Riyadh Bank and an active investment portfolio with any Capital Market Institution licensed by the CMA. The investor will subscribe through the electronic channels of Riyadh Bank after accepting the Terms and Conditions or through the branches of the Bank after submitting a signed copy of the Terms and Conditions.

- The investor shall have a current account in the name of the prime subscriber with Riyadh Bank (in the absence of an account, a current account must be opened with Riyadh Bank).
- The investor shall have an investment portfolio in the name of the prime subscriber with any of the Persons licensed by the CMA.
- The investor shall review and accept the Terms and Conditions of the Fund through the Receiving Agent's website [www.riyadbank.com](http://www.riyadbank.com).
- The investor shall, on any day during the offering period, submit an application for subscription for the Fund as of the beginning of the subscription period through the Bank's website [www.riyadbank.com](http://www.riyadbank.com) (the subscription page of “Jadwa REIT Saudi Fund”) and filling the subscription form.
- In case of subscription through branches, it is required to attach a copy of the national ID for individuals or the family register if the subscription includes dependents.
- In case of subscription through branches, it is required to attach a copy of the national ID for individuals or the family register if the subscription includes dependents.
- A client will not be able to modify the data in the subscription form after filling it, but he can cancel the subscription by contacting the Receiving Agent before maximum 5 pm on the last day of the offering period.

**G) A Detailed Explanation of the Subscription Method in the Fund:**

**Step One - Obtaining the Terms and Conditions**

Subscribers wishing to subscribe are required to obtain a copy of the Terms and Conditions by visiting the website of the Fund Manager, CMA website, Tadawul website or Jadwa Investment Company’s office.



## **Step Two - Filling the Subscription Form**

Subscribers shall fill out the subscription form by visiting Jadwa's website or filling out the subscription form manually by visiting Jadwa Investment Company's office. Only one subscription form shall be filled for each prime subscriber who subscribes for himself and his family members enrolled in the family register if family members are to subscribe in the same number of units applied for by the prime subscriber. This will result in the following:

1. All the units allocated to the prime subscriber and dependent investors will be registered in the prime Subscriber's name.
2. Surplus amounts from unallocated units shall be refunded to the prime subscriber and dependent subscribers.
3. The prime subscriber will receive all dividends distributed in respect of the units allocated to himself and dependent subscribers (in case units are not sold or transferred).

## **Step Three - Acceptance of the Terms and Conditions**

In case the subscription is through electronic channels of Jadwa Investment Company, the Terms and Conditions shall be electronically approved and this shall be considered as a declaration of reading and acceptance thereof.

If subscription is through Jadwa Investment Company's office, the terms and conditions shall be manually signed and submitted with the subscription form to the Fund Manager.

## **Step Four - Transferring the Subscription Amount**

A temporary IBAN account number will be sent to each subscriber by the Fund Manager, whether the subscription was via electronic channels or Jadwa Investment Company's office. The subscriber shall transfer the full subscription amount along with the subscription fees of 2% of the subscription amount. The deadline for transfer is at 5 pm maximum on the last day of the offering period.

**Example:** If the subscriber wants to subscribe with the minimum of SAR 500, he must transfer SAR 510, representing SAR 500 as the subscription amount plus the SAR 10 as the subscription fees, to his IBAN number, which will be provided by the Fund Manager after filling the subscription application.

## **Step Five - Confirming the Receipt of Subscription Application**

The Fund Manager will send the confirmation of subscription application to the client via an SMS to the mobile number or via e-mail.

## **Step Six - Accepting the Subscription Application**

The subscription application shall be reviewed within three business days as of the date of confirming the receipt of the subscription application. If the application is not fully completed or there is any feedback, the client will be notified via an SMS or e-mail to complete the application within one business day as of the date on which the subscriber is so notified. If the application is complete, the client will be notified of

the acceptance of his subscription application. The Fund Manager shall have the right to accept or reject the subscription application. If a subscription amount is rejected, the subscription amount and the relevant subscription fees will be refunded to the subscriber's investment portfolio within ten (10) business days from the closing date (less any incurred bank charges, bank transfers or currency exchange charges).

### **Step Seven - Allocation Notice**

After closing the offering period and the acceptance of subscriptions, units will be allocated to subscribers in accordance with the allocation mechanism set out in sub-clause (I) of this Clause. A notice to that effect will be given to CMA and the results of the final offering and unit allocation will be declared through the Fund Manager's website within ten business days.

### **Important Notes**

- The client must ensure the validity of the registered data and the documents being submitted. Jadwa Investment Company is not responsible for the consequences of any errors.
- Any subscription submitted to more than one Receiving Agent, the subscription first submitted shall be accepted.

### **H) A Detailed Explanation of the Subscription Method of Minors and Dependents in the Fund:**

1. In case of subscription through branches, it is required to attach a copy of the national ID for individuals or the family register if the subscription includes dependents.
2. In case of subscription through the website, it is not required to attach a copy of the national ID for individuals or the family register if the subscription includes dependents. A client will not be able to modify the data in the subscription form after filling it, but he can cancel the subscription by contacting the Receiving Agent before maximum 5 pm on the last day of the offering period.
3. A divorced Saudi woman or widow with minor children from a non-Saudi husband may subscribe in the names of her children for her own interest, provided that she provides a proof that she is divorced or a widow and a proof that she is the mother of minor children.

### **I) The Mechanism that will be Followed by the Fund Manager to Allocate the Units among Subscribers:**

The Fund Manager shall notify each subscriber within three working days from the receipt of full application on the acceptance or rejection of the subscription application submitted. If subscription is accepted, confirmations shall be sent to subscribers including the agreed upon subscription amounts. If a subscription amount is rejected, the subscription amount and the relevant subscription fees will be refunded to the subscriber's investment portfolio within ten business days from the closing date (less any incurred bank charges, bank transfers or currency exchange charges). The Fund Manager shall present the results of the offering to CMA within

ten business days from the closing date.

Subject to the previous clause (B) related to in-kind subscription and the completion of registration and listing requirements as set out below, the units shall be allocated after the closing date as follows:

1. If the total subscription amounts of all subscribers (including the in-kind subscription and the Fund Manager's subscription) is less than the minimum amount to be raised (SAR 1,580,000,000), the Fund shall be terminated and all subscription amounts and subscription fees shall be refunded to subscribers within ten business days from the date of termination (less any incurred bank charges, bank transfers or currency exchange charges).
2. If the total subscription amounts of all subscribers (including the in-kind subscription) is equivalent to the amount to be raised (SAR 1,580,000,000), after deducting any applicable charges or fees, all offering units will be allocated as follows:
  - Pursuant to the previous clause (B) related to in-kind subscription, the priority of subscription for Jadwa REIT Saudi Fund shall be for the owners of initial real estate assets, during the initial subscription period, in the form of in-kind subscription, knowing that the expected percentage of their subscription is around 64.3% of Fund Units.
  - The Fund Manager's subscription of an amount up to SAR 89,447,000 representing 5.66% of the total Fund Units.
  - Upon completion of allocation to the owners of initial real estate assets and the Fund Manager's subscription, Units will be allocated to all subscribers, according to their respective subscription amounts.
3. If the total subscription amounts of all subscribers (including the in-kind subscription) is more than the amount to be raised (SAR 1,580,000,000), after deducting any applicable charges or fees, all offering units will be allocated as follows:
  - Pursuant to the previous clause (B) related to in-kind subscription, the priority of subscription for Jadwa REIT Saudi Fund shall be for the owners of initial real estate assets, during the initial subscription period, in the form of in-kind subscription, knowing that the expected percentage of their subscription is around 64.3% of Fund Units.
  - The Fund Manager's subscription of an amount up to SAR 89,447,000 representing 5.66% of the total Fund Units.
  - Upon completion of allocation to the owners of initial real estate assets and the Fund Manager's subscription, other subscriptions will be dealt with and the remaining value after the offering will be allocated as follows:
    - If the number of applied subscribers is less than 948,000: (50) units shall be allocated to each subscriber, then the remaining units shall be allocated on a pro rata basis to the subscribers, and the surplus funds shall be refunded within maximum ten (10) business days from the closing date of the offering period.

- If the number of applied subscribers is 948,000: (50) units shall be allocated to each subscriber, and the surplus funds shall be refunded within maximum fifteen (10) business days from the closing date of the offering period.
- If the number of applied subscribers is more than 948,000: A number of units that is less than the minimum limit of subscription shall be equally allocated to all subscriber, and the surplus funds shall be refunded within maximum ten (10) business days from the closing date of the offering period.

The subscribers to the fund assign their preemptive right. Therefore, any property owned by the Fund will be sold in accordance with the Fund's investment strategy.

**J) The Mechanism of Increasing the Fund's Total Assets Value by Accepting In-kind Contributions or Cash Contributions, or both, if any:**

If it is determined to increase the Fund total assets value by accepting in-kind contributions or cash contributions, or both, if any, the mechanism of such increase shall be subject to the rules and regulations applicable then by the CMA.

**K) Timetable Outlining the Dates upon which is expected to Start Offering the Units until the Trading of such Units:**

Steps	Expected Time
<b>Initial Offering Period</b>	Fifteen (15) business days starting from 16/4/1439H corresponding to 3/1/2018G to 6/5/1439H corresponding to 23/1/2018G
<b>Initial offering period extension</b>	Fifteen (15) business days
<b>Confirming the Receipt of Subscription Application</b>	One business day from the day of conformation.
<b>Accepting/ Rejecting the Subscription Application</b>	Three (3) business days from the day of Confirming the Receipt of Subscription Application.
<b>Refunding the surplus after subscription, allocation of units and notification of allocation</b>	Ten (10) business days from the Closing Date.
<b>Refunding the surplus in case of failing to collect offered amounts or subscription if rejected</b>	Ten (10) business days from the Closing Date.
<b>Property acquisition / Listing Fund Units at Tadawul</b>	The assets will be acquired and transferred to the SPV within sixty (60) business days from the end date of the initial offering.
<b>Minimum limit of subscription</b>	50 units, which is equivalent to SAR 500.
<b>Maximum limit of subscription</b>	7,842,000 units, which is equivalent to SAR 78,842,000.

**\* All subscribers must carefully read all these Terms and Conditions before subscription for the Fund.**

## **12) Trading of Fund Units**

### **A. Method of Trading Units:**

- 1- Upon listing, the Units may be traded in the same way as trading listed companies shares on Tadawul. Therefore, Unitholders and investors may trade during the normal trading hours announced by Tadawul and through one of the Capital Market Institutions.
- 2- Unitholders are not entitled to redeem their Units from the Fund Manager. Units may be sold directly through trading without reference to the Fund Manager.
- 3- Acquiring Units from Tadawul shall be considered an acknowledgment from a buyer that it has read and accepted these Terms and Conditions.
- 4- Trading in Units shall result in trading fees or commissions being incurred which shall be settled as per the prevailing market prices. The investor will be responsible for the trading fees or commissions.

### **B. Cases of Suspending the Trading of the Fund Units or Cancel their Listing:**

The CMA may at any time suspend the trading of the Fund Units or cancel its listing as it deems appropriate, in any of the following cases:

1. The CMA considers it necessary for the protection of investors or the maintenance of an orderly market.
2. The Fund Manager or Custodian fails, in a manner which the CMA considers material, to comply with the Law and its Implementing Regulations.
3. The Fund Manager fails to settle any financial consideration payable to the CMA, Tadawul, or any fines payable to the CMA at their due dates.
4. The CMA considers that the Fund does not have a sufficient level of operations or sufficient assets to warrant the continued trading of its securities on the Tadawul.
5. The Custodian or market maker (as the case may be) fails, in a manner which the CMA considers material, to comply with the Law and its Implementing Regulations.
6. Upon termination of Fund.
7. Failure to fulfill liquidity requirements specified at Listing Rules.
8. The Fund Manager may request the CMA in writing to suspend trading of Fund Units temporarily or cancel its listing, provided that the request shall state the reason for suspension or cancellation request. The CMA shall have the right to accept or reject the request as it deems appropriate.

## **13) Dividend Distribution Policy**

The Fund Manager aims to distribute to investors – four times a Gregorian year- an annual cash dividend for the period ending March, June, September, and December on Unitholders of no less than 90% of the Fund's annual net annprofits, not including capital profits resulting from the sale of the underlying real estate assets, which may be reinvested to acquire additional assets or for valuating the Fund existing assets.

#### 14) Fund Termination and Liquidation

A) The Fund shall be terminated in any of the following cases:

1. At the end of the Fund Term or the extended term thereof.
2. Failure to fulfill liquidity requirements specified at Listing Rules.
3. There is a change to the laws, regulations or other legal conditions or there are material changes to the real estate market conditions in Saudi Arabia and the Fund Manager considers such as a justified reason to terminate the Fund considering all the legal requirements in such regard;
4. If all Fund assets are disposed of and all proceeds of such dispositions have been distributed to the Unitholders considering all the legal requirements in such regard;
5. If the Target Offering Size is raised but the assets are not acquired or if the assets are acquired but units are not listed in Tadawul, considering all the legal requirements in such regard;
6. in case the Fund Manager is subject to any bankruptcy or liquidation proceedings, considering all the legal requirements in such regard;
7. Or in case the Fund Manager wishes to terminate the Fund in cases other than those hereinabove stated, considering all the legal requirements in such regard.

B) Fund Termination / Liquidation Process and Time Schedule of Liquidation:

Considering all the relevant legal requirements and subject to any approvals required by the Unitholders and/or CMA, and/or Fund Board, Unitholders and the CMA will be notified within 30 days of the occurrence of any of termination cases. Hence, units are to be delisted upon a request to be submitted to Tadawul and a time schedule for liquidating the Fund is to be announced on the websites of the Fund Manager and Tadawul within a period of sixty days of the date of such announcement. The Fund Manager shall appoint a liquidator who shall cause the Fund to be wound down by selling real assets owned with proceeds distributed to the Unitholders as per their share in the Fund, considering that such ought to be done in the best interests of the Unitholders. The Fund Manager may act as the liquidator upon the approval of the Fund Board.

#### 15) Fees, Charges, Commissions, and Management Fees

A. Fees, charges, commissions, and Management fees the for which payment the Fund shall be liable, from its assets, have been determined in accordance with the following:

Fund Fees and Charges	
Fund Fees	Value and Way of Payment
Subscription Fee*	A Subscription Fee of 2% of the Subscription Amount shall be deducted upon receiving the Subscription Amount and paid to the Fund Manager.
Management Fee	The Fund Manager will be paid an annual management fee during the Fund Term by the Fund equal to 0.75% of the total

	Net Asset Value. The Management Fee will be borne by the Fund and will be calculated and payable semi-annually in arrears commencing on the Closing Date. Management Fees shall be prorated to take into account the days elapsed in the relevant period.
Transaction Fee	The Fund Manager shall be paid a 0.75% of the purchase or sale price of each real estate asset acquired or sold by the Fund in consideration for the Fund Manager conducting due diligence, negotiating the purchase or sale terms and completing the transaction. The Transaction Fee shall be payable after closing of the purchase or sale transaction of each real estate asset and shall be applied to Fund's Initial Real Estate Assets. The Transaction Fee shall be payable after closing of the purchase or sale transaction of each real estate asset and shall be applied to Fund's Initial Real Estate Assets.
Custody Fee	The Fund shall pay the Custodian an annual fee equal to 0.025% of the Net Asset Value, which shall be capped for SAR 320,000.
Administrative Fee	The Fund shall pay the Administrator an annual fee of SAR 129,000 which shall increase by 3% every Georgian year.
Auditor Fee	The Fund shall pay the Auditor an annual audit fee of SAR 40,000.
Tadawul Registration Fee	<ul style="list-style-type: none"> <li>• SAR 50,000, plus SAR 2 per Unitholder, subject to a maximum of SAR 500,000 shall be paid to Tadawul in return for setting up a register of Unitholders; and</li> <li>• SAR 400,000 shall be paid to Tadawul in return for managing the register of Unitholders. These fees can vary from time to time depending on the Fund's capital size.</li> </ul>
Tadawul Listing Fee	<ul style="list-style-type: none"> <li>• SAR 50,000 as initial listing fees; and</li> <li>• 0.03% of the market value of the Fund (subject to a minimum of SAR 50,000 and a maximum of SAR 300,000) annually.</li> </ul>
Regulatory Fees	SAR 7,500 to be paid to CMA annually.
Fees of publishing information on Tadawul's website	SAR 5,000 per annum.
Independent Board Member Remuneration	Each of the independent members of the Fund Board shall be entitled to SAR 5,000 for each meeting with a cap of SAR 20,000 per annum. The non-independent members of the Fund Board will not receive any remuneration.
Property Manager Fee	Fund shall pay the Property Manager (Abdulkadir Al Muhaidib & Sons Co.) annual fee of SAR 200,000 in consideration of management of Marvela Residential Compound, Al-Sulay Warehouse and Al-Fanar Residential and Commercial Compound. Fund shall not bear the property management fees for management of Almaarefa College and Alyaum Newspaper Tower during the lease and operation period stated in Article (9).

## Transaction Costs

The Fund shall pay the Fund Manager all transaction costs attributable to the acquisition of real estate assets including the cost of acquisition of any asset including feasibility studies, due diligence, consulting and legal costs, valuation and fees and charges of establishment of special purpose vehicle. such fees and expenses are expected not to exceed 0.50% of the Fund's Net Asset Value per annum. Only actual expenses will be charged and disclosed according to the most recent examined financial statements or audited annual financial statements, whichever is newer.

### Development Fees

The Fund Manager will negotiate on development fees which will be borne by Fund and paid to developers on an arm's-length basis and in compliance with market rates with a maximum of 15% from the development cost. For the avoidance of doubt, the Fund has not incurred any development fees in relation to the Initial Real Estate Assets.

### Brokerage Fees

A maximum of (2.5%) of the real estate assets shall be paid to seller, marketer or broker.  
Regarding AL Maarefa Colleges Building, the Fund will pay SAR 2,000,000 as brokerage fees to Msaken Alata, which is not a related party, for the acquisition of Almaarefa Colleges building.

### Other Fund Expenses

The Fund shall be liable for all costs and expenses attributable to the activities, investments and divestments of the Fund. Expenses related to third party services such as legal, advisory, accounting, asset valuation, governmental costs paid to regulators and the CMA, related insurance costs and other professional services in addition to income purifications costs (if any), all actual travel and accommodation expenses reasonably incurred by each Fund Board member to attend meetings which are not expected to exceed SAR 15,000 per annum for all independent members. Such fees and expenses are expected not to exceed 0.10% of the Fund's Net Asset Value per annum.

### Value Added Tax (VAT)

All fees and charges mentioned herein and / or any related documents do not include VAT unless otherwise specified. If VAT is imposed or may be imposed on any service provided to the Fund, the Fund will pay the Service Provider (in addition to any other charges or expenses) a sum equal to the value of the VAT on the VAT invoice of the Service concerned. If VAT is imposed or may be imposed on any service provided by the Fund, the Customer will pay Fund (in addition to any other charges or expenses) a sum equal to the value of such VAT.

## Liabilities

The Fund Manager shall take all measures necessary to achieve the best interest of all Unitholders according to the best of its knowledge. The Fund Manager and its directors, officers, employees, agents, advisers, affiliates and personnel, the Custodian, each property manager, the Shariah Board and the members of the Fund Board (each a "Covered Party") shall



not have any liability to the Fund or to any investor for any loss suffered by the Fund that arises out of any acts or omissions of that party in connection with the conduct of the affairs of the Fund; provided that any covered party seeking to rely on such provision has acted in good faith and in a manner reasonably believed to be in the best interests of the Fund and was neither grossly negligent nor engaged in fraud or willful misconduct. The Fund will indemnify and hold harmless each Covered Party from and against any and all claims, expenses, damages, costs, demands or liabilities which they, or any one of them, may sustain or to which they, or any one of them may become subject, arising out of, or relating in any way to their duties to the Fund, except to the extent caused by such party's fraud, gross negligence or willful misconduct.

\* Subscription fees include VAT.

## B. Fees, Prescribed Percentage / Amount, Method of Calculation and Payment Frequency:

#	Type of Fee	Imposed percentage	Imposed amount	Method of calculation	Fees payment frequency
1	Subscription Fee	2%	N/A	Calculated from the subscription amount	Not repeated
2	Transaction Fee	0.75% of total purchase or sale price.	N/A	Calculated from the total value of the asset to be acquired or sold, and does not include brokerage fees.	Upon closing of a purchase or sale transaction.
3	Management Fee of REIT	0,75% of assets net value of Fund.	N/A	To be calculated on semiannual basis from assets net value of Fund commencing on the Closing Date.	To be deducted on semiannual basis
4	Administrative Fee	N/A	Fund shall pay the Sub-Administrator an annual fee of SAR 129,000, with annual increase of 3%.	To be calculated on daily basis by dividing fees proportionally on the number of days in a year	To be deducted quarterly
5	Custody Fee	0,025% of assets net value of Fund.	N/A	To be calculated from net assets value of the Fund with a maximum of SAR 320,000.	To be deducted on semiannual basis
6	Remuneration of the Board Members	N/A	SAR5,000 for every meeting	To be paid for each member for every meeting, with a cap of SAR 20,000 for a member	To be deducted annually
7	Auditor Fee	N/A	SAR 40,000 to be paid annually.	To be calculated on daily basis by dividing fees proportionally on the number of days in a year	To be deducted annually
8	Other Fund	Such expenses will be disclosed in the financial disclosure summary at the end of the year, if any.			

Expenses					
9	Tadawul Registration Fee	N/A	Initial fee of (SAR 500,000) plus SAR (2) per Unitholder, subject to be a maximum of SAR (500,000).	To be paid in advance by Unitholders	To be paid once upon establishment
10	Tadawul Registration Fee	N/A	SAR 400,000 to be paid annually as per the market value of Fund, according to the following values: 0-100 million, SAR 180,000 shall be paid. 100-200 million, SAR 220,000 shall be paid. 200-500 million, SAR 300,000 shall be paid. 500 million- 2 billion, SAR 400,000 shall be paid. 2 billion-5 billion, SAR 500,000 shall be paid. 5 billion- 100 billion, SAR 600,000 shall be paid. More than 10 billion, SAR 700,000 shall be paid.	To be calculated on daily basis by dividing fees proportionally on the number of days in a year	To be annually deducted
11	Tadawul Listing Fee	N/A	Initial listing fees of SAR 50,000	To be paid in advance by Unitholders	To be paid once upon establishment
12	Tadawul Listing Fee	0,03% of assets net value of Fund.	Not less than (SAR 50,000) and not more than (SAR 300,000)	To be calculated on a daily basis from the market value of Fund	To be annually deducted
13	Fees of publishing information on Tadawul's website	N/A	SAR 5,000	To be calculated on daily basis by dividing fees proportionally on the number of days in a year	To be paid annually
14	Regulatory Fees to be Paid to CMA	N/A	SAR 7,500	To be calculated on daily basis by dividing fees proportionally on the number of days in a year	To be paid annually
15	Property Manager Fee	N/A	SAR 200,000 per annum on real estate managed by Abdulkadir Al Muhaidib & Sons Co	To be calculated on daily basis by dividing fees proportionally on the number of days in a year	To be paid annually
16	Development Fees	Such expenses will be disclosed in the financial disclosure summary at the end of the year, if any.			
17	Transaction Costs	Such expenses will be disclosed in the financial disclosure summary at the end of the year, if any, and shall not exceed 0.5% of assets net value of Fund			
18	Brokerage Fees	2.5% of value of purchase of real estate assets	N/A	To be calculated from total value of purchase of real estate assets	Upon acquisition of an asset
19	Islamic Finance Costs	Such expenses will be disclosed in the financial disclosure summary at the end of the year, if any.			

### C) Schedule of Presumed Investment for Unitholders:

Assuming the subscription amount is SAR 10,000, the Fund size is SAR 1,000,000,000 and the annual return is 10%, and assuming that the Tadawul Registration Fees and Listing Fees are calculated at the maximum percentage based on the market value of the Fund.

#### A. Fund Manager's Representation Regarding Fees:

The Fund Manager hereby represents and acknowledges that the fees set forth in Article (15) of these Terms and Conditions (Fees, Charges, Commissions, and Management Fees) constitute all the fees applicable to the Fund, and that the Fund Manager shall not incur any other fees not herein stated.

## **16) Insurance**

The Fund will carry commercial liability, property and other types of insurance covering all the property that it owns and manages in types and amounts that it believes are adequate and appropriate given the relative risks applicable to the property, the cost of coverage and industry practice. Certain losses, such as those due to windstorms, floods or seismic activity, may be insured subject to certain limitations, including large deductibles or co-payments and policy limits in addition to delay in collecting claims.

## **17) Fund Assets**

### **A) Method of Registering Fund's Assets:**

Ownership of assets will be registered under the name of an SPV (established by the Custodian to hold title of and take custody of the Fund assets).

The Fund Manager acknowledges and undertakes that it shall open a separate bank account (or more) with one or more banks in the name of the Fund and/or the SPV (to be established by the Custodian). All subscription proceeds from investors and Fund revenues shall be deposited with such account(s). Expenses payable regarding the operation and management of Fund will be withdrawn from such account(s).

### **B) Valuation of Fund Assets:**

#### **1. Names of accredited valuers of Fund Assets:**

##### **White Cubes Company**

Tel: +966 11-810-1765

Riyadh, Kingdom of Saudi Arabia

Website: [www.white-cubes.com](http://www.white-cubes.com)

##### **Menassat Company**

Al Moaarek bin boshor street, Al Rabwa, Riyadh 12816

Tel: 966920010094

Riyadh, Kingdom of Saudi Arabia

Website: [www.gomenassat.com](http://www.gomenassat.com)

#### **2. Method of Valuing the Fund's Assets:**

The Fund Manager shall value the Fund's real estate assets based on a valuation prepared by two independent valuers licensed by Saudi Authority for Accredited Valuers. The Fund Manager has the right to change or appoint any new valuer for the Fund without any prior notice to the Unitholders. Such appointment will be made considering the Fund Manager's fiduciary responsibility to the Unitholders.

The Net Asset Value of one Unit (“Unit NAV”) will be calculated by deducting total liabilities of the Fund, including any liabilities, accrued fees, and expenses due by the Fund during the calculation period from Fund total assets, and the output will be divided by the number of the Fund Units for the same period. Such value shall be an indicative value of the Fund’s unit. Valuation of the assets of the Fund may not be adequate to potential buyers in the event of liquidation or sale of real estate assets. Valuation conducted by the valuers of real estate assets is subject to calculation criteria used in valuations by each appraiser and is an indicative indicator of the value of real estate assets. Real estate assets may be sold at a higher or lower price as per the best demand price on the market when offering real estate assets for sale. However, the Fund Manager shall endeavor to sell any real estate asset at a price not less than the average valuation in accordance with the prevailing market conditions and the conditions of the real estate in the best interests of investors in the Fund. The Fund Manager shall seek to buy another alternative real estate property fitting the Fund strategies to achieve its objectives within a period of six months of selling such property such that the value of such purchased property shall not be more than the highest valuation conducted by the valuers licensed by the Saudi Authority of Accredited Valuers.

Total assets are the sum of all real estate assets, cash, accrued profits, and other receivables and the market value of all non-real estate investments together with the current value of any other assets held. The Fund Manager shall exercise its reasonable judgment in determining the values to be attributed to assets and liabilities, provided it is acting in good faith in the interest of the Fund as a whole. For purposes of determining the real estate assets Value, the Fund Manager shall use the average of the valuations conducted by two (or more) independent valuers licensed by the Saudi Authority of Accredited Valuers.

### 3. Valuation of Each Envisaged Asset:

The Fund Manager has appointed two accredited valuers licensed from the Saudi Authority for Accredited Valuers in order to conduct an independent valuation for the Initial Assets of the Fund. Below is a summary of the assets' description and valuation values and dates thereof:

First Valuer – ValuStrat		
Property Name	Market Value of Real Estate	Valuation Date
<b>Alyaum Tower</b>	SAR 288,900,000	27/09/2017G
<b>Almaarefa College</b>	SAR 220,700,000	27/09/2017G
<b>Al-Sulay Warehouse</b>	SAR 235,300,000	27/09/2017G
<b>Marvela Residential Compound</b>	SAR 645,200,000	27/09/2017G

<b>Al Fanar Residential &amp; Commercial Compound</b>	SAR 259,700,000	27/09/2017G
<b>Total</b>	<b>SAR 1,649,800,000</b>	

<b>Second Valuer – White Cubes</b>		
<b>Name</b>	<b>Market Value of Real Estate( SAR)</b>	<b>Valuation Date</b>
<b>Alyaum Tower</b>	SAR 318,000,000	10/10/2017G
<b>Almaarefa College</b>	SAR 228,500,000	10/10/2017G
<b>Al-Sulay Warehouse</b>	SAR 276,000,000	10/10/2017G
<b>Marvela Residential Compound</b>	SAR 645,000,000	10/10/2017G
<b>Al Fanar Residential &amp; Commercial Compound</b>	SAR 268,300,000	10/10/2017G
<b>Total</b>	<b>SAR 1,735,800,000</b>	

#### 4. Number and Timing of Valuation:

The Fund Manager shall evaluate the Fund's assets once every six months based on two valuations prepared by two licensed valuers in accordance with the requirements set forth in the Real Estate Investment Funds Regulations.

#### C) Announcing the Unit Net Asset Value:

The Fund Manager shall announce the Unit Net Asset Value within 30 Business Days from the respective Valuation Day. Such information shall be made available on the website of Tadawul and that of the Fund Manager.

#### D) Properties under Acquisition, Names of Accredited Valuers, Date of Valuation Report, Valuation Value for each Property, Valuation Rate, and Purchase Price for each Property:

<b>First Valuator – ValuStrat</b>		
<b>Property Name</b>	<b>Market Value of Real Estate</b>	<b>Valuation Date</b>
<b>Alyaum Tower</b>	SAR 288,900,000	27/09/2017G
<b>Almaarefa College</b>	SAR 220,700,000	27/09/2017G
<b>Al-Sulay Warehouse</b>	SAR 235,300,000	27/09/2017G
<b>Marvela Residential Compound</b>	SAR 645,200,000	27/09/2017G

<b>Al Fanar Residential &amp; Commercial Compound</b>	SAR 259,700,000	27/09/2017G
<b>Total</b>	SAR 1,649,800,000	

<b>Second Valuator – White Cubes</b>		
<b>Name</b>	<b>Market Value of Real Estate( SAR)</b>	<b>Valuation Date</b>
<b>Alyaum Tower</b>	SAR 318,000,000	10/10/2017G
<b>Almaarefa College</b>	SAR 228,500,000	10/10/2017G
<b>Al-Sulay Warehouse</b>	SAR 276,000,000	10/10/2017G
<b>Marvela Residential Compound</b>	SAR 645,000,000	10/10/2017G
<b>Al Fanar Residential &amp; Commercial Compound</b>	SAR 268,300,000	10/10/2017G
<b>Total</b>	<b>SAR 1,735,800,000</b>	

<b>Real Estate</b>	<b>Average Assets Valuation by Accredited Valuators</b>	<b>Asset Purchase Price</b>	<b>The Difference Between the Asset Purchase Price and the Average Asset Valuation</b>
<b>Alyaum Tower</b>	<b>SAR 303,450,000</b>	<b>SAR 275,000,000</b>	<b>9.4%-</b>
<b>Almaarefa College</b>	<b>SAR 224,600,000</b>	<b>SAR 200,000,000</b>	<b>11.0%-</b>
<b>Al-Sulay Warehouse</b>	<b>SAR 255,650,000</b>	<b>SAR 221,680,000</b>	<b>13.3%-</b>
<b>Marvela Residential Compound</b>	<b>SAR 645,100,000</b>	<b>SAR 606,000,000</b>	<b>6.1%-</b>
<b>Al Fanar Residential &amp; Commercial Compound</b>	<b>SAR 264,000,000</b>	<b>SAR 243,940,000</b>	<b>7.6%-</b>
<b>Total</b>	<b>SAR 1,692,800,000</b>	<b>SAR 1,546,620,000</b>	<b>8.6%-</b>

## 18) Fund Board:

The Fund Manager will appoint the Fund Board to provide oversight over certain actions of the Fund and to act as a fiduciary for the benefit of the Fund and its Unitholders.

The Fund Board will be composed of (5) members appointed by the Fund Manager, of whom two are independent. Any amendment to the composition of the Fund Board shall be notified to the Unitholders by an announcement on the Fund Manager's and Tadawul's websites.

A) List of Board Members, Their Qualifications, and Disclosure of Independent Board Members:

**Mr. Ghannam Suleiman Al Ghannam – Chairman**

Mr. Al Ghannam is the Director, Private & Institutional Client Investments at Jadwa; prior to joining Jadwa he was a Senior Investment Advisor for private clients at HSBC Saudi Arabia. Over 14 years of experience in business development and wealth management maintaining a high quality approach to all sales, services, operational and risk management processes, organized and planned sales activities related to private equity, asset management and real-estate. Ghannam is a certified financial planner and holds a BS degree in Business Administration from Toledo University.

**Dr. Nouf Al Sharif – Board Member**

Dr. Nouf is a Deputy Head of Economic Research at Jadwa Investment. Prior to joining Jadwa Dr. Nouf was an economics lecturer at Prince Sultan University specializing and teaching Business, Micro and Macroeconomics and monetary banking. At a previous stage of her career, Dr. Nouf worked at Riyadh Bank as a senior economic planning analyst at Bank Economic Research. Dr. Nouf holds a PHD from Sussex University, United Kingdom, in addition to a master and bachelors (Honors) in economics from King Saud University.

**Nader Hassan Al Amri – Board Member**

The executive and founding partner of First Avenue for Real Estate Development Company, and occupies the role of a financial advisor to a number of public and private entities. He holds a Bachelor of Commerce in Economics from Saint Mary's University in Canada, in addition to a Master's degree in Economics from the University of Waterloo in Canada. Mr. Nader holds degrees in Real Estate Management, Finance, Design and Leadership from Harvard Business School in the United States, and he also holds a Professional Certificate in Real Estate Finance and Investment from New York University in the United States.

**Adel Khaled Al Kadi – Independent Board Member**

Mr. Adel works as Vice Chairman and CEO of Al Hayat Investment Company, and previously worked in Advanced Electronics Company as a project manager. Mr. Adel has more than 9 years of experience in the field of investment and business development, and holds an industrial engineering degree from King Fahd University For Petroleum and Minerals with second honors, in addition to a certified project manager certificate from the International Project Management Institute.

### **Dr. Waleed Abdullah Al Mazyad – Independent Board Member**

He is currently working as a legal advisor for several commercial and industrial companies, and worked in the Ministry of Justice at the General Court and the Judicial Court as a judicial lieutenant, legal and legal advisor, and a trustee for the Board of Directors of the Arab Securities Company. He has legal experience in the areas of securities, liquidation of companies, development companies, real estate operation, endowment provisions and the beholder.

With exception of each of the independent members of the Fund Board who are entitled to SAR 5,000 for each meeting with a cap of SAR 20,000 payable at the end of each year, the non-independent members of the Fund Board will not receive any remuneration.

#### **B) Description of Services Provided by Fund Board Members:**

Following are the responsibilities entrusted to Fund Board:

1. Approving material contracts, decisions and reports involving the Fund, including, but not limited to, contracts for the provision of Fund management services, contracts for the provision of custody services but excluding contracts entered into pursuant to investment decisions regarding underlying investments made or to be made by the Fund.
2. Examining the report on evaluating performance and quality of the services provided by third parties responsible for providing material services to the Fund as per the Real Estate Investment Funds Regulations to ensure that the Fund Manager is carrying out its responsibilities in a manner that would achieve the overall interest of Unitholders in accordance with these Terms and Conditions and Real Estate Investment Funds Regulations;
3. Approving a written policy regarding voting rights related to the Fund assets;
4. Supervising and, whenever appropriate, ratifying any conflict of interests disclosed by the Fund Manager;
5. Meeting at least twice annually with the Compliance Committee of the Fund Manager or its Compliance Officer to ensure that the Fund Manager is in compliance with all applicable rules and regulations, which includes, without limitation, the requirements set forth in the Real Estate Investment Funds Regulations;
6. Approving all changes stated in the Real Estate Investment Funds Regulations before the Fund Manager receives the approval of the Unitholders or the CMA or their notice (as the case may be);
7. Ensuring completeness and accuracy of the Fund Terms and Conditions and any other documents (whether a contract or otherwise) comprising disclosures related



to the Fund, Fund Manager, and the latter's management of the Fund alongside ensuring all the foregoing is consistent with the Real Estate Investment Funds Regulations;

8. Ensuring that the Fund Manager carries out its responsibilities in a manner that would achieve the overall interest of Unitholders in accordance with these Terms and Conditions and Investment Funds Regulations;
9. Evaluating the mechanism used by the Fund Manager in dealing with risks related to Fund assets in accordance with the policies and procedures applied by the Fund Manager in terms of identifying Fund related risks and how to address them;
10. Working in good faith, reasonable care and diligence to achieve the overall interests of the Fund and Unitholders;
11. Recording meetings minutes showing all actions and resolutions taken by the Fund Board;
12. Examining the report covering all complaints and grievances and the actions taken in such regard to ensure that the Fund Manager is carrying out its responsibilities in a manner that would achieve the overall interest of Unitholders in accordance with these Terms and Conditions and Real Estate Investment Funds Regulations;
13. Approving decisions related to distributing dividends to Unitholders;
14. And ensuring that the Fund Manager is committed to disclosing material information to the Unitholders in accordance with the Terms and Conditions and Real Estate Investment Funds Regulations.

The Fund Manager shall provide all necessary information regarding the affairs of the Fund to all Fund Board members in order to enable them to carry out their duties.

As for meetings of the Fund Board, the Fund Board shall hold a meeting upon the call of its Chairman, which is expected to be at least once every Fiscal Year. The Chairman may convene an urgent meeting of the Fund Board whenever he deems it necessary. The Chairman must convene the Board whenever so requested by the Fund Manager or any two (2) members of the Fund Board.

Meetings of the Fund Board shall not be validly held unless attended by a majority of its members. Resolutions of the Fund Board shall be made by the affirmative vote of a majority of the members. When votes are equal, the Chairman's vote shall be casting.

The Fund Board may make resolutions in urgent matters by circulation, via fax or by email; provided that any such resolution shall be presented to the Fund Board in its first subsequent meeting for official documentation.

Meetings of the Fund Board may be held, and the members of the Fund Board may

participate in the corresponding deliberations and cast their votes therein, via modern technology.

The Fund Board shall document its meetings, prepare minutes of deliberations and discussions, including the voting processes that are carried out. Such minutes shall be kept, organized and properly maintained for ease of reference.

A member of the Fund Board (or whom this member represents) may not vote on any resolution of the Fund Board concerning any matter where said member has any interest, whether direct or indirect. Such interest must be disclosed to the Fund Board, which in turn takes any decisions regarding any disclosed transaction involving a conflict of interest.

C) Other Funds Managed by Members of the Fund Board:

	<b>Ghannam Al Ghannam</b>	<b>Dr. Nouf N. Alsharif</b>	<b>Adil Al Kadi</b>	<b>Nader Al Amri</b>	<b>Dr. Waleed Al Mazyad</b>
Jadwa REIT Al Haramain Fund	•	•	•	•	•
Jadwa REIT Saudi Fund	•	•	•	•	•
Jadwa Al Azizia Real Estate Investment Fund	•				
Zood Investment Fund	•				•
Al Dar Investment Fund	•			•	
Diriyah Avenue Investment Fund	•	•		•	
Al Nokhbah Investment Fund	•	•			•
Al Shorfa Investment Fund	•			•	
Al Waha Investment Fund	•				
Al Dar Investment Fund 2	•				
Real Estate Growth Fund	•				
Liwan Investment Fund (1)	•				•
Osus Investment Fund					•

Al Olaya Investment Fund					•
Al Narjis Investment Fund					•
Al Suliman Investment Fund					•
Jadwa Al Mqr Investment Fund					•
Jadwa Private Real Estate Investment Fund 25					•
Jadwa Private Real Estate Investment Fund 26					•
Jadwa Private Real Estate Investment Fund 27					•
Jadwa Private Real Estate Investment Fund 28					•
Jadwa Private Real Estate Investment Fund 29					•
Jadwa Private Real Estate Investment Fund 30					•
Jadwa Saudi Equity Fund	•				•
Jadwa GCC Equity Fund	•				•
Jadwa Arab Markets Equity Fund	•				•
Jadwa Saudi Riyal Murabaha Fund	•				•
Jadwa Global Sukuk Fund	•				•
Jadwa Investment Fund 12	•				•
Jadwa Investment Fund 13	•				•
Jadwa Investment Fund 14	•				•
Jadwa Investment Fund 16	•				•
Jadwa Investment Fund 17	•				•

Jadwa Investment Fund 20	•				•
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#### D) Eligibility of Fund Board Members:

The Fund Manager represents that in relation to each member of the Fund Board, such member:

1. Is not subject to any bankruptcy or insolvency proceedings;
2. Has not previously committed any fraudulent, dishonest or untrustworthy act;
3. And has the requisite skills and expertise that would render him to qualify to be a member of the Fund Board.

#### E) Fund Manager Representations Regarding Independent Directors:

The Fund Manager represents that each independent director is in compliance with the definition of an independent director as mentioned in the Glossary of Defined Terms Used in the Regulations and Rules of the Capital Market Authority.

### 19) Fund Manager

#### A) Fund Manager's Name and Address:

Name: Jadwa Investment Company  
Address: Sky Towers  
4<sup>th</sup> Floor  
King Fahad Road  
P.O. Box 60677  
Riyadh 11555  
Kingdom of Saudi Arabia  
Website: [www.jadwa.com](http://www.jadwa.com)

#### B) Fund Manager License:

The Fund is managed by Jadwa Investment Company. Jadwa Investment Company is a Saudi Arabian closed joint stock company licensed by the CMA as a “Capital Market Institution” under the Capital Market Institutions Regulations, and is operating under license number 06034-37 dated 13/02/1428H (corresponding to 03/03/2007G).

#### C) Letter Issued from Fund Manager:

No applicable since the Fund Units have already been offered, and the real estate assets have been acquired.

#### D) Fund Manager's Duties:

The Fund Manager shall manage and operate the Fund being a financial entity independent from Jadwa Investment Company in accordance with the related laws and regulations and for the benefit of the Unitholders. The Fund Manager shall provide the

following administrative services alongside other services to the Fund, which shall include, without limitation:

- 1) Setting out decision making procedures that should be followed when executing technical and administrative issues of the Fund's businesses and projects.
- 2) Complying with all laws and regulations valid in the Kingdom related to the Fund's business.
- 3) Implementing a compliance monitoring program for the Fund, the Fund Manager must provide the CMA with the results of the implementation of the program upon its request.
- 4) Developing policies and procedures that detect risks effecting the Fund's investments and ensure treatment of these risks as soon as possible. These policies and procedures must include conducting risks assessment, at least, once a year.
- 5) Cooperating with all persons concerned with the performance of tasks for the Fund, including the Custodian and the Auditor. The Fund Manager must provide them with whatever necessary to perform their duties and tasks in accordance with the Real Estate Investment Funds Regulations.
- 6) Preparing an annual report that includes an assessment of the performance and quality of services provided by the parties involved in providing material services to the fund - including the Custodian, Developer and Property Manager as applicable - and the Fund Manager must submit the report referred to in this paragraph to the Fund's Board.
- 7) Managing the Fund's assets in favor of the Unitholders benefit according to the Fund's Terms and Conditions
- 8) Ensuring the legality and validity of all contracts concluded for the benefit of the Fund.
- 9) Complying with the Real Estate Investment Funds Regulations, whether the Fund Manager carries out its responsibilities and duties directly or delegates the same to any other person pursuant to the Real Estate Investment Funds Regulations and the Capital Market Institutions Regulations.
- 10) Complying with the provisions of the Real Estate Investment Funds Regulations when applying for an approval from or notifying the Authority requests.
- 11) Complying with these Terms and Conditions.
- 12) Preparing an annual report that includes all complaints and the measures taken to address them, and it shall submit such report to the Fund's Board.
- 13) Complying with the Instructions for Investment Funds Announcements.
- 14) Maintaining the Fund books and records.
- 15) Maintaining, at all times, records of all Units issued and cancelled, and must maintain at all times an up to date record of the balance of outstanding Units.
- 16) Retaining all books and records in accordance with the Real Estate Investment Funds Regulations for a period of ten years, unless the CMA determines otherwise. In case of any litigation or claim (including any litigation pending or threatened) or any on-going investigations relating to such books and records, the Fund Manager must retain copies of all books and records required pursuant to this Article for a period more than ten years until the closure of that litigation, claim or on-going investigation.

- 17) Managing the Fund's real estate assets and other assets for the benefit of the investors in accordance with the Terms and Conditions.
- 18) Implementing the Fund's investment strategies described herein.
- 19) Arranging, negotiating and executing Shariah-compliant debt financing for and on behalf of the Fund.
- 20) Securing the Shariah Board's approval that these Terms and Conditions, and all the Fund's contracts, documents, and dealings are in compliance with Shariah Guidelines.
- 21) Appointing the Auditor and other professional service providers to the Fund including the Legal Advisor;
- 22) Supervising the performance of the Property Manager.
- 23) Arranging the sale and / or liquidation of the Fund upon its termination.
- 24) Acquainting the Unitholders with all material facts or developments that may affect the Fund business as prescribed by the Real Estate Investment Funds Regulations.
- 25) Consulting with the Fund Board members from time to time to ensure compliance with CMA laws and regulations and these Terms and Conditions.

E) Removal and Replacement of Fund Manager:

The CMA shall have the power to remove a Fund Manager in relation to the Fund and to take any action it deems appropriate to appoint a replacement Fund Manager for that Fund or to take any other measures it deems necessary in the event of:

1. The Fund Manager ceasing from carrying on management activities without notifying the CMA under the Capital Market Institutions Regulations;
2. The cancellation, withdrawal or suspension by the CMA of the Fund Manager's relevant authorisation(s) of carrying on management activities;
3. A request by the Fund Manager to the Authority to cancel its relevant authorization of carrying on management activities;
4. The CMA believing that the Fund Manager has failed, in a manner which the CMA considers material, to comply with the Capital Market Law or its Implementing Regulations;
5. The death, incapacity or resignation of the Portfolio Manager who manages the assets of the Fund, if no other registered person employed by the Fund Manager can manage the assets of the Fund assets managed by the Portfolio Manager;
6. The Issuance of a special fund resolution by the Fund Unitholders requesting a removal of the Fund Manager; or
7. Any other event determined by the CMA, on reasonable basis, to be of material importance.

If the CMA exercises any of its powers pursuant to the above paragraph, the Fund Manager shall cooperate fully in order to help facilitate a smooth transfer of responsibilities to the replacement fund manager during the initial (60) day period after the appointment of the replacement fund manager. The Fund Manager must, where necessary, appropriate and at the absolute discretion, transfer all of the contracts relating to the relevant real estate investment fund to the replacement fund manager.

In addition to the above, the Fund Manager shall observe the following:

1. Notice of any event described in sub-paragraph (5) of paragraph (E) of this Article must be provided by the Fund Manager to the CMA within (2) days of its occurrence.
2. Upon removal of the Fund Manager in accordance with the cases stipulated in subparagraphs (1), (2), (3), (4), (5) and (7) of paragraph (E) of this Article, the CMA shall direct the removed Fund Manager to call for a Unitholders' meeting within (15) days from the date of the CMA's removal decision, in order to appoint the Custodian or other party, through an Ordinary Fund Resolution, to find and negotiate with a replacement fund manager and specify the time limit for finding and negotiation.
3. Upon removal of the fund manager in accordance with the case stipulated in subparagraph (6) of paragraph (E) of this Article, the Fund Manager must issue an Ordinary Fund Resolution at the same meeting in which Unitholders voted on the request to remove the Fund Manager, in order to appoint the Custodian or other party, to find and negotiate with a replacement fund manager and specify the time limit for finding and negotiation.
4. When any of the two cases stipulated in paragraphs (2) and (3) of this Article occurs, the Fund Manager must notify the CMA of the results of the Unitholders' meeting within two days of its convening.
5. The Fund Manager must cooperate and provide the Custodian or the party assigned to find and negotiate any documents required by it for the purpose of appointing a replacement fund manager within (10) days from the date of the request, and both parties must maintain the confidentiality of the information.
6. The Fund Manager must, upon approval of the replacement fund manager to manage the Fund and transfer of the Fund management to it, send a written consent of the replacement fund manager to the CMA as soon as it is received.
7. Unitholders are entitled to request the liquidation of the Fund by a Special Fund Resolution in the event that a replacement fund manager has not been appointed within the period for search and negotiation stipulated in paragraphs (2) and (3) of this Article.

**F) Material Conflicts of Interests (Board Members / Fund Manager):**

As of the date on which these Terms and Conditions are prepared, there are no transactions involving material conflicts of interest between the Fund, the Fund Board and any third parties. The Fund Manager has identified potential conflicts that can arise between the Fund Manager and the Fund are set forth in Paragraph (G) below. For clarification purposes, the appointed Custodian (Al Bilad Capital) is wholly owned by Al Bilad Bank. A member of the Fund Manager's Board of Directors is a shareholder in a founding company of Al Bilad Bank (at a percentage not representing control). For further clarification, the appointed Custodian is a shareholder of the Fund Manager at a percentage not representing control.

The Fund Manager shall not have any interest in or claims against the Fund assets, except in its potential capacity as a Unitholder. Creditors of the Fund Manager shall not have any interest in any Fund assets.

In addition, under these Terms and Conditions regarding the right of the Fund to invest in Tadawul-listed, Shariah-compliant real estate investment traded funds, real estate investment and private equity funds investing in the real estate sector, whether publicly or privately offered, which may be managed by the Fund Manager; however, the Fund's investment in such cases shall not be in accordance with preferential terms; rather in accordance with the terms and conditions of such funds on a fully arm's length basis. This may include conflicts of interest which the Fund Manager will disclose and refer to the Fund Board to resolve any conflict of interest that may result from this. resolve any resulting conflict of interest.

**G) Description of Material Conflicts of Interest Affecting Fund Manager Duties towards Fund:**

Conflicts of interest may exist or arise from time to time between the Fund, on the one hand and, the Fund Manager or its affiliates, directors, officers, employees and agents thereof, and other related parties on the other hand, as well as other funds sponsored or managed by them. Where the Fund Manager has a material conflict of interest with the Fund, the Fund Manager shall make a full disclosure to the Fund Board as soon as possible, which in turn supervises and, whenever appropriate, ratifies any conflict of interests disclosed by the Fund Manager. The Fund Manager and the Fund Board shall attempt to resolve any conflicts of interest by exercising good faith and judgment considering the interests of all affected investors and related parties, noting that no member of the Fund Board representing the Fund Manager may vote on any decision taken by the Fund Board regarding any conflict of the Fund Manager's interests with the Fund's interests.

The Fund Manager has initially identified the following potential conflicts of interest:

**1) Similar Investments Managed by Jadwa Investment Company**

Jadwa Investment Company manages, and is expected to continue to manage, its own proprietary account and other investments with objectives similar in any way to those of the Fund, including other investment funds which may be managed or sponsored by Jadwa Investment Company or in which Jadwa Investment Company or its affiliates may have an interest in their capital.

In addition, subject to the limitations set forth herein, Jadwa Investment Company and its affiliates may in the future sponsor other funds or investments, or serve as fund manager, investment manager or general partner with respect to private investment funds or other collective investments, one or more of which may invest in vehicles similar to those in the Fund's investments, provided that such other activity does not impair the success of the Fund.

In the event that the interests of the Fund Manager conflict in a material way with the interests of the Fund, the Fund Manager will disclose and refer this in full to the Fund Board of directors as soon as possible. The Fund Board will take any decisions regarding any transaction involving a conflict of interest that is disclosed and referred by the Fund Manager by exercising wisdom and good faith



and taking the interests of the investors and related parties as a whole into consideration, bearing in mind that no member of the Fund Board who represents the Fund Manager may vote on any decision taken by the Fund Board regarding any conflict of interests of the Fund Manager with the interests of the Fund.

**2) Conflicts of Interest Regarding Transactions with the Fund Manager and its Affiliates**

The Fund may engage in transactions with the Fund Manager or its affiliates or other entities in which Jadwa Investment Company has a direct or indirect interest. For example, certain affiliates of Jadwa Investment Company may provide certain services to the Fund such as administrative services. All transactions between the Fund and the Fund Manager, its affiliates and entities in which Jadwa Investment Company holds a direct or indirect interest will be disclosed by the Fund Manager to the Fund Board.

However, the Fund Manager and Fund Board shall use their reasonable efforts in good faith to cause the terms of the agreements between the Fund Manager and its affiliates, on the one hand, and the Fund, on the other hand, to be prepared on an arm's-length basis and be in line with market standard terms.

**3) Fund Board**

The Fund Board shall oversee and resolve any conflict of interests. As of the date of these Terms and Conditions, the Fund Board shall be composed of members appointed by the Fund Manager. The members of the Fund Board shall have due diligence duties towards the investors under the Real Estate Investment Fund Regulations and shall use their best efforts to resolve all conflicts of interests in good faith as they deem fit.

**4) Related Party Transactions**

The Fund may from time to time enter into transactions with Related Parties and affiliates to provide services to the Fund. Such arrangements must be disclosed to the Fund Board and shall be on market standard terms. In case a Related Party or an affiliate, including another fund established by the Fund Manager, wishes to enter into a transaction with the Fund or the Fund Manager, it shall first obtain the approval of the Fund Board. If an asset is bought from or sold to a Related Party or an affiliate by the Fund, the purchase price paid or received by the Fund must be consistent with independent valuations.

It should be noted that management contracts were concluded with Abdulkadir Al Muhaidib & Sons Co., which is a related party that will hold more than 5% of the Fund's Units. A lease contract was also concluded with Almaarefa College for Science & Technology, which is a related party that will hold more than 5% of the Fund's Units after Dr. Zaid bin Mohammed Al Zamil assigns all of his Units thereof to Almaarefa College for Science & Technology.

**5) Funds Managed by Fund Manager**

Under these Terms and Conditions regarding the right of the Fund to invest in other Shari'ah compliant CMA licensed investment funds which may be managed by the Fund Manager, the Fund's investment in such cases shall not be in accordance with preferential terms; rather in accordance with the terms and conditions of such funds on a fully arm's length basis. This may include conflicts of interest which the Fund Manager will disclose and refer to the Fund Board to resolve any resulting conflict of interest.

H) Delegation to Third Parties:

The Fund Manager shall be responsible for managing the Fund and shall be liable for the appointment of any third party (including any of its affiliates) for carrying out any of the foregoing responsibilities. The Fund Manager may solicit the services of third parties in order to enhance the performance of the Fund. In particular, the Fund Manager intends to delegate certain administrative functions to Apex Fund Services.

I) Fund Manager's Investment in the Fund and Relevant Value:

The Fund Manager will invest up to SAR 89,447,000 in the Fund.

The Fund Manager shall be entitled to acquire Units from time to time; provided that the Fund Manager shall disclose any investment it has in the Fund at the end of each financial year in the summary of financial disclosure.

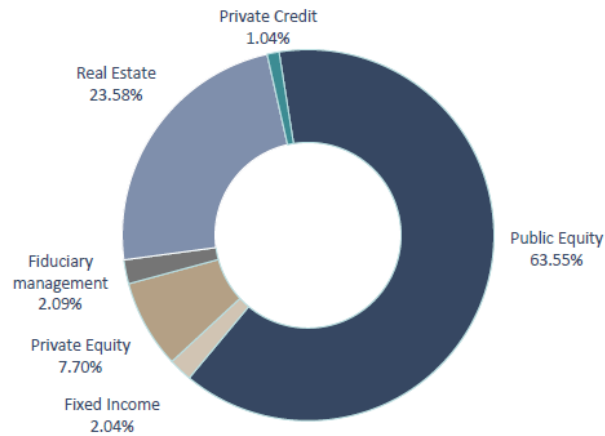
J) Overview of Fund Manager and its Asset Management Structure:

Jadwa Investment Company is a full services investment banking company headquartered in Riyadh, Saudi Arabia. The Company offers asset management, advisory, corporate finance, brokerage and custody services to high net worth individuals, family offices and institutions. The services provided by Jadwa Investment Company fall into two areas:

1. Investment Services

Jadwa Investment Company manages approximately SAR 58.9 billion of assets under administration according to the latest statistics on 30 May 2022G. These assets are distributed to the following categories:

**Breakdown of Assets under Management by Asset Class**



**These assets are managed through discretionary investment portfolios (DPMs) or through public mutual funds (18 funds) and private funds (27 funds) managed by the Fund Manager.**

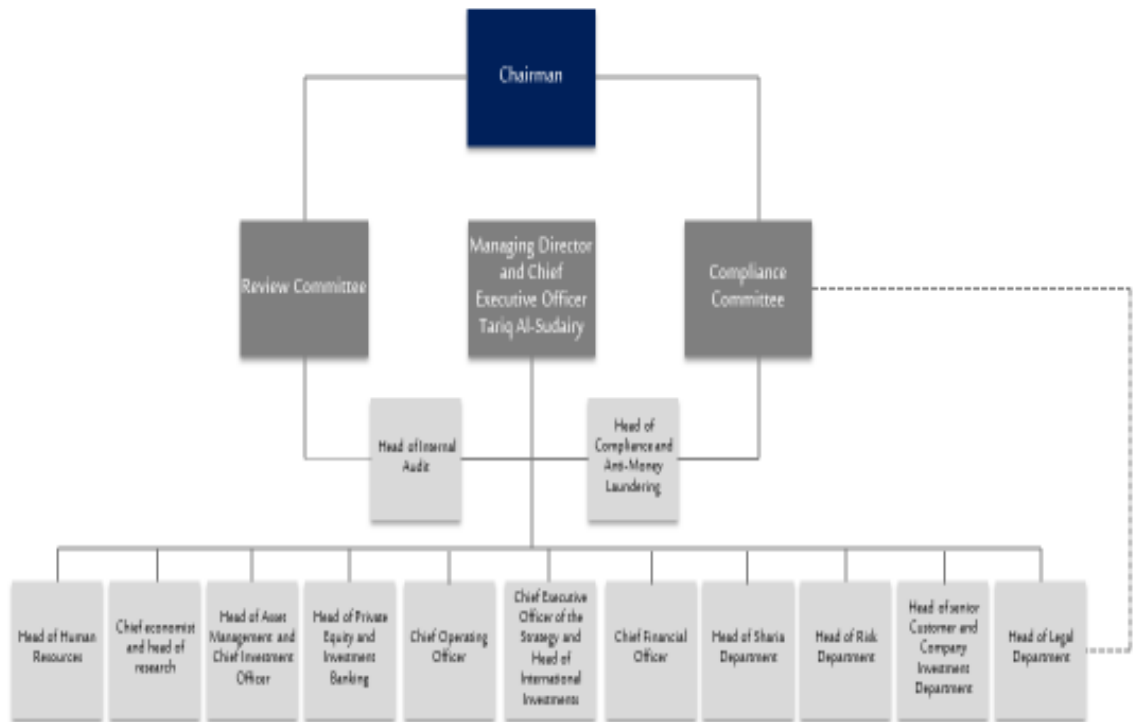
## 2. Advisory services

**Investment Banking Services:** Jadwa provides advisory services to public and private companies including:

- Capital markets (IPOs and priority rights)
- Mergers and acquisitions
- Sales, liquidation, transfer of properties and exit

**Investment Advisory Services:** Jadwa provides investment advisory services to local and regional investors in order to develop the investment process to raise the institutional level and contribute to the development of practices in these entities to enable them to reach their investment goals and achieve success in a sustainable manner.

## **Organizational Structure of the Fund Manager:**



**Organizational Structure of Asset Management Department:**



**20) Legal Advisor**

The Fund Units have already been offered, and the real estate assets have been acquired.

**21) Custodian**

A. Name, Address, and CMA License:

Name: Albilad Capital  
Address: Smart Tower, 1<sup>st</sup> Floor  
Intersection of King Fahad Road and Tahlia Road  
P.O. Box 140  
Kingdom of Saudi Arabia  
Website: [www.albilad-capital.com](http://www.albilad-capital.com)

The Fund appointed the Custodian. Which is licensed by the CMA as a “Capital Market Institution” pursuant to license no. 8100-37 to act as a custodian in securities business. The Custodian will hold title to the assets of the Fund. The Custodian will entirely segregate the Fund’s assets from another asset; Ownership of assets will be registered under the name of an SPV, which shall be established by the Custodian in order to differentiate between ownership of Fund assets and those owned by the Custodian. Such structure shall maintain tax efficiency and regulatory compliance and provide maximum legal protection for investors. The Custodian shall not have any interest in or claims against the Fund assets, except in its potential capacity as a Unitholder. Creditors of the Custodian shall not have any interest in any Fund assets.

The Fund may receive funding from one or more financial institutions. In this case, the assets of the Fund may be pledged for an entity financed under financing terms and conditions.

#### B. Custodian's Duties and Responsibilities:

The Custodian is assigned as follows:

- 1) The Custodian shall be fully responsible for its obligations in accordance with the provisions of the Real Estate Investment Funds Regulations, weather the Custodian carries out its duties on its own or assign it to a third party in accordance with the provisions of the Real Estate Investment Funds Regulations or the Capital Market Institutions Regulations. The Custodian shall be liable towards the Fund Manager and the Unitholders for losses incurred by the Fund, which are caused by fraud, negligence, misconduct or willful default of the Custodian.
- 2) The Custodian shall register ownership of the Fund real estate assets in the name of the SPV, which shall be established to maintain the Fund assets, and shall mortgage such assets for the financing bank as a guarantee for the finance to be provided to the Fund (whenever applicable).
- 3) The Custodian is responsible for maintaining and protecting the real estate assets for the benefit of Unitholders, and is also responsible for taking all necessary administrative procedures with regard to maintaining the Fund assets.
- 4) The Custodian must segregate the Fund’s assets from its own assets and from the assets of its other clients.
- 5) The Custodian shall maintain all the necessary records and all other documents supporting its performance of contract obligations.
- 6) The Custodian shall not have any interest in the Fund assets except from Unitholders within limits of their ownership.
- 7) The Custodian shall not have claims against the Fund assets, except for claims

permitted under the Real Estate Investment Funds Regulations and disclosed in the Fund's Terms and Conditions.

- 8) The Custodian shall open a bank account in its name at a local bank, and shall state in the account name that it is in favor of the Fund.
- 9) The Custodian must deposit all offering proceeds, lease revenues, and other cash revenues belonging to the Fund into the Fund relevant bank account, and must deduct from the relevant bank account the amounts used to acquire the real estate assets and finance investments and the Fund management and operations expenses in accordance with the provisions of the Real Estate Investment Funds Regulations, the Fund's Terms and Conditions that it received from the Fund Manager, and the contract by which the Custodian was appointed by the Fund Manager.
- 10) The Custodian shall maintain all the Fund-related documents, which shall include, without limitation, deeds of title of real estate assets, investment decisions, all Fund-related material contracts, and valuation reports.
- 11) The Custodian may appoint a Fund sub-custodian from out of the Kingdom to conduct custody of the Fund's foreign investments. Such sub-custodian must be appointed pursuant to a contract in writing and shall be established, licensed, authorized and supervised in a jurisdiction that employs regulatory standards and requirements at least equivalent to those of the CMA.

C. Fund-related Duties and Responsibilities Assigned by Custodian to Third Parties:

The Custodian may appoint one or more third parties or affiliates as a Fund Sub-Custodian, to take custody of the Fund's assets. The remuneration of the Fund Sub-Custodian shall be paid by the Custodian out of its own resources.

The Custodian shall remain fully responsible for its obligations in accordance with the provisions of the CMA implementing regulations, Terms and Conditions, and its appointment contract, whether the Custodian carries out its duties on its own or assign it to a third party.

D. Powers of the Authority to Remove and Replace Custodian:

1. The CMA shall have the power to remove the Custodian which was appointed by the Fund Manager or take any other measures it deems appropriate, in the event of:
  - The Custodian ceasing to carry out custody activity without notification to the CMA under the Capital Market Institutions Regulations;
  - The cancellation or suspension by the CMA of the Custodian's relevant license to carry out custody activity under the Capital Market Institutions Regulations;
  - A request by the Custodian to the CMA to cancel its license to carry out custody activity;
  - The CMA believing that the Custodian has failed, in a manner which the CMA considers material, to comply with the Capital Market Law or its Implementing Regulations;
  - Any other event determined by the CMA – based on reasonable grounds- to

be of sufficient significance.

2. If the CMA exercises its power pursuant to paragraph (1) above, the relevant Fund Manager must appoint a replacement Custodian to that investment Fund in accordance with the Real Estate Investment Funds Regulations. The Fund Manager as well as the removed Custodian shall co-operate fully in order to facilitate a smooth transfer of responsibilities to the replacement Custodian during the first (60) days of the appointing the replacement Custodian. The Custodian must transfer, where the CMA decides its necessary and applicable, all the contracts related to the Fund to the replacement Custodian.
3. Removal of Custodian by the Fund Manager:
  - The Custodian appointed by the Fund Manager shall be subject to removal by written notice by the Fund Manager upon the Fund Manager forming the reasonable opinion that the removal is for the interest of the Unitholders, the Fund Manager shall notify the CMA and the Unitholders in writing immediately.
  - Upon removal of the Custodian under a written notice issued under the above provisions in this paragraph (1), the Fund Manager must appoint a replacement Custodian within (30) days of such notice. The removed Custodian must co-operate fully with the Fund Manager in order to facilitate a smooth transfer of responsibilities to the replacement Custodian, and must transfer, where necessary and applicable, all contracts related to the Fund to the replacement Custodian
  - The Fund Manager must immediately disclose on its website and Tadawul's website or any other website available to the public according to the controls set out by the CMA (where applicable) the appointment of a replacement Custodian for the Fund.

## **22) Property Manager**

### **A. Name and address of Property Manager:**

For the time being, the following tenants: Almaarefa College for Science & Technology and Worleyparsons Engineering Consultancies Co. shall manage the properties of Almaarefa College and Alyaum Newspaper Tower, respectively, with no management fees to be paid to them or any other fees to be paid by the Fund Manager for the maintenance, management or other services.

As for Marvela Residential Compound, Al-Sulay Warehouse and Al-Fanar Residential and Commercial Compound, the Property Manager assigned Abdulkadir Al Muhaidib & Sons Co. to be the Property Manager.

Abdulkadir Al Muhaidib & Sons Co.  
Salman Al Farsi Road

P.O. Box: 30  
Dammam 31411  
Tel: +966 13-845-5275  
Kingdom of Saudi Arabia  
Website: [www.muhaiddib.com](http://www.muhaiddib.com)

For the avoidance of doubt, the Fund Manager may appoint an affiliate as a Property Manager for one or more of the Fund's assets. The Property Manager may also be the lessee of the property, as in the case of certain properties within the Initial Assets. The Fund Manager may also appoint a manager for each real-estate property whether they are current or to be acquired in the future.

**B. Statement of Property Manager's Duties and Responsibilities:**

As for Marvela Residential Compound, Al-Sulay Warehouse and Al-Fanar Residential and Commercial Compound, the Property Manager assigned Abdulkadir Al Muhaidib & Sons Co. to be the Property Manager responsible for the administrative affairs of such, including the development of management rules and policies, the permanent follow-up on the property and the affairs of its tenants, the follow-up on the collection of rents, the follow-up on the periodic maintenance and the exploitation of property to effectively achieve the best returns. The Fund Manager may change the Property Manager from time to time subject to its performance.

**C. Disclosure of whether the Property Manager intends to invest in the Fund's Units, and the value of these investments:**

Al-Muhaidib and Sons owns 36.6% of the Fund's units (19.2%) directly through the direct ownership of Abdulkadir Al-Muhaidib and Sons in the Fund, and indirectly through their ownership of 70% of Al-Atheer Real Estate Development Company, representing 17.4% of the fund units).

## **23) The Auditor**

**A. Auditor's Name and Address:**

Name: Alluhaid and Yahya Chartered Accountants (ACA)

Address: 187 Abu Bakr Al Siddiq Road, Al Morsalat District  
Riyadh, Kingdom of Saudi Arabia  
P.O. Box 4304-7532

**B. Functions, Duties and Responsibilities of the Auditor:**

The Auditor shall prepare and review the financial statements in accordance with the accounting standards approved by the Saudi Organization for Certified Public Accountants (SOCPA), provisions of the Real Estate Investment Funds Regulations, and the Fund's Terms and Conditions.

The Fund Manager may change the Fund's Auditor from time to time with the approval of the Fund Board. Unitholders and CMA shall be notified upon the change.



## **24) Financial Statements**

Financial year of the Fund shall start on 1 January and ends on 31 December each year, except for the first year of the establishment of the Fund, from which the financial year shall start on the Listing Date and ends on 31 December 2018G.

Financial statements of the Fund shall be prepared by the Fund Manager on both a semi-annual basis (unaudited) and an annual basis (audited) in accordance with the applicable standards set by the SOCPA. The annual financial statements shall be audited by the Fund's Auditor. Financial statements of the Fund shall be submitted to the Fund Board and be made available to Unitholders free of charge by publishing them on the Fund Manager's and Tadawul's websites as per the requirements of the Real Estate Investment Funds Regulations.

## **25) Conflicts of Interest**

In addition to what is stated in these Terms and Conditions and as hereinabove referred to, the appointed Custodian (Al Bilad Capital) is wholly owned by Al Bilad Bank A member of the Fund Manager Board (Abdulaziz Mohammed Al-Subaie) is a shareholder in a founding company of Al Bilad Bank (at a percentage not representing control). For further clarification, the appointed Custodian is a shareholder of the Fund Manager at a percentage not representing control.

It is worth noting that under these Terms and Conditions regarding the right of the Fund to invest in other Shari'ah compliant CMA licensed investment funds which may be managed by the Fund Manager, the Fund's investment in such cases shall not be in accordance with preferential terms; rather in accordance with the terms and conditions of such funds on a fully arm's length basis. This may include conflicts of interest which the Fund Manager will disclose and refer to the Fund Board to resolve any resulting conflict of interest.

In addition, the policies and procedures to be applied by the Fund Manager in terms of resolving any potential and/or actual conflict of interest, shall be provided free of charge upon request.

## **26) Reporting to Unitholders**

The Fund Manager shall report and disclose on its website and on Tadawul's website the following information to Unitholders without any delay:

### **A. Disclosing Material Developments:**

The Fund Manager must disclose to the CMA and Unitholders without delay any material developments in its sphere of activity which are not public knowledge and which may affect the Fund assets, its counterparties, financial position or general course of business of any other change that would result in the Fund Manager voluntarily resigning from its position as fund manager, and which reasonably may

affect the Unit price or have significant effect on the Fund's ability to meet its commitments in respect of debt instruments;

B. Disclosing Certain Events:

The Fund Manager must disclose to the CMA and Unitholders without delay any of the following developments (whether material in accordance with the 'Disclosing Material Developments' above Paragraph "A" or not):

- 1) any transaction to purchase, sell, lease or mortgage a Fund asset at a price equal to or greater than 10% of the Fund's Net Asset Value in accordance with the latest examined interim financial statements or audited annual financial statements, whichever is more recent;
- 2) any losses equal to or greater than 10% of the Fund's Net Asset Value; according to the latest examined interim financial statements or audited annual financial statements, whichever is more recent;
- 3) any dispute, including any litigation, arbitration or mediation where the value involved is equal to or greater than 5% of the Fund's Net Asset Value according to the latest examined interim financial statements or audited annual financial statements, whichever is more recent;
- 4) any increase or decrease in the Fund's Net Asset Value that is equal to or greater than 10% according to the latest examined interim financial statements or audited annual financial statements, whichever is more recent;
- 5) the increase or decrease in the gross profit of the Fund, that is equal to or greater than 10% according to the latest audited financial statements;
- 6) any transaction between the Fund and a Related Party or any arrangement through which the Fund and a Related Party invest in any project or asset or provide financing thereto in an amount equal to or greater than 1% of the Fund's gross revenue according to the latest audited annual financial statements;
- 7) any interruption in the Fund's core activities equal to or greater than 5% of the gross revenues according to the latest audited annual financial statements;
- 8) any change in the Fund's Auditor;
- 9) any appointment of a replacement custodian for the Fund;
- 10) the passing of any judgment, decision, order or declaration by a court or judicial entity, whether at first instance or at appeal, which may adversely affect the Fund's utilization of any portion of its assets that represents in aggregate a value exceeding 5% of the Net Assets Value according to the latest examined financial statements or audited annual financial statements, whichever is more recent; and

- 11) any suggested change to the Fund's capital.
- C) The Fund Manager shall provide Unitholders with quarterly reports in accordance with the requirements of Annex (6) of the Real Estate Investment Funds Regulations (as applicable), within a period not exceeding (10) days from the end of the relevant half or quarter, on its website and Tadawul's website, or any other website available to the public according to the controls set out by the CMA (where applicable).
- D) The Fund Manager must prepare and publish the annual reports on its website and Tadawul's website or any other website available to the public, according to the controls set out by the CMA (where applicable), in accordance with the requirements of Annex (4) of the Real Estate Investment Funds Regulations.

## **27) Unitholders' Meetings**

### **A) Circumstances in which a Meeting of Unitholders is Called:**

1. The Fund Manager may, at its choice, call for a meeting of Unitholders provided that the subject of call shall not be inconsistent with Fund Manager's duties and responsibilities under the Real Estate Investment Funds Regulations.
2. The Fund Manager must call for a meeting of Unitholders within a period not exceeding 10 (ten) days from receiving a request to such effect from the Custodian.
3. The Fund Manager must call for a meeting of Unitholders within a period not exceeding 10 (ten) days from receiving a written request to such effect from one or more Unitholders who individually or collectively hold at least 25% (twenty five percent) of the Fund Units.

### **B) Procedures for Calling For a Meeting of Unitholders:**

1. Calling for a Unitholders' meeting shall be by a relevant announcement on the website of the Fund Manager and Tadawul's website and any other website available to the public according to the controls set out by the CMA, at least 10 (ten) days prior to the date of the meeting and not later than 21 (twenty one) days prior to the meeting. The announcement shall specify the date, place, time, agenda, and proposed resolutions of the meeting, and the Fund Manager shall send a copy of such announcement to the CMA.
2. When preparing the agenda of the Unitholders' meeting, the Fund Manager shall take into consideration the subjects the Unitholders wish to add to such agenda. In addition, Unitholders holding at least 10% (ten percent) of the value of Fund, shall be entitled to add one or more subjects to that agenda provided that the proposed subject shall not interfere with the Fund Manager's duties and responsibilities under the Real Estate Investment Funds Regulations.

3. The Fund Manager may modify the agenda of a Unitholders' meeting within the announcement period referred to in Paragraph (1) above, provided that it announce such modifications on the website of the Fund Manager and Tadawul's website and any other website available to the public according to the controls set out by the CMA, at least 10 (ten) days prior to the date of the meeting and not later than 21 (twenty one) days prior to the meeting.
4. Upon Unitholders' approval of any of the resolutions proposed at their meeting and such necessitates amending these Terms and Conditions, the Fund Manager shall be required to amend these Terms and Conditions according to the passed resolution.
5. A Unitholders' meeting shall not be validly held unless attended by a number of Unitholders holding collectively at least 25% of the value of the Fund Units.
6. If the quorum requirements set out in paragraph (5) above are not met, the Fund Manager shall call for a second meeting by announcing it on its website, Tadawul's website, and any other website available to the public according to the controls set out by the CMA, within a period not less than (5) days. The second meeting shall be considered valid regardless of the number of percentage of Units represented thereat.

C) Manner in which Unitholders Cast their Votes and their Voting Rights at their Meetings:

1. Every Unitholder shall be entitled to appoint a proxy to represent such Unitholder at a meeting of the Unitholders.
2. Every Unitholder shall be entitled to cast one vote at the meeting of the Unitholders for each Unit which the Unitholder holds as at the time of the meeting.
3. Substantial Unitholders may not vote at the meeting of the Unitholders on the decisions relating to the acquisition of real estate assets owned or utilized by them.
4. The Unitholders meetings and their deliberations and voting on decisions may be conducted through technology means in accordance with the controls set out by the CMA.

**28) Unitholders' Rights**

Unitholders shall be entitled to exercise all their rights specified Terms and Conditions, including the following:

1. Approving the proposed fundamental change by way of an Ordinary Fund Resolution in accordance with the Real Estate Investment Funds Regulations.
2. Approving the proposed fundamental change at the maturity or termination date of the Fund by way of a Special Fund Resolution in accordance with the Real Estate Investment Funds Regulations.
3. Practicing all Units-related rights, including, without limitation, the right to vote at the Unitholders' meetings.

4. The right to attend Unitholders' meetings.
5. Receiving dividends according to these Terms and Conditions.
6. Receiving periodic reports and updates according to the Real Estate Investment Funds Regulations and these Terms and Conditions.
7. Any other rights approved by the relevant regulations and instructions.

## 29) Other Information

### 1) Administrator

Name: Jadwa Investment Company  
Address: Sky Towers  
4<sup>th</sup> Floor  
King Fahad Road  
P.O. Box: 60677  
Riyadh: 11555  
Kingdom of Saudi Arabia  
Website: [www.jadwa.com](http://www.jadwa.com)

The Administrator intends to engage Apex Fund Services (Dubai) Limited as the Sub-Administrator to provide certain accounting, back-office and other administrative functions.

The Sub-Administrator is licensed by the Dubai Financial Services Authority. Each investor hereby acknowledges and consents that certain confidential information may be shared with the Sub-Administrator and transmitted outside of Saudi Arabia. The Fund Manager and the Administrator reserves the right to change the Sub-Administrator of the Fund.

### 2) Other Service Providers

The Fund Manager may from time to time engage additional third party advisors, consultants, and other service providers relating to one or more assets, including, but not limited to developers, facilities managers, project managers, contractors, architects, designers, legal advisors, etc. Each such third party shall be engaged pursuant to an agreement negotiated on an arm's length basis.

### 3) Material Contracts

- **Property Purchase Contracts:** The Fund concluded five separate contracts to purchase the Initial Assets at a total price of SAR 1,546.6 million.
- **Lease Contracts:** The Fund concluded a separate lease contracts with Almaarefa College for Science & Technology. Dar Al Yaum for Press Printing & Publishing will assign the contract concluded with Worleyparsons Engineering Consultancies Co. for the benefit of the Fund.

- **Management And Lease Contracts:** The Fund Manager concluded a management and lease contract with Abdulkadir Al Muhaidib & Sons Co. for the management and lease of the following properties: Al-Sulay Warehouse, Marvela Residential Compound and Al-Fanar Residential and Commercial Compound.
- **Custodian Agreement:** The Fund appointed Al Bilad Capital pursuant to an agreement to hold the assets of the Fund by SPVs.
- **Auditor Agreement:** The Fund appointed Alluhaid and Al Yahya Chartered Accountants (ACA) to audit the financial statements of the Fund on a semi-annual basis (unaudited statements) and on an annual basis (audited statements) in accordance with the criteria set forth by the SOCPA.
- **Legal Consultant Agreement:** The Fund appointed Abuhimed Alsheikh Alhagbani Law Firm (in affiliation with Clifford Chance) to provide the Fund with legal advice in a non-exclusive manner if the Fund Manager thinks that there is a need for legal advice with regard to increasing the Fund capital, instructions and regulations issued by the CMA, obtaining bank financing and conducting due diligence upon purchase of new real estate assets. The Fund Manager shall negotiate with the Legal Consultant in relation to each legal advice at its respective time.
- **Independent Directors Agreement:** Fund Board Contracts were concluded by the Fund Manager with Dr. Walid Adas and Dr. Walid Alnami to control the performance of the Fund and ensure the interests of the Fund and the Unitholders thereof are protected.

#### 4) **Complaint Proceedings**

If, during the Fund Term, a Unitholder has any questions or complaints relating to the operations of the Fund, such Unitholder should contact the Compliance & AML Department of Jadwa Investment Company at 00966 (0)11 211 4842 or at [complaint@jadwa.com](mailto:complaint@jadwa.com).

Jadwa Investment Company has a documented complaints management policy which it currently uses with existing clients. It is the intention of the Fund Manager to extend this policy to the Unitholders of the Fund. Potential investors and Unitholders who wish to have a copy of this policy should contact the Compliance & AML Department of Jadwa Investment Company at 00966 (0)11 211 4842 or visit [www.Jadwa.com](http://www.Jadwa.com).

#### 5) **Developer**

The Fund's Initial Assets do not consist of any real estate development activities or real estate assets currently under development. As such, and in the event the Fund undertakes a real estate development project, the Fund Manager intends to appoint a developer on an independent, arm's-length basis.

### 30) **Additional Information Requirements for Certain Types of Funds**

Not applicable.

### **31) Shariah Board**

The Fund Manager has appointed the affiliated Shariah Board as the Fund Shariah advisor or Shariah Committee (the “**Shariah Board**”). The Shariah Board is a panel consisting of four scholars specialized in the field of Islamic Shariah. They shall monitor the business, operations, investments and financings of the Fund to ensure compliance with the Shariah Guidelines.

A. Names and qualifications of the Shariah Board members:

#### **H.E. Sheikh Dr. Abdulla Al Mutlaq (Chairman of the Board)**

H.E. Sheikh Dr. Abdulla Al Mutlaq is a member of the Saudi Council of Senior Ulema, Advisor for the Royal Court and a member of the Shariah Board for a number of financial institutions in the Kingdom of Saudi Arabia. H.E. Sheikh Dr. Abdulla Al Mutlaq is a former professor in comparative Fiqh, Imam Mohammed Bin Saud Islamic University.

#### **Sheikh Dr. Muhammad Ali bin Ibrahim Al Qari bin Eid (Member of the Board)**

Sheikh Dr. Muhammad Ali Al Qari is an expert at the Fiqh Academy of the Organization of the Islamic Conference in Jeddah and a professor of Islamic Economics at King Abdulaziz University in Jeddah.

#### **Sheikh Bader Abdulaziz Al Omar (Member of the Board)**

Sheikh Bader Abdulaziz Al Omar has 18 years of experience in Islamic banking. Currently, he is the Head of Shariah Group at Jadwa Investment after holding several positions within Al Rajhi Bank. He is a former member of the Islamic Banking Committee at the Saudi Arabian Monetary Agency.

#### **Sheikh Ahmed Abdulrahman Al Gaidy (Member of the Board)**

Sheikh Ahmed Abdulrahman Al Gaidy is our head of Shariah research, and has banking experience exceeding 14 years in the investment banking. He issued several Shariah research, and worked previously as Shariah consultant to Al Rajhi Bank in the Investment Department, and also as Shariah consultant to the Al-Jazira Bank in the Treasury Department.

B. Description of the Roles and Responsibilities of Shariah Board:

The Fund Manager shall carry out the Shariah monitoring duties over the Fund investments including the following:

- Ensuring the Fund's compliance with the Shariah Guidelines by conducting periodic audits;

- Reviewing agreements and contracts related to the Fund transactions;
- Following up the businesses and operations of the Fund to ensure compliance with the Shariah Guidelines and Shariah Board directives;
- Raising reports to the Shariah Board in case of any probable violations; and
- Preparing and following up necessary purification sums and seeking the Shariah Board's approval thereof.

The Shariah Board shall be responsible for supervising the Fund activities as per the Shariah investment controls, and shall provide the relevant advice.

The Shariah Board has reviewed these Terms and Conditions and has approved the structure of the Fund and the offering of Units during inception of the Fund. The Fund shall also comply with the approved Shariah Guidelines.

If any Investment proceeds or other amounts received by the Fund are not Shariah-compliant, the Fund shall arrange for such funds to be “purified” in accordance with the procedures to be determined by the Shariah Board from time to time. The Shariah Board shall specify the relevant purification percentage or amount.

C. Details on the remuneration of Shariah Board members:

The Fund Manager shall be responsible for the fees and expenses of the Shariah Board including those related to monitoring the business, operations, investments and financings of the Fund. The Fund is not responsible for Shariah Board expenses.

### **32) Units Characteristics**

The Fund Units shall represent a prorated interest of the Fund net assets value and shall be of the same category representing specific ownership rights in co-owned assets and their holders shall have all the attached privileges and rights.

### **33) Amendments to Terms and Conditions**

- A. The Fund Manager must obtain Unitholders' approval through an Ordinary Fund Resolution, on any proposed fundamental change.
- B. The Fund Manager must obtain Unitholders' approval on the proposed fundamental change at the maturity or termination date of the Fund by way of a Special Fund Resolution in accordance with the Real Estate Investment Funds Regulations.
- C. Having obtained the Unitholders' approval as per the two Paragraphs (A and B) above, the Fund Manager shall seek the CMA's approval on the proposed fundamental change.
- D. The Fund Manager must obtain the Fund Board approval before any fundamental change.
- E. The Fund Manager must notify and disclose to the Unitholders of any details regarding the fundamental changes, on its website and Tadawul's website and any other website available to the public according to the controls set out by the CMA, prior to 10 (ten) days from the entry into force of the change.
- F. Details of such fundamental changes must be included in the Fund reports prepared by the Fund Manager in accordance with the Real Estate Investment Funds



Regulations.

- G. The Fund Manager must notify and disclose to the Unitholders of any details regarding the non-fundamental changes, on its website and Tadawul's website and any other website available to the public according to the controls set out by the CMA, prior to 10 (ten) days from the entry into force of the change.
- H. The Fund Manager must obtain the Fund Board approval before any non-fundamental change.
- I. Details of non-fundamental changes must be included in the Fund reports prepared by the Fund Manager in accordance with the Real Estate Investment Funds Regulations.

### **34) Representations of the Fund Manager**

In addition to the representations stated in these Terms and Conditions, in accordance with the Requirements of Annex (10) of the Real Estate Investment Public Fund, the Fund Manager further represents as follows:

- A. The Fund Manager represents that the Terms and Conditions of Jadwa REIT Saudi Fund were developed in accordance with Real Estate Investment Funds Regulations issued by the CMA.
- B. The Fund Manager confirms, having made all reasonable enquiries, that to the best of its knowledge and belief, there are no other facts the omissions of which would make any statement in this document misleading. The CMA and the Saudi Stock Exchange do not take any responsibility for the contents of these Terms and Conditions.
- C. The Fund Manager represents that the real estate assets are free from any violations of the law that prevent, or cause to prevent, their utilization or operation. The Fund Manager also represents that the real estate assets are technically sound and free from any major engineering defects that prevent, or cause to prevent, their utilization or operation or lead to the need to perform major costly maintenance and replacement works.
- D. Except for what is disclosed, the Fund Manager represents that there is no conflict of interests, whether direct or indirect, between:
  - Fund Manager;
  - Fund-related property manager(s);
  - Fund-related property owner(s); and
  - Tenant(s) of Real-estate properties the returns of which represent 10% or more of the annual rent returns of the Fund.
- E. The Fund Manager represents that it has carried out due diligence necessary to ensure no conflicts of interest between the seller of real estate assets to the

Fund and the accredited valuers.

- F. The Fund Manager represents that all members of the Fund Board: Were not the subject of any bankruptcy or insolvency actions nor any bankruptcy or liquidation proceedings, have not committed any fraudulent, dishonorable or dishonest acts that compromise their integrity or honesty, and enjoy the skills and expertise necessary to be qualified members of the Fund Board.
- G. The Fund Manager represents that the independent directors match the definition of the independent directors included in the list of terms used in CMA regulations and rules, which shall also apply to any independent member appointed by the Fund Manager throughout the lifetime of the Fund.
- H. The Fund Manager represents that there are no other important business activities or interests of the members of the Fund Board of Directors of the Fund Manager “Jadwa Investment Company” that might be in conflict with the Fund's interests.
- I. The Fund Manager represents that there are no conflicts of interest that would affect the Fund Manager in the performance of its duties to the Fund, except for what is disclosed.
- J. The Fund Manager represents that there are no fees other than those listed in the Schedule of Fees under Article (15) of these Terms and Conditions.
- K. The Fund Manager represents that the Fund will be listed only upon the completion of the transfer of ownership of the real estate assets or the transfer of their utilization to the Fund. In case of failure to complete such transfer within the period specified in Article (11) of these Terms and Conditions, the entire subscription amount shall be returned to investors.
- L. The Fund Manager represents that no member of the Board of Directors may have a direct or indirect interest in the business and contracts made for the Fund.
- M. The Fund Manager represents that all contracts and agreements related to the Fund, which may affect the investors' decisions to subscribe to the Fund, have been disclosed and that there are no contracts or agreements other than those stated in these Terms and Conditions.
- N. The Fund Manager represents that Unitholders shall be entitled to vote on matters presented to the same in Unitholders meetings. In addition, the approval of the majority of Unitholders, holding more than 50% or more than 75% (as the case may be) of the value of Units whose holders are present, shall be obtained in relation to any fundamental change to the Fund. A fundamental change shall include:
  - 1. a material change in the Fund’s objectives or nature;
  - 2. a change which may have an adverse and material effect on the Unitholders

- or their rights with respect to the Fund;
  3. a change that has an impact on the Fund's risk profile;
  4. the voluntary withdrawal of a Fund Manager from its position as the Fund Manager;
  5. a change which usually causes Unitholders to reconsider of their subscriptions in the Fund;
  6. A change that materially increases to all payments out of the assets of the Fund;
  7. A change in the maturity date or termination of the Fund;
  8. Increase of the total value of the Fund assets by accepting cash or in-kind contributions, or both;
  9. Or any other cases determined by the CMA from time to time and reported to the Fund Manager.
- O. The Fund Manager represents that it shall take all measures necessary to achieve the best interest of all Unitholders according to the best of its knowledge with due diligence. The Fund Manager and its directors, officers, employees, agents, advisers and affiliates; the Custodian; the Shariah Advisor and the Fund Board shall exert all reasonable efforts and act in good faith in order to achieve the best interests of Unitholders. However, the Fund may incur a loss in any way due to an unintentional action by any of the said parties during their management of the Fund's affairs. Then, such parties shall not be held liable for such loss, provided that they have acted in good faith (and prove good faith in the absence of any action, decision or correspondence indicating prior knowledge of the negative consequences of such action) and in a manner believed to serve the best interest of the Fund, and the action does not involve fraud, gross negligence or willful misconduct.
- P. The Fund Manager represents that he has explained to the accredited valuer that the scope of work on valuation reports must be appropriate for the purpose of Fund Manager's request and usable for a public trading, and that the market rental value must be included if different from the contractual rental value in real estate assets leases.

### **35) Governing Law**

These Terms and Conditions shall be governed by the laws and regulations applicable in the Kingdom of Saudi Arabia.

The Fund and Fund Manager are governed by the Capital Market Law and its Implementing Regulations in addition to any other relevant laws and regulations applicable in the Kingdom of Saudi Arabia. Besides, the Settlement of Securities Disputes shall be the judicial body having jurisdiction over any dispute arising out of or in connection with investing in the traded real estate investment funds.

**Ibrahim Mohammad Al Kuwaiflie**

**Manager, Legal and Compliance**

**Tariq Bin Ziyad Al-Sudairy**

**Managing Director and Chief Executive  
Officer**

## **Schedule (A) - Shariah Guidelines**

In the Name of Allah, The Beneficent, The Merciful

Shariah Guidelines for the Fund's Investment in Real Estate Assets

Shariah Board believes that investment in real estate assets is permissible subject to the following guidelines:

1. The purchase and sale of the real estate assets shall be in the Shariah Board's approved form;
2. The invested real estate asset shall be accurately known with due diligence;
3. The price shall be known;
4. The Fund Manager shall not execute any lease contracts on a real estate asset until completion of the ownership of such asset; and
5. For the avoidance of non-Shariah compliant leasing, the property may not be rented from the owner for a deferred amount, and then re-leased to the owner for an actual amount that is less than the deferred amount, and the property may not be rented from the owner with a current payment, then re-leased to the owner for a deferred amount that is more than the current amount.

The Fund may only invest directly in the shares of listed real estate companies or purchase units in other real estate funds traded on the Saudi Stock Market "Tadawul" if it is compliant with Shariah guidelines and approved by the Shariah Board.

## Schedule (B) - Owners of the Companies Owning the Real Estate Properties

**Dar Al Yaum for Press Printing & Publishing** is owned by the following partners:

Name of Partner	Percentage of Ownership
Al Waleed Hamad Ali Al Mubarak	1.14%
Osama Abdullah Mohammed Abu Nahya	4.76%
Khalid Hamad Ali Al Mubarak	10.16%
Jamil Abdullah Mansour Al Jishi	1.43%
Hassan Ali Hassan Hadeb	0.48%
Hamad Ali Abdullah Al Sanad	2.4%
Hamad Abdulmohsen Al Mankour	3.6%
Khaled Abdulrahman Saleh Al Suhaimi	4.52%
Khaled Abdullah Hamad Al Zamil	2.4%
Khalil Ibrahim Abdullah Al Fazaie	0.36%
Saud Abdulaziz Hamad Al Gosaibi	3.6%
Suhail Ghazi Abdulrahman Al Gosaibi	2.4%
Shawky Salman Al Matrod	0.60%
Saleh Ali Saleh Al Humaidan	3.6%
Talal Ahmed Abdullah Al Zamil	2.4%
Abdulrahman Ahmed Abdulrahman Al Jaafari	3.8%
Abdulrahman Abdullah Hamad Al Zamil	2.4%
Abdulaziz Mohammed Abdulaziz Al Khuzaim	4.04%
Abdulaziz Zaid Ali Al Quraishi	4.16%
Abdulaziz Abdulrahman Al Turki	0.71%
Abdulaziz Mohammed Abdullah Al Haqail	2.14%
Nawaf Abdulaziz Mohammed Al Muqrin	1.42%
Abdullah Ibrahim Abdullah Al Fadl	4.16%
Abdullah Abdulaziz Abdulaziz Al Madi	4.76%

Abdullah Mohammed Abdulaziz Al Baoud	0.60%
Abdulwahid Khaled Aqla Al Hamid	0.60%
Abdulaziz Ali Abdulaziz Al Abdalqader	0.71%
Omran Mohammed Abdulrahman Al Omran	3.57%
Faris bin Abdulaziz Al Hamed	2.61%
Fahmy Yousef Ahmed Basrawi	3.57%
Abdul Rahman Fozan Abdulaziz Al Hameen	0.12%
Moataz bin Mansour Faisal Alshahil	3.57%
Faisal bin Mohammed Abdullah Al Bassam	1.43%
Mohammed bin Abdulrahman Hassan Omran	0.12%
Mohammed bin Abdulrahman Abdulaziz Al Shaouan	0.60%
Mohammed Abdulkarim Abdulaziz Al Khuraiji	4.16%
Mohammed bin Abdullah Al Mulla	1.20%
Mohammed bin Abdullah Abdulrahman Al Waile	0.24%
Mohammed bin Abdul Hadi Mubarak Al Abdalhadi	0.48%
Marwan bin Abdulaziz Mansour Al Turki	3.57%
Musaid bin Abdulrahman Saad Al Khuraisi	0.60%
Yousef bin Mohammed Ibrahim Al Jandan	0.95%

**Abdulkadir Al-Muhaidib & Sons Co.** is owned by the following partners:

Name of Partner	Percentage of Ownership
Sulaiman Abdul Kadir Abdul Muhsin Al-Muhaidib & Partners Company	25.65%
Essam Abdul Kadir Abdul Muhsin Al-Muhaidib & Partners Company	25.65%
Emad Abdul Kadir Abdul Muhsin Al-Muhaidib & Partners Company	25.65%
Lolwa Suliman Saleh Al Mudaiheem and Partner Company	4.75%
Mariam Abdul Kadir Al-Muhaidib & Partners Company	3.325%
Haifa Abdul Kadir Al-Muhaidib & Partners Company	3.325%

Awatif Abdul Kadir Al-Muhaidib & Partners Company	3.325%
Tumadir Abdul Kadir Al-Muhaidib & Partners Company	3.325%
Al Amwal Al Tujariyah Company	5%

**Al Atheer Real Estate Development Company** is owned by the following partners:

Name of Partner	Percentage of Ownership
Rafal Real Estate Development Company	30%
Abdulkadir Al-Muhaidib & Sons Co.	70%

**Almaarefa College for Science & Technology** is owned by the following partners:

Name of Partner	Percentage of Ownership
Zaid Bin Mohammed Zaid Al Zamel	66.2%
Abdulkareem Bin Mohamed Zaid Al Zamel	0.2%
Mohamed Bin Zaid Mohamed Al Zamel	0.2%
Abdullah Bin Zaid Mohamed Al Zamel	0.2%
Nawal Bint Mohamed Saad Al Zamel	0.2%
Munzer Bin Abdulaziz Mohamed Al Madi	6%
Fahad Bin Mohamed Zaid Al Zamel	3%
Zaid Mohamed Al Zamel & Associate Co.	24%



**Schedule (C) – Proxy Form**

I, \_\_\_\_\_, a \_\_\_\_\_ national, holder of \_\_\_\_\_ ID/Passport No. \_\_\_\_\_, [the authorized representative of \_\_\_\_\_ (the “Unitholder”)], being the registered and legal owner of \_\_\_\_\_ Units valuing at \_\_\_\_\_ in the Jadwa REIT Saudi Fund the “Fund”), do hereby, nominate, constitute and appoint \_\_\_\_\_, a \_\_\_\_\_ national, holder of ID/Passport No. \_\_\_\_\_, as [my/the Unitholder’s] proxy in relation to [my/the Unitholder’s] Units in the Fund, with authority to attend and vote at all meetings of Unitholders, from the date hereof until [I instruct/the Unitholder instructs] otherwise or cease(s) to hold Units in the Fund.

**IN WITNESS WHEREOF**, this instrument has been signed and shall come into effect as of \_\_\_\_\_.

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

## Schedule (D) - Subscription Form

**Fund Name: Jadwa REIT Saudi Fund**

### A. Prime Subscriber

Date:								Nationality:							
Name of the Investor:															
Client's No.:								ID No.:							
Mobile:								E-mail:							
Investment Account No.:															
Address:															

Individual

Governmental Entity

Charity

Company

Semi-Governmental Entity

Other

### B. Subscription Details\*

Required Units (in figures)	Units
Required Units (in letters)	Units
Subscription Fees (in figures)	SAR
Total Amount Payable (in figures)	SAR
Total Amount Payable (in letters)	SAR

\* In case of subscription for family members, specify the total number of required units for all subscribers

**C. Payment Terms:**

**We Agree that you Deduct the Total Amount Payable from our Investment Account**

**D. Details of the Share Portfolio in which Units shall be deposited:**

Bank/Company Name:												
IBAN:												
Investment Account No.:												
Portfolio No.:												

**E. Subscription of Family Members:**

<b>Family Members on behalf of which subscription is made and who are Included in the Family Book</b>	<b>Relationship</b>	<b>Civil Registration No.</b>										
2-												
3-												
4-												
5-												
6-												
7-												
8-												
9-												
10-												

**F. Investor's Acknowledgment:**

We confirm that we are a "Qualified Investor" as described in the Fund's Terms & Conditions. We acknowledge by returning this Subscription Form to Jadwa Investment Company that we are making an irrevocable offer to subscribe for Units in Jadwa REIT Saudi Fund, which may be accepted by Jadwa Investment Company in its discretion as Fund Manager. We also hereby confirm that we have the power, authority and legal capacity to sign this Subscription Application and hold Units in accordance with the Terms and Conditions. Further, we confirm that we, as well as all individuals included herein, did not apply for subscription to the Fund Units. The Fund Manager shall be entitled to reject all applications in case of repeated applications. We hereby apply for subscription to Jadwa REIT Saudi Fund in accordance with the Terms & Conditions that We have received, understood and signed in acceptance.

Investor's Signature/  
Authorized signatory  
(in case of corporate)

--

I hereby apply for subscription to Jadwa REIT Saudi Fund as described above. In accordance with the Terms & Conditions which I received, read and understood, I signed this in acceptance. I hereby authorize you to make entries into my investment account as described above.

**G. Relationship Manager Signature**

--

## Schedule (E) - Acknowledgment Letter

### Jadwa REIT Saudi Fund

On this day \_\_\_\_\_, of the month \_\_\_\_\_, of the year \_\_\_\_\_, the undersigned acknowledges and agrees that the undersigned has read, understood and accepted the Terms & Conditions of Jadwa REIT Saudi Fund. The undersigned acknowledges and agrees that the undersigned is bound by the Terms & Conditions, upon receipt of a signed copy of the Terms & Conditions from the Fund Manager and upon the acceptance of the Fund Manager of this Acknowledgment Letter and the Subscription Form from the undersigned.

---

#### INDIVIDUAL INVESTORS

Prime Investor's Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail: \_\_\_\_\_ Mobile: \_\_\_\_\_

---

#### CORPORATE INVESTORS:

Authorized Signatory(ies): \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Company's Stamp: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail: \_\_\_\_\_ Mobile: \_\_\_\_\_

---

**IN WITNESS WHEREOF**, this Acknowledgment Letter has been accepted by the Fund Manager as of the abovementioned date.

#### Fund Manager

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

(Supplementary Annex No. (1)) - has been approved by Capital Market Authority on [●]/[●]/1442H corresponding to [●]/[●]/2021G.

صندوق جدوى ريت السعودية  
JADWA REIT SAUDI FUND

جدوى للإستثمار  
Jadwa Investment



(A public closed-ended Shariah-compliant real estate investment traded fund)

**Supplementary Annex for JADWA REIT SAUDI FUND**

**Changes related to the Increase of the Total Value of the Jadwa Reit Saudi Fund Assets**

**Fund Manager - Jadwa Investment Company**

*This is a translated version of Jadwa REIT Saudi Fund's Arabic Supplementary Annex, in case of any discrepancies between the two versions, the Arabic shall prevail.*

Fund Details at the Initial Offering	Details of Additional Offering	Fund Details after the increase of the total value of the Fund assets
Fund Size: SAR 1,580,000,000	Number of Additional Units Offered [●] Units:	Number of Units: [●] Units
Unit Price: SAR 10	Number of Additional Units Offered in return for in-kind contributions (in-kind subscription): [●] Units:	Net unit value at offering targeted price: SAR [●]
Number of Units Offered: 47,400,000 Units	Number of Additional Units Offered in return for cash contributions (cash subscription): [●] Units	Minimum limit for Fund's total assets value: SAR 2,508,067,840
Offering Size: SAR 474,000,000	Targeted Unit Price in Additional Offering: SAR [●]	Maximum limit for Fund's total assets value: SAR 2,531,627,738
Fund Currency: Saudi Riyals (SAR)	Total value of subscription in Additional Offering (total value of Additional Units at targeted unit price in Additional Offering): SAR 370,000,000	

The Saudi Capital Market Authority (CMA) does not give any assurance as to accuracy or completeness of this Document, and the CMA expressly disclaims itself of any liability or loss resulting from the contents hereof or reliance on any part thereof. Those wishing to participate in the Fund's Units offered hereunder

must investigate the validity of the information relating to the Units in question. If an investor does not understand contents of this Document, it must consult a licensed financial adviser.

Offer of registering and listing Units of Jadwa REIT Saudi Fund has been approved by CMA on 10/4/1439H corresponding to 28/12/2017G. In addition, this Supplementary Annex has been prepared regarding the changes related to the increase of the total value of the assets of Jadwa REIT Saudi Fund from SAR 2,161,627,738 (as per the latest financial statements as of December 31, 2020G to SAR 2,531,627,738. Furthermore, the targeted unit price in Additional Offering has been determined based on the average Closing trading price of the fund's unit in the market at Tadawul for the last 90 (ninety) trading days before the CMA's approval was issued for this Supplementary Annex. Additional (new) units are registered in the statement of changes in Unitholders' Net Asset Value ("**NAV**").

This Supplementary Annex ("**Supplementary Annex**") contains detailed information of changes related to the increase of the total value of the assets of Jadwa REIT Saudi Fund ("**Fund**") in addition to detailed information about offering process of additional units ("**Additional Units**"). Upon submittal of an application to subscribe for Additional Units, investor's purchase of any of the Fund Additional Units serves as an acknowledgment of its part that it has reviewed and accepted the Fund's Terms and Conditions dated 10/4/1439H corresponding to 28/12/2017G as amended ("**Terms and Conditions**"), and shall also serve as an acknowledgment of its part that it has reviewed and accepted this Supplementary Annex. Investors shall be treated as applying solely on the basis of the information contained in this Supplementary Annex and Terms and Conditions, copies of which are available on Jadwa Investment website ("**the Fund Manager**") ([www.jadwa.com](http://www.jadwa.com)) or Saudi Stock Exchange ("**Tadawul**") website ([www.tadawul.com.sa](http://www.tadawul.com.sa)).

In addition to the Terms and Conditions, Prospective investors must read the entirety of this Supplementary Annex before purchasing Units in the Fund. An investment in the Fund involves certain risks and may not be suitable for all investors. Investors must be willing to assume the risks associated with an investment in the Fund, which are described in Paragraph (G) of Terms and Conditions and this Supplementary Annex. If an investor does not understand contents of this Supplementary Annex or the Terms and Conditions, it must consult a licensed financial adviser.

This Supplementary Annex has been prepared by the Fund Manager as a Saudi closed joint stock company registered in the Saudi Commercial Register under No. 1010228782 and a person licensed by the CMA under License No 06034-37 in accordance with provisions of Real Estate Investment Funds Regulations issued by CMA Board of Directors pursuant to Resolution No. 1–193-2006 dated 19/06/1427H (corresponding to 15/07/2006G) amended by CMA Board Resolution pursuant to Resolution No. 22–22-2021 dated 12/07/1442H (corresponding to 24/10/2021G) ("**Real Estate Investment Funds Regulations**").

**Subscription for Additional Units is only made available to the following categories:**

(A) Unitholders registered on the day of Unitholders' Meeting dedicated for approving the

increase of the total value of the Fund's and wishing to subscribe for Additional Units; (B) Saudi natural persons and GCC nationals; (C) Natural residents in Saudi Arabia under Residency ID; (D) Institutions, companies, investment funds, other legal entities and legal persons existing in the Kingdom of Saudi Arabia, eligible foreign investors and GCC investors. Recipients of this Supplementary Annex are required to review any legal or regulatory restrictions relevant to the Additional Offering and Additional Units sale. Recipients are also required to observe all such restrictions, including Law of Real Estate Ownership and Investment by Non-Saudis.

In addition to the Terms and Conditions, it is worth noting that information and statements mentioned in this Supplementary Annex and those related to targeted revenues, forecasts, assumptions, or explanatory examples including the hypothetical investment table of Unitholders set forth in this Supplementary Annex have been all prepared on the basis of assumptions based on the Fund Manager's information according to its market experience, as well as on publicly available market information. Future operating conditions may differ from the assumptions, targeted revenues from such forecasts, assumptions, or examples used in this Supplementary Annex, and consequently no affirmation, representation or warranty is made with respect to the accuracy or completeness of any of these forecasts, assumptions, or examples. Besides, none of such forecasts, assumptions, or examples shall form a guarantee for future performance, and all the same has been solely used for explanation purposes, particularly with the existence of several factors that lead to a material difference in actual results, performance, or achievements the Fund Manager may accomplish in connection with the Fund contrary to what has been expected, which includes without limitation, risks related to investments in the Fund, as detailed in Article (10) of the Terms and Conditions and this Supplementary Annex.



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## Fund Guide

### Legal Advisor

#### **Khalid Nassar & Partners Lawyers and Legal Consultants**

Building 7060, 1<sup>st</sup> floor, Office 108  
Riyadh, Al Mohammadiyyah, Takhassusi Road  
Riyadh 12362



مكتب خالد نصار وشركاؤه للمحاماة والاستشارات القانونية  
Khalid Nassar & Partners, Lawyers and Legal Consultant

The Headquarters Business Park,  
Floor 18, Office 1808  
Kurnaysh Road, Al-Shatea Dist.  
Jeddah 23511 – 7333  
Kingdom of Saudi Arabia  
Website: [www.knp.legal](http://www.knp.legal)

### Property Manager of Additional Real Estate Asset (The Boulevard)

#### **NMR Real Estate**

Nora Square, Takhassusi Road - Riyadh  
Tel: +966 11-488-0840  
Kingdom of Saudi Arabia  
Website: [www.nmrre.com.sa](http://www.nmrre.com.sa)



### Receiving Agents of Subscription for Additional Offering

#### **Banque Saudi Fransi**

Ma'ather Road  
P.O. Box 06006  
Riyadh 11004  
Tel: +966 11-289-9999  
Riyadh, Kingdom of Saudi Arabia  
Website: [www.alfransi.com.sa](http://www.alfransi.com.sa)  
E-mail: [communications@alfransi.com.sa](mailto:communications@alfransi.com.sa)



#### **Riyadh Bank**

King Abdul Aziz Road  
P.O. Box. 22622  
Riyadh 11614  
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## Jadwa Investment Company

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Kingdom of Saudi Arabia

جدوى للاستثمار  
Jadwa Investment



### List of Terms

The terms and expressions stated in this Supplementary Annex shall have the same meanings ascribed to them in the Terms and Conditions unless otherwise required by context. In addition, whenever used in this Supplementary Annex, these terms and expressions shall have the meaning next to each one of them unless otherwise required by context.

<b>Capital Market Institutions Regulations</b>	<b>Market</b>	<b>:</b> Mean the Capital Market Institutions Regulations issued by CMA Board under Resolution No. 1-83-2005 dated 21/05/1426H (28/06/2005G) amended by Resolution No. 2-75-2020 dated 22/12/1441H (12/08/2020G) as amended from time to time.
<b>Additional Estate Asset</b>	<b>Real</b>	<b>:</b> Means the real estate property stated in this Supplementary Annex which shall be acquired by the Fund during the process of increase of the total value of the Fund assets by Additional Offering (The Boulevard).

<b>Additional Offering</b>	:	Means offering Additional Units according to this Supplementary Annex during the Offering Period starting from [●]/[●]/1442H corresponding to [●]/[●]/2021G and ending on [●]/[●]/1442H corresponding to [●]/[●]/2021G (ten business days).
<b>Additional / New Units</b>	:	Mean the Units which shall be issued in accordance with this Supplementary Annex during the process of increasing the total value of the Fund assets.
<b>Increase of the total value of the Fund assets</b>	:	Means increase of the total value of the assets of the Fund from SAR 2,161,627,738 (as per the latest financial statements as of December 31, 2020G to SAR 2,531,627,738 to allow the Fund to acquire the Additional Real Estate Asset. Such increase represents the maximum limit of offering by increasing the total value of this Fund assets in accordance with what is explained in this Supplementary Annex.
<b>Targeted Unit Price in Additional Offering</b>	:	Means subscription price during the Additional Offering period, and is related to the Additional (New) Units for the process of increase of the total value of the Fund assets through the new units. The targeted unit price in Additional Offering shall be used based on the average price of unit trading at Tadawul for the last 90 (ninety) trading before the CMA's approval was issued for this Supplementary Annex.
<b>Real Estate Investment Funds Regulations</b>	:	Mean the Real Estate Investment Funds Regulations issued by CMA Board of Directors pursuant to Resolution No. 1-193-2006 dated 19/06/1427H (corresponding to 15/07/2006G) amended by CMA Board Resolution pursuant to Resolution No. 22-22-2021 dated 12/07/1442H (corresponding to 24/10/2021G).
<b>Listing Rules</b>	:	Mean the Listing Rules approved by the CMA Board of Directors pursuant to Resolution No. 3-123-2017 dated 09/04/1439H (corresponding to 27/12/2017G) amended by CMA Board Resolution pursuant to Resolution No. 1-104-2019 dated 01/02/1441H (corresponding to 30/09/2019G) amended by CMA Board Resolution pursuant to Resolution No. 1-22-2021 dated 12/07/1442 (corresponding to 24/02/2021G).

<b>Real Estate Disposition Tax</b>	: Means a tax imposed on all real estate dispositions the state determines, and such includes sale, legacy, finance lease, lease-to-own, and long-term usufruct leases with term exceeding 50 years. Such tax is calculated as mutually agreed between seller and buyer. The Real Estate Disposition Tax was applied pursuant to the Royal Order No. (A/84), dated 14/02/1442H commencing of Sunday 17/02/1442H. Such tax is required to be paid before or during transfer of ownership by the seller, and hence sale of real estate properties becomes exempt from the value-added tax.
<b>Legal Entities</b>	: Mean entities of legal personality, and such includes companies, institutions, investment funds, government authorities, and other existing legal entities.
<b>Operating Costs</b>	: Mean all costs and expenses stated in the action plan under management, operation, and lease contract made with the Property Manager (the company that carries out Property Management) of the Additional Real Estate Asset, approved by the Fund under such contract.
<b>Business Day</b>	: Means any business day in the Kingdom of Saudi Arabia as per the CMA official business days.
<b>Day</b>	: Means any day, whether it is a business day or not.
<b>SAIBOR</b>	: Means Saudi Arabian Interbank Offered Rate.

## Changes Related to the Increase of The Total Value of the Jadwa Reit Saudi Fund Assets

### A. Real estate assets to be owned during the process of increasing the total value of the Fund assets:

#### 1. A detailed statement of the real estate assets to be owned

The Fund seeks to acquire the Additional Real Estate Asset by increasing the total value of the Fund assets. Below are details of the Additional Real Estate Asset to be acquired by the Fund as per this Supplementary Annex:

Name	City	Real Estate Type	Development Status	Purchase Value (SAR)
The Boulevard	Riyadh	Owned	Developed	320,000,000 <sup>(*)</sup>
<b>Total Acquisition Cost</b>	<b>Total Annual Rent</b>	<b>Net Annual Rent</b>	<b>Total Returns Percentage</b>	<b>Net Returns Percentage</b>
346,400,000 (**)	29,599,029 (***)	26,787,121	8.5% <sup>(****)</sup>	7.7% <sup>(*****)</sup>

(\* )A portion of the purchase value shall be paid in return for in-kind contribution for the owner of the Additional Real Estate Asset which is equal to SAR 120,000,000, while the remaining portion of the purchase value (amounting SAR 200,000,000), shall be paid in cash in accordance with the details set forth in this Supplementary Annex.

(\*\*) Total Acquisition Cost includes real estate disposition tax amounting SAR 16,000,000, and includes brokerage fees amounting SAR 8,000,000 in addition to the transaction fee amounting SAR 2,400,000 such that the total purchase value after adding the real estate disposition tax, brokerage fees, and transaction fee is in total SAR 346,400,000.

(\*\*\*) Target annual rental expected for 2021, which is calculated based on signed and valid contracts only and no renewal of contracts has been taken into account since only what is related to 2020 has been applied, since it does not reflect actual reality of the Additional Real Estate Asset. This is due to the fact that the total annual rent for 2020 was clearly affected by repercussions and circumstances arising from corona epidemic and the related clear impacts on the real estate sector in general.

(\*\*\*\*) Total Returns Percentage was calculated by dividing the total annual rental by the Total Acquisition Cost.

(\*\*\*\*\* ) Net Returns Percentage was calculated by dividing the net annual rental by the Total Acquisition Cost.

#### 2. A schedule of the Additional Real Estate Asset (The Boulevard)

<b>Property Name</b>	<b>:</b>	The Boulevard
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**Owner(s) Information** : The Property is currently owned by NMR Real Estate (\*) under title deed No.: 310105044744, dated 15/10/1437H. The Fund will own the property after the transfer of title from its current owner to the Fund.

**Property Type** : Office, commercial, and residential (furnished apartments).

**State / city** : Kingdom of Saudi Arabia, Riyadh City.

**Neighborhood / street** : Prince Turki Bin Abdul Aziz Al Awwal Street in Hittin district north of Riyadh City.

**Location (Croquis) map** :



**Land Area** : 18,854.35m<sup>2</sup>

**Built-Up Areas (as per building permit)** : 36,340 m<sup>2</sup>

**Number of Floors** : Basement, ground level, mezzanine floor, first floor

**Type & Number :  
of Units**

Center Components	Number of Units	Utilization
Basement	-	Services and parking
Mezzanine	-	Commercial
Ground floor - Commercial	31	Commercial
First floor	25	Furnished apartments
First floor - Office	10	Offices
Electricity room	-	Electricity room
Upper extensions	2	Offices
Upper extensions	26	Furnished apartments
Fences	1	Services
Total number of units		95 units

**Occupancy rate of :  
the property**

97%

**Building :  
Completion Date  
(as per building  
completion  
certificate)**

18/12/1437H (20/09/2016G)

**Property :  
purchase cost**

- Total property purchase cost (includes real estate disposition tax and brokerage fees) amounts SAR 344,000,000.
- Purchase value of property (without real estate disposition tax and brokerage fees) is SAR 320,000,000, noting that a portion of the purchase value shall be paid in return for in-kind contribution for the owner of the Additional Real Estate Asset (NMR Real Estate) which is equal to SAR 120,000,000, while the remaining portion (amounting SAR 200,000,000) shall be paid in cash.
- Real Estate Disposition Tax: SAR 16,000,000.
- Brokerage fees: SAR 8,000,000 (Please refer to **“Further Information”** section hereof”.



**Overview of :  
Current Leases**

37 (thirty seven) lease contracts at The Boulevard of varied annual rental value ranging between SAR 100,000 to 7,576,474.85 and also of various lease terms ranging between one year to 20 (twenty) years, and the major leases are as shown below (for more information about lease contracts in The Boulevard, kindly see Schedule (7) of this Supplementary Annex):

<b>First Lease</b>	
Tenant	NMR Hospitality(*)
Location	A total area allocated for the hotel of 10,144m <sup>2</sup>
Lease term	20 (Twenty) Gregorian years which began as of 01/04/2019G (26/07/1440H) and shall end on 31/03/2039G (07/03/1461H)
Obligatory Term	First ten years are obligatory for the tenant and landlord, while the last ten years are obligatory for the tenant pursuant to the lease contract made between tenant and landlord (current owner of the Additional Real Estate Asset).
Renewal	Lease expires upon the expiration of its term and is renewed only with the prior written consent of its parties
Total rental value	SAR 141,558,900 for the entire lease term which is 20 (twenty) Gregorian years, and added to such value shall be the value-added tax which shall be borne by the tenant. It is worth noting that the rental value of the first lease year is SAR 6,500,000 compared to SAR 6,588,239 for the second lease year up to the tenth lease year, as for the rental value of the eleventh till the twentieth lease year shall be SAR 7,576,474.85 for each year.
Rent Payment Method	The annual rental value shall be paid in two installments on a bi-annual basis (one installment every six months).
Utilities	The tenant shall pay utility bills (electricity, gas, and water).
Guarantees	5 promissory notes upon signing the lease, each promissory note shall be of SAR 6,500,000, which means a total of SAR 32,500,000 as a guarantee for the annual rental value for the first five lease years.
Lease Termination	The landlord may terminate / continue the lease after he is given his entitlements if rent is not paid for a period exceeding 120 days

	<p>from the date it becomes due (excepted shall be the first five lease years due to the promissory notes). In case the tenant is away from the leased property for a period of 30 days for any reason whatsoever. Also, in case the tenant violates any of his contractual obligations, the landlord shall be entitled to terminate the lease after serving the tenant a warning and a grace period (of 60 days). Besides, the landlord may terminate the lease in case the tenant becomes insolvent or bankrupt, unless he provides a guarantee ensuring he shall pay the rent when it becomes due, and also in case the leased property is closed by a third party due to a cause not attributable to the landlord for more than 30 days. Further, the tenant shall be required to pay the remaining rent until another tenant is contracted.</p>
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(\* Please refer to "Further Information" section hereof".

<b>Second Lease</b>	
Tenant	Lena Helmi Qassim Turki Establishment
Location	Units No. (1, 2, 3, and 4) of a total area 1,874m <sup>2</sup> allocated for a restaurant.
Lease term	9 Gregorian years which started as of 01/07/2016G (26/09/1437H) and shall end on 30/06/2025G (05/01/1447H).
Obligatory Term	First six years are obligatory for the tenant and landlord, while the last three years are obligatory for the landlord such that the tenant shall be entitled to terminate the lease 90 days before the end of the sixth year pursuant to the lease contract made between the tenant and landlord (current owner of the Additional Real Estate Asset).
Renewal	Lease expires upon the expiration of its term or termination by tenant before the end of the sixth year noting that the lease is not automatically renewed and such renewal requires the prior written consent of its parties.
Total rental value	SAR 24,825,000 for the entire lease term which is 9 (nine) Gregorian years. The lease

	<p>is silent regarding the value-added tax since the lease date is before the effective date of such tax and is to be borne by the tenant. It is worth noting as well that the annual rental value of the first up to the third lease year is SAR 2,500,000 while for the fourth up to the sixth lease year shall be SAR 2,750,000 per annum, and for the seventh up to the ninth lease year the annual rent shall be SAR 3,025,000.</p>
Payment Method	<p>The annual rental value shall be paid in two installments on a bi-annual basis (one installment every six months).</p>
Utilities	<p>The tenant shall pay utility bills (electricity, gas, and water).</p>
Guarantees	<p>No promissory notes are provided as guarantees noting that the tenant shall pay SAR 62,500 upon signing the lease contract which is equal to 2.5% of the rental value of the first lease year, from which amount the landlord shall deduct any amounts should the tenant fail to abide by any of the lease provisions.</p>
Lease Termination	<p>The landlord may terminate / continue the lease after he is given his entitlements if payable rent is not paid for a period exceeding 30 (thirty) days from the date it becomes due. Besides, the landlord may terminate the lease in case the tenant is away from the leased property for a period of 30 (thirty) days for any reason whatsoever. Also, in case the tenant violates any of his contractual obligations, the landlord shall be entitled to terminate the lease after serving the tenant a warning and granting him a grace period of 30 (thirty) days. Besides, the landlord may terminate the lease in case the tenant becomes insolvent or bankrupt, unless the latter provides a guarantee ensuring he shall pay the rent when it becomes due, and also the landlord may terminate the lease in case the leased property is closed by a third party due to a</p>

	cause not attributable to the landlord for more than 30 (thirty) days. Further, the tenant shall be required to pay the remaining rent until another tenant is contracted unless closing cause does not exist after 90 (ninety) days of closing date.
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<b>Third Lease</b>	
Tenant	Arena MMA & Fitness Center
Location	Total area allocated for the Center 2,242m <sup>2</sup>
Lease term	15 (fifteen) Gregorian years as of 01/11/2016G (01/02/1438H) and shall end on 31/10/2031G (16/07/1453H).
Obligatory Term	First five years are obligatory for the tenant and landlord, while the last ten years are obligatory for the landlord and selective for the tenant pursuant to the lease contract made between the tenant and landlord (current owner of the Additional Real Estate Asset).
Renewal	Lease expires upon the expiration of its term unless terminated earlier for any reason whatsoever noting that the lease is not automatically renewed and such renewal requires the prior written consent of its parties. The landlord undertakes to give tenant priority when leasing the leased property if mutually agreed upon such lease.
Total rental value	SAR 22,850,000 for the entire lease term which is 15 (fifteen) Gregorian years. The lease is silent regarding the value-added tax since the lease date is before the effective date of such tax and such tax shall be borne by the tenant. It is worth noting that the annual rental value of the first and second lease years is SAR 1,200,000 while for the third up to the fifth lease year shall be SAR 1,400,000 per annum, and for the sixth up to the tenth lease year the annual rent shall be SAR 1,550,000. Further, annual rental value of the eleventh up to the fifteenth lease year

	is SAR 1,700,000.
Rent Payment Method	The annual rental value shall be paid in two installments on a bi-annual basis (one installment every six months).
Utilities	The tenant shall pay utility bills (electricity, gas, and water).
Guarantees	No promissory notes are provided as guarantees noting that the tenant shall pay SAR 35,000 upon signing the lease contract which is equal to 2.5% of the rental value of the third lease year, from which amount the landlord shall deduct any amounts should the tenant fail to abide by any of the lease provisions.
Lease Termination	The landlord may terminate / continue the lease after he is given his entitlements if payable rent is not paid for a period exceeding 30 (thirty) days from the date it becomes due. Besides, the landlord may terminate the lease in case the tenant is away from the leased property for a period of 30 (thirty) for any reason whatsoever. Also, in case the tenant violates any of his contractual obligations, the landlord shall be entitled to terminate the lease after serving the tenant a warning and granting him a grace period of 30 (thirty). Besides, the landlord may terminate the lease in case the tenant becomes insolvent or bankrupt, unless he provides a guarantee ensuring he shall pay the rent when it becomes due, and also the landlord may terminate the lease in case the leased property is closed by a third party due to a cause not attributable to the landlord for more than 30 (thirty) days. Further, the tenant shall be required to pay the remaining rent until another tenant is contracted.

**Property revenues of last three years, if any :**

2018	2019	2020
SAR 24,178,065	SAR 24,965,859	SAR 21,430,214

(\*) Rent revenues for 2020 were clearly affected by repercussions and circumstances arising from corona epidemic and the related clear impacts on the real estate sector in general.

**Targeted rental proceeds and revenues for property** (Target annual rental has been calculated based on signed and valid contracts only and no renewal of contracts has been taken into account.)

Year	2021	2022	2023
Total rental value (*)	SAR 29,599,029	SAR 28,425,827	SAR 23,458,589
Total rental income for Additional Real Estate Asset (**)	8.5%	8.2%	6.8%
Net rental value (***)	SAR 26,787,121	SAR 25,725,373	SAR 21,230,023
Net rental income for Additional Real Estate Asset (****)	7.7%	7.4%	6.1%

(\*) Total rental value: It is the rental value collected from all tenants in every operating year before deducting all operating costs, and it does not include VAT.

(\*\*) Total rental income for Additional Real Estate Asset: is the total rental value divided by purchase value inclusive the real estate disposition tax and brokerage fees and transaction fee.

Net rental value: It is the net operating value collected from all tenants in every operating year after deducting all operating costs, property management fees and taxes including VAT and any other fees.

(\*\*\*\*) Net rental income for Additional Real Estate Asset: Net rental value divided by purchase value inclusive the real estate disposition tax and brokerage fees and transaction fee.

**Further Information**

- : - NMR Real Estate (current owner of the Additional Real Estate Asset) shall make in-kind contribution (in-kind subscription) in the Fund as explained in this Supplementary Annex, and Units subscribed for in return for such in-kind contribution shall be subject to a period of prohibition extending to one year as of the date the Units issued thereto are listed.
- Property Manager (NMR Real Estate, the current owner of the Additional Real Estate Asset) is a leasing under a lease contract, units at the Additional Real Estate Asset (The Boulevard) of office area of 120m<sup>2</sup> for a period of three Gregorian years as of 10/02/2021G (28/06/1442H) which shall end on 09/02/2024G (28/07/1445H), and renewal shall be subject to a new lease noting that the total rental value is SAR 538,200 for the entire lease term (three Gregorian years), to be paid by two installments (one installment every six months). The tenant shall pay all utility bills, and though there are no guarantee provided by the tenant, the lease contract itself is an executive bond since it is made via 'Ejar'. Besides, the annual total rental value for each lease year is SAR 258,750.
- Regarding the acquisition of the Additional Real Estate Asset, the Fund will pay only SAR 8,000,000 as brokerage fees to Saham Architecture Real Estate Establishment, which is not a related third party, for the acquisition of Additional Real Estate Asset (The Boulevard). For elaboration, the Fund Manager shall not receive any portion of such brokerage fees.
- It is worth noting that NMR Real Estate (current owner of the Additional Real Estate Asset) owns what represents 30% of the capital share of NMR Hospitality.

(\*) Please refer to **Annex (1)** of this Supplementary Annex.

### **3. Previous and targeted rental proceeds for Additional Real Estate Asset, and its**

## percentage of the Fund total rental income

Year	2019	2020	2021	2022	2023
Previous and targeted rental proceeds (*)	SAR 24,965,859	SAR 21,430,214 (*)	SAR 29,599,029	SAR 28,425,827	SAR 23,458,589
Additional Real Estate Asset proceeds percentage of the Fund total rental income	16%	14%	17%	17%	14%

(\*) Target annual rental has been calculated based on signed and valid contracts only and no renewal of contracts has been taken into account.

(\*\*) Rent revenues for 2020 were clearly affected by repercussions and circumstances arising from corona epidemic and the related clear impacts on the real estate sector in general.

## 4. Total and net targeted proceeds before and after increasing the Fund's total assets value

Subject to the cases stated in subparagraph (6), Paragraph (B) “**Detailed statement of the minimum and maximum limits for the sum of the increase of the fund's total assets value**” below, the total and net targeted proceeds before and after increasing the Fund's total assets value shall be as explained in the following table:

Status	Item	Amount/Percentage
<b>Before increasing the Fund's total NAV</b>	Income	SAR 183,898,876
	Cash flows from financial operations	SAR 149,256,640
	Fund NAV (as of December 31, 2020G in fair value)	SAR 1,850,012,969
	Total targeted proceeds (income / Fund NAV)	9.9%
	Net targeted proceeds (cash flows from financial operations) / Fund NAV	8.1%
<b>After increasing the maximum limit of the Fund NAV</b>	Income	SAR 213,497,905
	Cash flows from financial operations	SAR 172,831,847
	Fund NAV (as of December 31, 2020G in fair value plus maximum limit of increase of Fund NAS)	SAR 2,220,012,969
	Total targeted proceeds (income / Fund NAV)	9.6%



<b>After increasing the minimum limit of the Fund NAV</b>	Net targeted proceeds (cash flows from financial operations) / Fund NAV	7.8%
	Income	SAR 213,497,905
	Cash flows from financial operations	SAR 169,512,524
	Fund NAV (as of December 31, 2020G in fair value plus minimum limit of increase of Fund NAS)	SAR 1,970,012,969
	Total targeted proceeds (income / Fund NAV)	10.8%
	Net targeted proceeds (cash flows from financial operations) / Fund NAV	8.6%

(\* ) Proceeds shall be calculated based on the assumption that the Additional Real Estate Asset shall be acquired before the end of 2021G.

## 5. Valuation of the real estate assets to be acquired

The Fund Manager has appointed two accredited valuers licensed from the Saudi Authority for Accredited Valuers in order to conduct an independent valuation for the Additional Real Estate Asset in accordance with the details and information stated in the following table:

<b>The Boulevard</b>			
<b>First Valuer – ValuStrat</b>			
<b>Date of Valuation Report</b>	<b>Valuation Price</b>	<b>Valuation Method</b>	<b>Purchase Price</b>
23/03/2021	SAR 354,000,000	Discounting cash flows	SAR 320,000,000 (*)
<b>Second Valuer – White Cubes</b>			
<b>Date of Valuation Report</b>	<b>Valuation Price</b>	<b>Valuation Method</b>	<b>Purchase Value</b>
15/03/2021	SAR 388,638,638.80	Capitalizing income	SAR 320,000,000 (*)
<b>Average valuation price of The Boulevard</b>	<b>Purchase value of The Boulevard</b>	<b>Percentage of the difference between the purchase value of Additional Real Estate Asset and average</b>	

		<b>valuation value thereof</b>
SAR 371,319,319	SAR 320,000,000	13.82%

*(\*) Purchase value does not include real estate disposition tax amounting SAR 16,000,000, and does not include as well brokerage fees amounting SAR 8,000,000, such that the total purchase value, after adding the real estate disposition tax and brokerage fees and transaction fee SAR 346,400,000. It is worth noting that the contractual rental value of the Additional Real Estate Asset lies with the market rental value range as per the average valuations prepared by the hereinabove stated valuers.*

## **B. Private placement for the increase of the total assets value of the Fund (Additional Offering):**

### **1. Total assets value of the Fund before and after the increase**

The total value of the assets of the Fund before increasing the Fund total assets value is SAR 2,161,627,738 (as per the latest financial statements as of December 31, 2020G). The Fund plans to increase its assets value by issuing Additional Units during the Additional Offering period commencing as of [●]/[●]/1442H ([●]/[●]/2021G) and ending on [●]/[●]/1442H ([●]/[●]/2021G) (ten business days); namely [●] Units. The Additional Units (cash and in-kind) shall be offered at the targeted unit price in the Additional Offering equal to the average Closing trading price of the fund's unit in the market at Tadawul for the last 90 (ninety) trading days before the CMA's approval is issued for this Supplementary Annex regarding the increase of the total value of the Fund assets and before this Supplementary Annex is approved in connection with the increase of the Fund assets value. The unit average closing trading reached SAR [●] (Targeted Unit Price in Additional Offering), and the Fund maximum total assets value shall, in case the entire Additional Offering value is added to increase the Fund total assets value, reach SAR 2,531,627,738, while the minimum limit, in case the entire cash Additional Offering value is not added to increase the Fund total assets value, shall be SAR 2,508,067,840 (the Fund total assets value has been calculated before increase as per the latest financial statements dated December 31, 2020G).

### **2. Number of Units before and after the increase of the total value of the Fund assets**

Number of Units before the increase of the total value of the Fund assets is 158,000,000 Units. In addition, ([●]) Additional Units are expected to be offered for cash contribution and additional ([●]) units shall be offered for in-kind contribution, while the Fund units after increasing the Fund total assets value shall be ([●]) units in case the entire cash additional offering is added and shall be ([●]) units if cash additional offering is not entirely added in accordance with what is explained in Paragraph (5) below **“Detailed statement of the information of the Additional Real Estate Asset owner subscribing with in-kind contribution”**. Additional Units shall be offered in accordance with the CMA regulations and instructions alongside the Real Estate Investment Funds Regulations and Listing Rules. Furthermore, the targeted unit price in Additional Offering has been determined based on the Fund unit average Closing trading price of the fund's unit in the market at Tadawul for the last 90 (ninety) trading days before the CMA's approval was issued for this Supplementary Annex. Additional (new) units are registered in the statement of changes in Unitholders' NAV.

In addition to the in-kind contributions (in-kind subscription), the Fund Manager shall be entitled to obtain a finance to acquire the Additional Real Estate Asset in accordance with Paragraph (6) **“Detailed statement of the minimum and maximum limits for the sum of the increase of the Fund's total assets value”** below.

The Additional Units will be distributed to the Fund's subscribers in the Additional Offering as follows assuming that the entire in-kind and cash Additional Offering has

been added:

<b>Subscribers</b>	<b>Number of Additional Units</b>	<b>Value of Additional Units (in SAR)</b>	<b>Subscriber's Ownership Percentage in the Fund</b>	<b>Subscription Method</b>
NMR Real Estate(*)	[●]	120,000,000	[●]	In-kind
Fund Manager	[●]	20,942,000	[●]	Cash
Remaining investors	[●]	229,058,000	[●]	Cash
Total	[●]	370,000,000	[●]	-

(\*) Shall be subject to a period of prohibition extending to one year as of the date the Units issued thereto are listed.

The Additional Units will be distributed to the Fund's subscribers in the Additional Offering as follows assuming that only the in-kind Additional Offering has been added:

<b>Subscribers</b>	<b>Number of Additional Units</b>	<b>Value of Additional Units (in SAR)</b>	<b>Subscriber's Ownership Percentage in the Fund</b>	<b>Subscription Method</b>
NMR Real Estate(*)	[●]	120,000,000	[●]	In-kind
Fund Manager	-	-	[●]	NA
Remaining investors	-	-	[●]	NA
Total	[●]	120,000,000	[●]	-

(\*) Shall be subject to a period of prohibition extending to one year as of the date the Units issued thereto are listed.

### **3. Details of the use of Fund Additional Offering proceeds**

94% of the total of Additional Offering proceeds shall be applied for acquiring the Additional Real Estate Asset in accordance with the details and information set forth in the following table assuming that the entire in-kind and cash Additional Offering has been added:

Item	Amount (SAR)
Purchase price of Additional Real Estate Asset	SAR 320,000,000
Real Estate Disposition Tax	16,000,000
Brokerage Fees (*)	8,000,000
Transaction fees payable to the Fund Manager (**)	2,400,000
Charges of additional listing & registering the Fund's Units with "Tadawul"	40,102
Cash on hand	23,559,898
Total	370,000,000

(\*) *The Fund will pay only SAR 8,000,000 as brokerage fees to Saham Architecture Real Estate Establishment, which is not a related third party, for the acquisition of Additional Real Estate Asset (The Boulevard). For elaboration, the Fund Manager shall not receive any portion of such brokerage fees.*

(\*\*) *In accordance with the Terms and Conditions, the Fund Manager shall be paid a 0.75% of the purchase or sale price of each real estate asset acquired or sold by the Fund in consideration for the Fund Manager conducting due diligence, negotiating the purchase or sale terms and completing the transaction. The Transaction Fee shall be payable after closing of the purchase or sale transaction of each real estate asset.*

The following table shows the application of funds assuming that only the in-kind Additional Offering has been added:

Item	Source	Amount (SAR)
Purchase price of Additional Real Estate Asset	In-kind and cash by finance	SAR 320,000,000
Real Estate Disposition Tax	Cash by finance	16,000,000
Brokerage Fees	Cash by finance	8,000,000
Transaction fees payable to the Fund Manager	Cash by finance	2,400,000
Charges of additional listing & registering the Fund's Units with "Tadawul"	Cash by finance	40,102

Item	Source	Amount (SAR)
Total	-	346,440,102

**4. Detailed statement of the Fund Manager's subscription value in the Fund during the Additional Offering period**

Number of Additional Units	Value of Additional Units (in SAR)	Percentage from Total of Additional Offering
[●]	20,942,000	5.66%

The Fund Manager owns before the increase of the total value of the Fund assets 8,944,700 units which is equal to SAR 89,447,000 representing 5.66% of the total number of Fund units.

**5. Detailed statement of the information of the Additional Real Estate Asset owner subscribing with in-kind contribution**

The Fund Manager shall issue [●] Units of the Fund (representing [●]% of the Fund Units) to the seller of the Additional Real Estate Asset (NMR Real Estate) as an in-kind contribution in return for paying a portion of the purchase value of the Additional Real Estate Asset (The Boulevard) the Fund intends to acquire in accordance with this Supplementary Annex. The said purchase value is SAR 320,000,000 (not including the real estate disposition tax and brokerage fees) of which the in-kind portion forms (in-kind contribution) SAR 120,000,000, while the remaining which is SAR 200,000,000, shall be paid in cash to the seller of the Additional Real Estate Asset (NMR Real Estate).

**6. Detailed statement of the minimum and maximum limits for the sum of the increase of the Fund's total assets value**

	Case (1) Maximum Limit (after adding entire Additional Offering)		Case (2) Minimum Limit (after adding only in-kind Additional Offering)	
	Units	Percentage	Units	Percentage
<b>Ownership of investors before the increase of the total value of the Fund assets</b>				
Non-Public	35,341,735	22,37%	35,341,735	22,37%
Public	122,658,265	77.63%	122,658,265	77.63%
Total	158,000,000	100%	158,000,000	100%
<b>Ownership of investors after the increase of the total value of the Fund assets</b>				
Non-Public	[●]	[●]	[●]	[●]
Public	[●]	[●]	[●]	[●]
Total	[●]	[●]	[●]	[●]

(\* ) Ownership of investors in the Fund has been calculated before the increase of the total value of the Fund assets as per the unitholders' register as of May 31, 2021G.

<b>Details</b>	<b>Case (1): Maximum limit of offering of the increase of the total value of the Fund assets (after adding the entire Additional Offering)</b>	<b>Case (2): Minimum limit of offering of the increase of the total value of the Fund assets (after adding only the in-kind Additional Offering)</b>
In-kind Subscription (SAR)	120,000,000	120,000,000
Cash Subscription (SAR) through the initial offering process to increase the total value of the Fund assets	250,000,000	-
Financing	-	226,440,102
<b>Total Amount</b>	<b>370,000,000</b>	<b>346,440,102</b>

We would like to refer to the Cases (1 and 2) stated in the above table, since the Fund Manager shall act according to the Case (1) (Maximum limit of offering of the increase of the total value of the Fund assets) (adding the entire cash and in-kind Additional Offering) to increase of the total value of the Fund assets, and shall not resort to the Case (2) (Minimum limit of offering of the increase of the total value of the Fund assets) (adding only the in-kind Additional Offering) except in case the cash Additional Offering is not covered, in which case, the Fund Manager shall act in accordance with Paragraph (10) “**Cancellation of Additional Offering and Refunds**” below.

## 7. Timetable of the estimated periods of Additional Offering

<b>Steps</b>	<b>Expected Periods</b>
<b>Obtaining the approval of Unitholders</b>	10 (ten) business days as of obtaining the CMA’s approval for this Supplementary Annex.
<b>Obtaining approval of the CMA of the increase of the total value of the Fund assets</b>	5 (five) business days as of obtaining the Unitholders’ approval of the increase of the total value of the Fund assets.
<b>Preparing and coordination with Receiving Agents regarding offering Additional Units</b>	5 (five) business days as of obtaining approval of the CMA of the increase of the total value of the Fund assets
<b>Additional Offering Period</b>	Additional Offering Period starts from [●]/[●]/1442H corresponding to [●]/[●]/2021G and ends on [●]/[●]/1442H corresponding to [●]/[●]/2021G (ten business days).
<b>Additional Offering period extension</b>	Starts from [●]/[●]/1442H corresponding to [●]/[●]/2021G to and ends on [●]/[●]/1442H corresponding to [●]/[●]/2021G (ten business days).

Steps	Expected Periods
<b>Accepting/ Rejecting the Subscription Application</b>	5 (five) business days from the closing of the Additional Offering period.
<b>Allocation of Additional Units</b>	15 (fifteen) business days from the closing of the Additional Offering period or the expiration of the Additional Offering period extension (if any).
<b>Refunding the surplus after subscription</b>	15 (fifteen) business days from the closing of the Additional Offering period.
<b>Acquiring &amp; Transferring Ownership of Additional Real Estate Asset</b>	60 (sixty) business days from the closing of the Additional Offering period.
<b>Cancellation of Additional Offering and Refunds</b>	If offering of cash Additional Units is cancelled, all subscription amounts received will be refunded to investors alongside any profits (if any) without any discount within a period not exceeding 5 (five) business days following the closing of the Additional Offering period.

## **8. Mechanism to be followed by the Fund Manager to accept subscriptions and allocate Units among Unitholders**

### **(8-1) Subscription Steps**

#### **Step One - Preparing Subscription Applications**

- Electronic copy of a valid national ID/residence permit.
- Having an IBAN account number registered in the name of the subscriber ensuring the account has sufficient funds to pay the subscription amount. In addition, the subscriber shall transfer the subscription amount from such account and receive the refund of the surplus on the same after allocation.
- Having an active investment portfolio with a Capital Market Institution.

#### **Step Two - Transferring the Subscription Amount**

A temporary IBAN account number will be issued and sent to each subscriber. The subscriber shall transfer the full subscription amount during the Additional Offering period from his bank account stated in the Step One to the temporary IBAN account.

#### **Step Three - Filling the Subscription Form (E-Subscription)**

Subscribers shall fill out the subscription form by visiting Fund Manager's website. A subscriber shall fill out the entire subscription form and then send it electronically using the E-Subscription feature. He shall also enclose all the documents required as hereinabove explained in the First and Second Steps.



Subscribers shall read and examine the Fund Terms and Conditions alongside this Supplementary Annex and shall electronically approve the same and such shall be considered as a declaration of reading and acceptance thereof.

No subscription application or bank transfer shall be accepted after the closing of the Additional Offering period. Subscribers shall not be allowed to modify data stated in the subscription application after it is submitted. However, a subscription application may be cancelled and a new one is submitted; however, no accepted and confirmed subscription application shall be cancelled.

In all cases, subscribers must fulfil subscription requirements and fill in documents and upload the same through the 'E-Subscription' feature.

#### **Step Four - Confirming the Receipt of Subscription Application**

The Fund Manager will send the confirmation of subscription application in Additional Units to the client via an email or an SMS message to the mobile number through the 'E-Subscription' feature within a period of 5 (five) business days of the date of receiving the subscription amount.

#### **Step Five - Accepting the Subscription Application**

The subscription application shall be reviewed. If the application is not fully completed or there is any feedback, the client will be notified via an SMS message or e-mail to the mobile number through the 'E-Subscription' feature within one business day as of the date on which the client is so notified. If the application is complete, the client will be notified of the acceptance of his subscription application within a period of 5 (five) business days after the closing of the Additional Offering period.

It is worth noting that companies, investment funds and portfolios must refer to the Fund Manager.

#### **(8-2) Important Notes**

- The client must ensure the validity of the registered data and the documents being submitted. The Fund Manager is not responsible for the consequences of any errors.
- Any subscription submitted to more than one Receiving Agent, the subscription first submitted shall be accepted.

#### **(8-3) Required documents for subscription for the Fund by category**

##### **- Individuals (Natural Persons)**

This includes Saudi natural persons, GCC nationals and the natural persons residing in KSA with a resident ID, in a manner that is not prejudicial to the Law of Real Estate Ownership and Investment by Non-Saudis. Required documents

for individuals are:

- a. Valid ID.
- b. Having an active investment portfolio with a CMA Licensed Institution.
- c. Having an IBAN account number registered in the name of the subscriber, who wishes to subscribe for the Additional Offering. The subscriber shall transfer the subscription amount from such account and receive the refund of the surplus on the same after allocation.
- d. Submitting all subscription documents (Signed copy of the Supplementary Annex + fully filled and signed subscription form + copy of the bank transfer + copy of ID signed by the investor).

Requirements for minors and incapacitated individuals:

- a. Individuals under the age of 18 Hijri years may subscribe through the guardian or trustee.
- b. For a minor under 18 Hijri years, a copy of the national ID or residence permit of the minor along with the ID of the guardian or trustee shall be provided.
- c. If the client is a Saudi national under 15 Hijri years, the family register in which the minor is added and the national ID of the guardian or trustee must be attached.
- d. If the client is under 18 Hijri years old and under trusteeship, a copy of the trusteeship deed issued by the competent court must be attached.
- e. An incapacitated person may subscribe through the guardian or trustee, provided that the incapacitated client has an investment portfolio with a CMA Licensed Institution.
- f. A divorced Saudi woman or widower with minor children from a non-Saudi husband may subscribe in the names of her children for her own interest, provided that she provides a proof that she is divorced or a widower and a proof that she is the mother of minor children.

- **Entities (Juristic Persons)**

This includes institutions, companies, investment funds, government entities and other legal entities existing in the Kingdom of Saudi Arabia, eligible foreign investors and GCC investors with legal personality. Required documents for such entities are:

**Required documents for companies:**

- a. Copy of the commercial register with the company's seal.
- b. Copy of the Articles of Association and By-Laws with the company's seal.
- c. Copy of the authorized signatory's ID with the company's seal and signed by the authorized person.

**Required documents for investment funds:**

- a. Copy of the Fund Manager's commercial register with the company's seal.
- b. Copy of the Articles of Association and By-Laws of the Fund Manager with the company's seal.
- c. Copy of the business license of the Fund Manager.
- d. Copy of the Fund's Terms and Conditions.
- e. Copy of CMA's approval of the Fund.
- f. Copy of the authorized signatory's ID with the company's seal and signed by the authorized person.

**Required documents for investment portfolios:**

- a. Copy of the ID of the investment portfolio holder.
- b. Copy of the Portfolio Manager's commercial register with the company's seal.
- c. Copy of the Articles of Association and By-Laws of the Portfolio Manager with the company's seal.
- d. Copy of the business license of the Portfolio Manager.
- e. Copy of the investment portfolio management agreement.
- f. Copy of the authorized signatory's ID with the company's seal and signed by the authorized person.

**(8-4) Allocation of Additional Units for Subscribers**

It is planned to offer ([●]) Additional Units for cash subscription, while ([●]) Additional Units shall be offered for in-kind subscription for NMR Real Estate (current owner of the Additional Real Estate Asset) as part of the acquisition / purchase value of the Additional Real Estate Asset (The Boulevard) to be acquired by the Fund in connection with the increase of the total value of the Fund assets.

Additional Units shall be offered in accordance with the CMA regulations and instructions alongside the Real Estate Investment Funds Regulations and Listing

Rules.

Subscribing for the in-kind and cash subscriptions shall be as follows:

	<b>Minimum limit of Additional Units offered (adding only in-kind Additional Offering)</b>	<b>Percentage of Fund total units after the increase</b>	<b>Maximum limit of Additional Units offered (adding the entire cash and in-kind Additional Offering)</b>	<b>Percentage of Fund total units after the increase</b>
<b>Number of Units for NMR Real Estate - in-kind contribution (in-kind subscription)</b>	[●]	[●]	[●]	[●]
<b>Fund Manager's Subscription</b>	[●]	[●]	[●]	[●]
<b>Number of Units Offered for remaining investors - cash contribution (cash subscription)</b>	[●]	[●]	[●]	[●]
<b>Total number of units after increase of the total value of the Fund assets through Additional Offering</b>	[●]	[●]	[●]	[●]

([●]) additional cash units shall be issued to the Unitholders registered on the day of Unitholders' Meeting dedicated for approving the increase of the total value of the Fund's and wishing to subscribe for Additional Units.

Allocation shall be first be of the additional cash units issued to the Unitholders registered on the day of Unitholders' Meeting dedicated for approving the increase of the total value of the Fund's and wishing to subscribe for Additional

Units on a pro rate basis among them as per subscription application, and then the remaining additional cash units (if any) shall be allocated to the rest of investors other than the Unitholders as determined by the Fund Manager. The unallocated surplus of Units (if any) shall be refunded to all Unitholders by a certified check to be sent by mail at the investor's address specified at the subscription application or by a bank transfer to his account specified in the subscription application, within a period not exceeding 15 (fifteen) business days following the closing of the Additional Offering period, provided that the transfer of ownership of the Additional Real Estate Asset (The Boulevard) shall be made for the interest of the Fund. Besides, the Additional Units shall be listed at Tadawul within a period not exceeding 60 (sixty) days of the end of the Additional Offering period.

The Fund Manager shall have the right to reject any subscription application at the Additional Offering in case accepting such application would cause a violation of the liquidity conditions set forth in Article (11) of the Listing Rules providing for: (1) there must be at least 200 public unitholders at the time of listing; (2) in respect of a Real Estate Investment Traded Funds, the minimum total asset value of the fund must be at least SAR 500 million at the time of establishment; (3) the nominal value per unit to be listed must be SR 10; (4) and at least 30% of the total fund units are owned by public unitholders at the time of listing; (5) the requirements set forth in subparagraphs (1) and (4) of this Paragraph shall constitute a continuous obligation on the fund manager; (6) If the fund manager at any time, following having its units listed, becomes aware that the requirements of subparagraphs (1) and (4) of this paragraph are no longer met, the fund manager must inform the Exchange immediately and take the necessary remedial actions to ensure that the relevant requirements are met. The issuer shall keep the Exchange informed on any progress in respect of the remedial actions.

## **9. Receiving Agents**

Investors may subscribe for the increase of the total value of the Fund assets provided that they have an active investment portfolio with a CMA Licensed Institution. Each investor shall subscribe via electronic channels of Fund Manager by visiting the following website: [www.jadwa.com](http://www.jadwa.com).

Besides, Subscription for the Additional Offering shall be also available through the following Receiving Agents; namely the Banque Saudi Fransi and Riyadh Bank:

An investor may subscribe for the Additional Offering provided that he has a bank account with the Receiving Agent and an active investment portfolio with any CMA Licensed Institution. The investor will subscribe through the electronic channels of the Receiving Agent after accepting this Supplementary Annex or through the branches of the Receiving Agent after submitting a signed copy of this Supplementary Annex.

- The investor shall have a current account in the name of the prime subscriber with the Receiving Agent (in the absence of an account, a current account must be opened with the Receiving Agent).
- The investor shall have an investment portfolio in the name of the prime subscriber with a CMA Licensed Institution.
- The investor shall review and accept the Terms and Conditions and the Supplementary Annex of the Fund through the Receiving Agent's website: [www.alfransi.com.sa](http://www.alfransi.com.sa) and [www.riyadbank.com](http://www.riyadbank.com).
- In case of subscription through branches, it is required to attach a copy of the national ID for individuals or the family register if the subscription includes dependents.
- A client will not be able to modify the data in the subscription form after filling it, but he can cancel the subscription by contacting the Receiving Agent before maximum 5 PM on the last day of the offering period.

## 10. Cancellation of Additional Cash Offering and Refunds

The Additional Offering of cash Additional Units may be cancelled and all subscription amounts together with any revenues (if any) resulting from investing them shall be refunded to investors in the following cases (unless otherwise is decided by CMA):

(10-1) If public Unitholders are less than 200 (two hundred);

(10-2) Less than 30% of the Units are subscribed for by the public at listing;

(10-3) Failure to transfer initial real estate assets to the Fund, or

(10-4) In case cash Additional Offering is not totally covered.

If offering cash Additional Units is cancelled, all subscription amounts received will be refunded to investors without any discount within a period not exceeding 5 (five) business days following the closing of the Additional Offering period, in such case, the Fund Manager shall resort to Case (2) (Minimum limit of offering of the increase of the total value of the Fund assets after adding only the in-kind Additional Offering) as stated in the hereinabove Paragraph 6 **“Detailed statement of the minimum and maximum limits for the sum of the increase of the Fund’s total assets value”**.

### C. Additional risks related to the increase of the total value of the Fund assets:

In addition to the risks of investment in the Fund stated in the Terms and Conditions, investment in the Fund involves multiple risks and is suitable only for investors who fully understand and are capable of bearing the risks of such an investment. Potential investors should carefully evaluate the considerations set out in the Terms and Conditions and this

Supplementary Annex below, among others, in making their decision. Additional risks and uncertainties not presently known to the Fund Manager, or that it currently deems immaterial, may also have an adverse impact on the Fund's prospects and business. There can be no assurance that the Fund will be able to achieve its investment objective or that investors will receive a return of their capital.

An investment in the Fund does not entail any guarantee that such investment shall be profitable or that an investor shall not incur any loss. As such, each prospective investor shall take into account each of the risk factors stated in the set out in the Terms and Conditions and this Supplementary Annex prior to purchasing units in the Fund. Prospective investors may also seek advice from a CMA licensed financial advisor in relation to their financial position and objectives of investing in the Fund. Each investor bears full responsibility for any financial loss resulting from an investment in the Fund unless such loss is due to the fraud, gross negligence or misconduct of the Fund Manager as per the Real Estate Investment Funds Regulations and CMA relevant regulations and instructions.

**1. Risks of decrease of contribution value in case of increasing the total value of the Fund assets:**

The decision to increase the total value of the Fund assets may require more funding by issuing Additional Units, and this may lead to decreasing ownership percentage of existing Unitholders and their voting rights in addition to the percentage their units represent of the total subscription amounts contributed to the Fund.

**2. Risks related to lack of guarantees to pay rental payments of the Additional Real Estate Asset (The Boulevard):**

The Fund aims to have multiple tenants and to avoid being exposed to one tenant in general in the Additional Real Estate Asset (The Boulevard), almost all the lease contracts related to the Additional Real Estate Asset (The Boulevard) do not include bonds to pay rents which may adversely affect the Fund in case tenants fail to fulfil their contractual rental obligations under their lease contracts. Hence the Fund cash flows and ability to make distributions to the Unitholders shall be adversely affected should the tenants are unable to meet their contractual rental obligations with no bonds to ensure their ability to make rental payments. It is worth noting that electronically registered lease contracts through 'Ejar' are considered themselves an executive bond requiring no additional guarantees.

**3. Risks related to entire lease term being non-obligatory for a number of tenants in the Additional Real Estate Asset (The Boulevard):**

The Additional Real Estate Asset is leased by multiple tenant, and as indicated in this Supplementary Annex regarding the major lease contracts in the Additional Real Estate Asset (The Boulevard) whose terms vary from 9 (nine) years to 20 (twenty) years, such

terms are not, as a whole, obligatory on tenants. For example, the lease contract entered with NMR Hospitality is obligatory on both the tenant and landlord for the first ten lease years, while the remaining ten lease years are obligatory on the landlord only. Also, the lease contract made with Lena Helmi Qassim Turki Establishment is obligatory on both the tenant and landlord only for the first six lease years, while the remaining three lease years are obligatory on the landlord alone. In addition, the lease made with Arena MMA & Fitness Center is obligatory on both the tenant and landlord for the first five lease years while the remaining ten lease years are obligatory only on the landlord. Hence, in case any tenant wishes not to continue the lease term this would adversely affect the Fund cash flows and its ability to make distributions to the Unitholders shall be negatively affected should any of the tenants wish not to continue the term of his lease.

#### **4. Risks related to Hotels and Hospitality Market:**

The performance of the Fund will be heavily influenced by factors which affect the hospitality market generally. These may include demand-side factors such as any economic downturn, any outbreak of diseases, epidemics, quarantine restrictions, public health restrictions, any government regulations including the imposition of fees and/or taxes, disruption to local, national or international transport services, restriction or prohibition or any other similar cases, or supply-side factors such as an oversupply of hotels, either generally or in a particular segment or location. The hospitality industry is cyclical. The hospitality industry is cyclical. Several other factors may have a negative impact on work and personal spending, which may lead to lower occupancy rates and room prices and affect the total value of real estate properties in the hotel and hospitality sector. Therefore, the Fund may be required to exit from assets in consideration of an amount less than the cost of acquisition, resulting in a loss of capital and may not be able to achieve the target returns.

In addition, the seasonality of the hospitality industry could have a material adverse effect on real estate properties engaged in the hospitality sector. The hospitality industry is seasonal in nature, with the highest levels of occupancies generally achieved during vacations or major events or fairs. This seasonality can be expected to cause periodic fluctuations in room revenues, occupancy levels, room rates and operating expenses. The Fund can provide no assurances that cash flows will be sufficient to offset any shortfalls that occur as a result of these fluctuations. Consequently, volatility in financial performance resulting from the seasonality of the hospitality industry has a material adverse effect on the Fund's financial condition, cash flows and results of operation and, accordingly, cash dividends and the value of Units. Further, while the Kingdom and the Ministry of Tourism are presently putting much efforts in encouraging tourism, a negative change in any organizations could affect the tourism market in the Kingdom including the investments of the Fund in hospitality sector.

#### **5. Risks related to Real Estate Disposition Tax:**

It is known that the real estate disposition tax was introduced in the Kingdom of Saudi



Arabia and became effective as of 17/02/1442H as announced by the General Authority of Zakat & Tax. This is a tax imposed on all real estate dispositions at a percentage determined by the State. It includes sale, legacy, finance lease, lease-to-own, and long-term usufruct leases with term exceeding 50 (fifty) years. Such tax is calculated based on the value of the real estate property as mutually agreed between seller and buyer. The real estate disposition tax was applied pursuant to the Royal Order No. (A/84), dated 14/02/1442H commencing of Sunday 17/02/1442H. Such tax is required to be paid before or during transfer of ownership by the seller, and hence sale of real estate properties becomes exempt from the value-added tax in accordance with amendments made to the VAT Law as per the resolution of the Governor of the General Authority of Zakat & Tax No. 1-5-20, dated 14/02/1442H. Since such kind of taxes is recently introduced, the relevant impact of implementing it on the Fund real estate assets is unclear, and consequently on the Fund functioning and financial performance. Therefore, this required entities be fully aware of and duly understand the nature and method of implementation of such tax type as prescribed by relevant laws and regulations. As is the case with other laws and regulations, any violation of any of the obligations set under the real estate disposition tax-related laws and regulations, shall lead to a financial fine and other legal penalties, noting that this tax applies to Additional Real Estate Asset as explained in these Terms and Conditions.

The foregoing does not purport to be a complete or exhaustive explanation and summary of all the risk factors involved in an investment in Fund Units. It is strongly recommended that all potential investors seek independent advice from their own professional advisors.

An investment in the Fund does not entail any guarantee that such investment shall be profitable or that an investor shall not incur any loss. As such, each prospective investor shall take into account each of the aforementioned risk factors prior to purchasing units in the Fund. Investors shall solely bear full responsibility for any financial loss resulting from an investment in the Fund unless such loss is due to the fraud, gross negligence or misconduct of the Fund Manager as per the Real Estate Investment Funds Regulations and CMA relevant regulations and instructions.

## **D. Fees, Services Charges, Commissions and Management Fees:**

### **(1) Fees and expenses incurred by the Fund assets**

Except for the Subscription Fee paid by Unitholders upon their subscription in the Initial Public Offering only, the Fund shall be liable for the payment of, from its assets, all costs and expenses set out in the following table.

<b>Fund Fees</b>	<b>Value and Way of Payment</b>
Management Fee	The Fund Manager will be paid an annual management fee during the Fund Term by the Fund equal to 0.75% of the Fund's NAV. The Management Fee will be calculated and payable semi-annually in arrears commencing on the Closing Date. Management Fees

Fund Fees	Value and Way of Payment
	<p>shall be prorated to take into account the days elapsed in the relevant period.</p> <p>The above amounts stated herein do not include the VAT, and shall be calculated as an additional amount whenever required and applicable.</p>
Transaction Fee	<p>The Fund Manager shall be paid a 0.75% of the purchase or sale price of each real estate asset acquired or sold by the Fund in consideration for the Fund Manager conducting due diligence, negotiating the purchase or sale terms and completing the transaction. The Transaction Fee shall be payable after closing of the purchase or sale transaction of each real estate asset and shall be applied to Fund's Initial and Additional Real Estate Assets.</p> <p>The above amounts stated herein do not include the VAT, and shall be calculated as an additional amount whenever required and applicable.</p>
Custody Fee	<p>The Fund shall pay the Custodian an annual fee equal to 0.025% of the Fund's NAV, which shall be capped for SAR 320,000.</p> <p>The above amounts stated herein do not include the VAT, and shall be calculated as an additional amount whenever required and applicable.</p>
Administrative Fee	<p>The Fund paid the Administrator an annual fee of SAR 129,000 in the first year the Fund was listed, and such fee shall increase by 3% every Georgian year (SAR 140,962 for 2021G).</p> <p>The above amounts stated herein do not include the VAT, and shall be calculated as an additional amount whenever required and applicable.</p>
Chartered Audit Fee	<p>The Fund shall pay the Auditor an annual audit fee of SAR 40,000.</p> <p>The above amounts stated herein do not include the VAT, and shall be calculated as an additional amount whenever required and applicable.</p>
Tadawul Listing Fee	<ul style="list-style-type: none"> <li>• SAR 20,000, plus SAR 2 per Unitholder, subject to a maximum of SAR 500,000 shall be paid to a Depositary Center in return for setting up a register of Unitholders; and</li> </ul>

Fund Fees	Value and Way of Payment
	<ul style="list-style-type: none"> <li>SAR 400,000 shall be paid to Tadawul in return for managing the register of Unitholders. These fees can vary from time to time depending on the Fund's capital size.</li> </ul> <p>The above amounts stated herein do not include the VAT, and shall be calculated as an additional amount whenever required and applicable.</p>
Tadawul Listing Fee	<p>0.03% of the market value of the Fund (subject to a minimum of SAR 50,000 and a maximum of SAR 300,000) annually.</p> <p>The above amounts stated herein do not include the VAT, and shall be calculated as an additional amount whenever required and applicable.</p>
Regulatory Fees	<p>SAR 7,500 to be paid to the CMA annually.</p> <p>The above amounts stated herein do not include the VAT, and shall be calculated as an additional amount whenever required and applicable.</p>
Independent Board Member Remuneration	<p>Each of the independent members of the Fund Board shall be entitled to SAR 5,000 for each meeting with a cap of SAR 20,000 per annum to be paid at the end of each year. The non-independent members of the Fund Board will not receive any remuneration.</p> <p>The above amounts stated herein do not include the VAT, and shall be calculated as an additional amount whenever required and applicable.</p>
Property Management Fee	<p>The Fund shall pay annual Property Management fee to NMR Real Estate for management, operation, and liabilities of equal to 2.5% of the total revenues (all amounts collected by NMR Real Estate regarding the Additional Real Estate Asset (The Boulevard) before deducting operational expenses). Such property management fee shall be settled in two payments each payment at the end of each six months, and the first payment of property management fee shall be payable upon the expiry of six months as of the date of signing the relevant contract.</p> <p>The above amounts stated herein do not include the VAT, and shall be calculated as an additional amount whenever required and applicable.</p>
Transaction Costs	<p>The Fund shall pay Fund Manager all transaction costs attributable to the acquisition of real estate assets including the cost of acquisition of any asset including feasibility studies, due diligence, consulting and legal</p>

**Fund Fees****Value and Way of Payment**

costs, valuation and fees and charges of establishment of special purpose vehicle. Such fees and expenses are expected not to exceed 0.5% of the Fund's NAV per annum. Only actual expenses will be charged and disclosed according to the most recent examined financial statements or audited annual financial statements, whichever is newer.

The above amounts stated herein do not include the VAT, and shall be calculated as an additional amount whenever required and applicable.

**Islamic Finance Costs**

In case the Fund obtains Shari'ah-compliant finance banking facilities, All financing costs shall be borne by the Fund which are paid to third parties, such as banks and companies specialized in arranging financing in consistency with the market standards and prices.

Such costs include arrangement fees the bank receives from the financing bank in addition to profit margin.

Since the Fund has received banking facilities of SAR 1,000,000,000 from the Banque Saudi Fransi, the relevant financing costs shall include the following:

- (1) Financing Arrangement Fees: 1% equal to the arranged financing amount shall be paid once to the Banque Saudi Fransi upon signing the banking facilities contract.
- (2) Profit Margin 2% of the drawn financing amount plus SAIBOR for a period of six months.

The above amounts stated herein do not include the VAT, and shall be calculated as an additional amount whenever required and applicable. It is worth noting that such banking facilities have been obtained on 21/01/1440H (01/10/2018G) and a portion thereof has been drawn amounting SAR 573,122,500, and the remaining amount is SAR 426,877,500.

**Development Fees**

The Fund Manager will negotiate on development fees which will be borne by Fund and paid to developers on an arm's-length basis and in compliance with prevailing market rates with a maximum of 15% from the development cost. For the avoidance of doubt, the Fund has not incurred any development fees in relation to the Initial and Additional Real Estate Assets.

The above amounts stated herein do not include the VAT, and shall be calculated as an additional amount whenever required and applicable.

**Brokerage Fees**

A maximum of (2.5%) of the real estate assets shall be

**Fund Fees****Value and Way of Payment**

paid to the seller, marketer or broker.

Regarding the acquisition of the Additional Real Estate Asset, the Fund will pay only SAR 8,000,000 as brokerage fees to Saham Architecture Real Estate Establishment, which is not a related third party, for the acquisition of Additional Real Estate Asset (The Boulevard). For elaboration, the Fund Manager shall not receive any portion of such brokerage fees.

The above amounts stated herein do not include the VAT, and shall be calculated as an additional amount whenever required and applicable.

**Other Fund Expenses**

The Fund will be responsible for all costs and expenses attributable to the activities, investments and disposition of the Fund. Expenses related to third party services, such as legal advisory, asset valuation, governmental costs paid to regulators and the CMA, related insurance costs and other professional services in addition to income purifications costs (if any) and all travel and accommodation costs actually incurred by each independent member of the Board of Directors of the Fund reasonable to attend meetings, which are expected not to exceed an amount of SR 15,000 per year shall also be borne by the Fund. Such fees and expenses are expected not to exceed 0.30% of the Fund's NAV per annum.

**Value Added Tax (VAT)**

All fees and expenses mentioned in this Supplementary Annex and the Terms and Conditions and/or any other relevant documents do not include VAT unless otherwise specified. If VAT is imposed or may be imposed on any service provided to the Fund, the Fund will pay the Service Provider (in addition to any other charges or expenses) a sum equal to the value of the VAT on the VAT invoice of the service concerned. If VAT is imposed or may be imposed on any service provided by the Fund, the Customer will pay the Fund (in addition to any other charges or expenses) a sum equal to the value of such VAT.

**Real Estate Disposition Tax**

The Fund shall bear the applicable real estate disposition tax, at a percentage to be determined by the State for the real estate assets to be purchased according to the relevant laws and regulations.

The Fund Manager represents that it shall take all measures necessary to achieve the best interest of all Unitholders according to the best of its knowledge with due diligence. The Fund Manager and its directors, officers, employees, agents, advisers, affiliates and personnel, and related parties, the Custodian, each property manager, the Shariah Board

and the members of the Fund Board (each a “**Covered Party**”) shall not have any liability to the Fund or to any investor for any loss suffered by the Fund that arises out of any acts or omissions of that party in connection with their duties towards the Fund. In such case, provided that any Covered Party seeking to rely on such provision shall have acted in good faith and in a manner reasonably believed to be in the best interests of the Fund and was neither grossly negligent nor engaged in fraud or willful misconduct. The Fund will indemnify and hold harmless each Covered Party from and against any and all claims, expenses, damages, costs, demands or liabilities which they, or any one of them, may sustain or to which they, or any one of them may become subject, arising out of, or relating in any way to their duties to the Fund, except to the extent caused by such party’s fraud, negligence or willful misconduct.

**(2) Type of fee, imposed percentage, imposed percentage calculation method, and frequency of the fee payment(\*)**

No.	Type of Fee	Imposed percentage (if any)	Imposed amount (if any)	Method of calculation	Fees payment frequency
1	Transaction Fee	0.75% of total purchase or sale price.	N/A	Calculated from the total value of the asset to be acquired or sold, and does not include brokerage fees.	Upon closing of a purchase or sale transaction.
2	Management Fee	0,75% of Fund’s NAV.	N/A	To be calculated on a semi-annual basis from Fund’s NAV commencing on the Closing Date.	To be deducted on a semi-annual basis
3	Administrative Fee	N/A	Fund paid the Sub-Administrator an annual fee of SAR 129,000 in the first year the Fund was listed, with annual increase of 3% (SAR 140,962 for 2021G).	To be calculated on a daily basis by dividing fees proportionally on the number of days in a year	To be deducted quarterly

No.	Type of Fee	Imposed percentage (if any)	Imposed amount (if any)	Method of calculation	Fees payment frequency
4	Custody Fee	0,025% of Fund's NAV	N/A	To be calculated from Fund's NAV with a maximum of SAR 320,000.	To be deducted on a semi-annual basis
5	Remuneration of the Board Members	N/A	SAR 5,000 for every meeting	To be paid for each member for every meeting, with a cap of SAR 20,000 for all independent members.	To be annually deducted
6	Chartered Audit Fee	N/A	SAR 40,000 to be paid annually.	To be calculated on a daily basis by dividing fees proportionally on the number of days in a year	To be annually deducted
7	Other Fund Expenses	Such expenses will be disclosed in the financial disclosure summary at the end of the year, if any.			
8	Tadawul Listing Fee	N/A	Initial fee of (SAR 20,000) plus SAR (2) per Unitholder, subject to be a maximum of SAR (500,000).	To be paid in advance by Unitholders	To be paid once
9	Tadawul Registration Fee	N/A	SAR 400,000 to be paid annually as per the market value of Fund, according to the following values: 0 - 100 million, SAR 180,000 shall be paid. 100 - 200 million,	To be calculated on a daily basis by dividing fees proportionally on the number of days in a year	To be annually deducted

No.	Type of Fee	Imposed percentage (if any)	Imposed amount (if any)	Method of calculation	Fees payment frequency
			SAR 220,000 shall be paid. 200 - 500 million, SAR 300,000 shall be paid. 500 million - 2 billion, SAR 400,000 shall be paid. 2 billion - 5 billion, SAR 500,000 shall be paid. 5 billion - 10 billion, SAR 600,000 shall be paid. More than 10 billion, SAR 700,000 shall be paid.		
10	Tadawul Listing Fee	N/A	Initial listing fees of SAR 50,000	To be paid in advance by Unitholders	To be paid once upon establishment.
11	Fees of publishing information on Tadawul's website	N/A	SAR 5,000	To be calculated on a daily basis by dividing fees proportionally on the number of days in a year	To be paid annually
12	Regulatory Fees to be Paid to CMA	N/A	SAR 7,500	To be calculated on a daily basis by dividing fees proportionally on the number of days in a year	To be paid annually
13	Property Management Fee	Equal to 2.5% of the due annual total revenues (all amounts collected by	N/A	To be calculated on a daily basis by dividing fees proportionally on the number	To be paid annually



No.	Type of Fee	Imposed percentage (if any)	Imposed amount (if any)	Method of calculation	Fees payment frequency
		NMR Real Estate regarding the Additional Real Estate Asset (The Boulevard) before deducting operational expenses). Such property management fee shall be settled in two payments each payment at the end of each six months, and the first payment of property management fee shall be payable upon the expiry of six months as of the date of signing the relevant contract.		of days in a year	
14	Development Fees	Such expenses will be disclosed in the financial disclosure summary at the end of the year, if any.			
15	Transaction Costs	Such expenses will be disclosed in the financial disclosure summary at the end of the year, if any, and shall not exceed 0.5% of Fund's NAV.			
16	Brokerage Fees	2.5% of value of purchase of real estate assets	N/A	To be calculated from total value of purchase of real estate assets	Upon acquisition of a real estate asset
17	Islamic Finance Costs	(1) Financing Arrangement Fees: 1% of the Financing	N/A	(1) Financing Arrangement Fees are calculated of	(1) Financing Arrangement Fees: To be paid once to the

No.	Type of Fee	Imposed percentage (if any)	Imposed amount (if any)	Method of calculation	Fees payment frequency
		Amount.		financing amount.	Banque Saudi upon signing the banking facilities contract.
		(2) Profit Margin: 2% of the drawn financing amount plus SAIBOR for a period of six months.		(2) Profit Margin is calculated from drawn financing amount.	(2) Profit Margin: To be deducted on a semi-annual basis

(\* ) The above amounts stated herein do not include the VAT, and shall be calculated as an additional amount whenever required and applicable.

### (3) Percentage of Fund Recurrent and Non-recurrent Costs to Fund Total Assets Value Targeted for 2021G

Percentage of Fund recurrent costs to Fund total assets value before the increase of Fund total assets value	1.60%
Percentage of Fund recurrent costs to Fund total assets value after increasing the maximum limit of Fund total assets value	1.61%
Percentage of Fund recurrent costs to Fund total assets value after increasing the minimum limit of Fund total assets value	1.75%
Percentage of Fund non- recurrent costs to Fund total assets value after increasing the maximum limit of Fund total assets value*	1.11%
Percentage of Fund non- recurrent costs to Fund total assets value after increasing the minimum limit of Fund total assets value*	1.12%

*Percentage of Fund non-recurrent costs to Fund total assets value calculated based on the Additional Real Estate Asset, and may vary in the future as per the value of new acquisitions.*

### (4) Unitholder's Assumed Investment Table

The following table includes an assumed explanatory example of a client's investment

of SAR 10,000 for a period of ten years (“**investment period**”), and also on the assumption that the Fund’s NAV in such period is SAR 1,000,000,000 and assuming that the Fund has borrowed SAR 200,000,000 to acquire a new asset such that the total value of the Fund’s assets is SAR 1,200,000,000 and the Fund NAV during such period is SAR 1,000,000,000 and has remained unchanged during investment period. It is also based on the assumption that the Fund achieves a total return on investment by 10% per annum as of the first year up to the tenth year of Additional Offering, that the Fund shall distribute 100% of its revenues annually, and that all the Fund expenses and SAIBOR shall remain unchanged during the investment period. Besides, the following table show the Unitholder’s share of expenses and net return on investment in SAR based on the assumed example. (For purposes of this example, all amounts in SAR have been rounded to the nearest integer):

<b>Type of Fees (includes only the recurrent fees imposed on Fund, and non-occurrent fees have been explained below)</b>	<b>Fees applied to Fund annually as of the first till the tenth year of Additional Offering</b>	<b>Fees applied to Unitholder annually as of the first till the tenth year of Additional Offering (Percentage)</b>	<b>Amount borne by Unitholder annually from the first till the tenth year of Additional Offering (SAR)</b>
Custody Fee (0.025% of Fund’s NAV)	SAR 250,000	0,025%	SAR 2.5
Sub-Administrator Fees	SAR 140,962	0,014%	SAR 1.4
Remunerations of Fund Independent Directors	SAR 20,000	0,002%	SAR 0.2
Regulatory Fees	SAR 7,500	0,001%	SAR 0.1
Tadawul Listing & Registration Fee	SAR 700,000	0,070%	7 SAR
Chartered Audit Fee	SAR 40,000	0,004%	SAR 0.4
Property Management Fee (on the assumption of 2.5% of lease amounts)	SAR 3,000,000	0,30%	SAR 30
Financing Costs (Profit Margin 2% + 1,5% SAIBOR of drawn financing amount)	SAR 7,000,000	0,70%	SAR 70
Other Expenses (0.30% of Fund’s NAV)	SAR 3,000,000	0,30%	SAR 30

Fund NAV after deducting all annual recurrent expenses, fees, and charges (except for Management Fees)	SAR 985,841,538	SAR 9,858	Fund NAV after deducting all annual recurrent expenses, fees, and charges (except for Management Fees)
Management Fees (0.75% of Fund NAV)	SAR 7,393,812	0.74%	SAR 74
Total fees and charges	SAR 21,552,274	SAR 216	
<i>(*) For purposes of implementing this example, it was assumed that the percentages and amounts related to the Fund expenses are fixed and have not changed noting that such is only an example for explanatory purposes and what actually happens may be different.</i>			
Percentage of Fund recurrent expenses of the total value of assets	1.8%		
Percentage of Fund recurrent expenses of the NAV	2.2%		
Investment total value after deducting recurring expenses	SAR 9,784		
Assumed total annual return on investment	10%		
Assumed total return on investment for one year plus assumed total return on investment	SAR 11,200		
Net assumed investment value for one year	SAR 10,984		
Assumed net return on investment	SAR 984		
Assumed net return on investment (%)	9.8%		
<b>Non-recurrent taxes, fees, and expenses (paid of the Fund's NAV related to acquiring the new asset)</b>			
Real Estate Disposition Tax (5% of purchase value)	SAR 10,000,000		
Brokerage Fees (2,5% of purchase value)	SAR 5,000,000		

Transaction Fee (0,75% of purchase value)	SAR 1,500,000
Costs of dealings related to legal consulting, due diligence studies, valuation of related to the acquisition of the new asset	SAR 1,500,000
Total non-recurrent taxes, fees, and expenses (paid of the Fund's NAV related to the acquisition of the new asset)	SAR 18,040,102
Percentage of non-recurrent total taxes, charges, fees, and expenses of the total of the Fund NAV	1.5%
Percentage of total non-recurrent taxes, fees, and expenses of the Fund's NAV	1.8%

(\* ) Listing fees were calculated on the assumption that number of shareholders at the Additional Offering is the same as recorded in the Unitholders' register as of 28/02/2021.

#### **(5) Fund Manager's Acknowledgment regarding fees stated in this Paragraph**

In addition to what is stated in Paragraph (E) hereinabove, the Fund Manager acknowledges that the fees stated above represent all the fees imposed and calculated on the Fund, and that the Fund Manager shall bear any fees not herein stated.

#### **E. Insurance:**

The Additional Real Estate Asset (The Boulevard) shall be insured after completing the process of transfer of ownership of the Additional Real Estate Asset for the benefit of the Fund. Insurance shall be maintained at one of the insurance companies approved in the Kingdom of Saudi Arabia, and such insurance must be compliant with Shari'ah controls and guidelines in accordance with the price offers which shall be received then, and there is no further details about that.

#### **F. Further information:**

##### **1. Acknowledgments by the Fund Manager**

In addition to the acknowledgments stated in this Supplementary Annex, the Fund

Manager provides the acknowledgments stated in **Schedule (2)** of this Supplementary Annex and the letter of the Fund Manager stated in **Schedule (2)** of this Supplementary Annex.

## 2. Sale and Purchase Agreement of the Building and Utilities of the Additional Real Estate Asset (The Boulevard)

In its capacity as the purchaser, the Fund has entered into a Sale and Purchase Agreement of the Building and Utilities of the Additional Real Estate Asset (The Boulevard) dated 19/07/1442H (03/03/2021) with NMR Real Estate (current owner of the Additional Real Estate Asset) in its capacity as the seller, whereby the Fund shall acquire the Additional Real Estate Asset in return for the sum of purchase price alongside real estate disposition tax and brokerage fees jointly amounting (SAR 344,000,000); real estate disposition tax is SAR 16,000,000 while brokerage fees are SAR 8,000,000.

## 3. Summary of Management, Operation, and Lease Contract with the Property Manager of Additional Real Estate Asset (The Boulevard)

<b>Parties</b>	<ul style="list-style-type: none"> <li>- Jadwa REIT Saudi Fund</li> <li>- NMR Real Estate</li> </ul>
<b>Contract Commencement Date</b>	The Contract shall be effective from the date of being signed as of ownership transfer from real estate asset current owner to the Fund.
<b>Contract Term</b>	3 (three) Gregorian years, renewed automatically unless either party wishes not to renew at least six months before the expiration of the original or renewed term from the expiration of the Contract original or renewed term.
<b>Contract Assignment</b>	NMR Real Estate may not assign this Contract or a portion thereof to any third party without the prior written consent of the Fund, whether such assignment was with or without compensation.
<b>Contract Termination</b>	<p>The Fund may terminate this Contract without any compensation to NMR Real Estate in any of the following cases:</p> <ul style="list-style-type: none"> <li>- Upon ownership transfer of the Additional Real Estate Asset</li> <li>- In case NMR Real Estate violates any of its obligations or declarations stated in this Contract and failed to remedy such violation within a period of 30 (thirty) days as of the written notice of violation sent by the Fund, and the latter may starting from that time refer to NMR Real Estate for all losses and damage the Fund has suffered as set forth in the Contract.</li> <li>- If NMR Real Estate enters into any liquidation or bankruptcy, or if a liquidator or receiver is appointed, or if a third party petitions that the NMR Real Estate's funds</li> </ul>

and property be liquidated, declared bankrupt, or confiscated while the Fund retains its right to refer to NMR Real Estate for any dues the latter owes for the Fund.

- At any time during the Contract Term under a notice to NMR Real Estate of no less than 6 months as of the termination date of as set forth in the Contract.
- In case NMR Real Estate fails to notify the Fund and to secure its prior written consent before making any change on the ownership of NMR Real Estate or legal status as set forth in the Contract.

#### **Operating Account**

The Fund shall deposit monies necessary for operating the Additional Real Estate Asset at an operating account in accordance with what is set forth in the Contract at each operating year of the Contract Term to cover all operating costs noting that for the purposes of the Contract, “**Operating Account**” means a bank account determined by the Fund to operate the Additional Real Estate Asset in accordance with the provisions of the Contract, and NMR Real Estate shall be provided with necessary powers to use such account in accordance with the authorization issued by the Fund.

#### **Rental Account**

NMR Real Estate shall deposit all rentals collected from tenants immediately at the rental account alongside any taxes, fees, insurance funds or guarantees to be collected from tenants. NMR Real Estate shall not be entitled to dispose of such account or manage the same except in cases where the Fund delays depositing monies necessary for operating the Additional Real Estate Asset or fails to pay Property Management Fee of the Additional Real Estate Asset in addition to fees and taxes imposed on such asset noting that “**Rental Account**” shall mean a bank account determined by the Fund at which NMR Real Estate shall deposit the monies collected from the leasing and operation of the Additional Real Estate Asset in addition to any taxes or fees that are to be collected from tenants in accordance with the Contract.

### **4. Legal Counsel**

The Fund has appointed Khalid Nassar & Partners Lawyers and Legal Consultants to provide legal consultations and services to the Fund in connection with the increase of the total value of the Fund assets, in addition to providing legal consultation to the Fund whenever the Fund Manager considers it necessary.

The Legal Counsel has submitted its letter in accordance with the requirements of the Real Estate Investment Funds Regulations as explained in **Schedule (3)** this Supplementary Annex.

### **5. Anti-Money Laundering**

Additional documentation or information may be required in compliance with the Saudi Anti-Money Laundering Law, along with verifying the investors' identity, noting that such information will remain confidential. The Fund Manager maintains the right to request the necessary documentation or additional information. Failure to provide identification documents to the satisfaction of the Fund can lead to the subscription being rejected by the Fund Manager.

The Unitholders hereby confirm that the amounts used to subscribe to the Fund are not coming from any suspicious or illegal sources. If the Fund Manager has reason to suspect the legal source of the Funds associated with the investor's investment transactions, it shall notify the AML/CFT officer at Jadwa Investment Company who in turn shall investigate the case circumstances to identify reasons for suspicion, and shall report the same to AML/CFT competent authority in the Kingdom. However, according to the Saudi AML/CFT Law, the Fund Manager may not inform, warn, or give hint to Unitholders of any suspected or informed about transactions.

## **6. Confidentiality of Information**

The Fund's business is managed with the highest degree of confidentiality at all times. This does not limit the right of the Fund's regulatory authority (CMA) to access the Fund's records for legal oversight purposes. The information required to open and operate the investor's account and to comply with applicable regulations will be shared between the Fund Manager and other parties as determined by the Fund Manager. The Unitholder also agrees that such information may be shared with competent regulatory authorities in accordance with the laws and regulations applicable in the Kingdom of Saudi Arabia.

## **7. Death of Unitholders**

The investor's consent to this Supplementary Annex and the Terms and Conditions shall survive upon their death or disability, till their heirs, executors, administrators, personal representatives, trustees and successors provide the documentation required by the Fund Manager if the investor is an individual. If the investor is a corporate entity, this this Supplementary Annex and the Terms and Conditions shall not terminate upon the occurrence of any of the above to any partner or shareholder. Therefore, the Fund Manager shall have the right to suspend any Transactions relating to this Supplementary Annex or the Terms and Conditions until the Fund Manager receives an order from a competent court or body, or such other sufficient evidence to prove the power of those mentioned above before allowing them to dispose of the Units such investor owns.

## **8. Accuracy of Information**

Investors shall be responsible for furnishing the Fund Manager with their mail addresses including their correct email addresses at all times and shall as well inform him of any change taking place in such addresses. In case investors fail to provide the Fund



Manager with the correct address or ask the Fund Manager not to send mail, including notifications related to their investments in the Fund, the investor shall thus be considered to have agreed to protect, defend, and hold harmless the Fund Manager, release the latter from any liability, and shall also waive their rights or demands against the Fund Manager arising, whether directly or indirectly, for failing to provide such data, notices, or any other information related to investment, or those arising from failing to reply or ascertaining the correctness of information or correcting any mistakes or alleged information in any of the disclosures or notices.

## **9. Disclaimer**

Any information, registers, or notices served by the Fund Manager shall not be intended to provide any advice or valuation, and shall not be considered as an advice for any subscriber or investor to invest or buy Units in the Fund. The Fund Manager shall not provide any advice to subscribers regarding the Fund or investing therein. Every investor shall be responsible for conducting his own independent investigations and valuation of the Fund creditworthiness and investing therein. The Fund Manager recommends that all prospective investors should seek the advice of an independent, financial advisor licensed by the CMA.

## **10. Governing Law and Dispute Resolution**

This Supplementary Annex and The Terms and Conditions shall form a legally binding contract between the Fund Manager and each Unitholder. Subscribing for and purchasing Units in the Fund is deemed a consent to this Supplementary Annex and The Terms and Conditions. This Supplementary Annex and The Terms and Conditions shall be governed by the Real Estate Investment Funds Regulations, laws, and regulations applicable in the Kingdom of Saudi Arabia.

The Fund Manager and each investor will seek to resolve amicably any dispute arising out of or in connection with this Supplementary Annex and the matters contemplated in this Supplementary Annex and the Terms and Conditions. In the event that a dispute cannot be settled amicably, it may be referred by either party to the Committee for the Settlement of Securities Disputes.

## **G. Property Manager of Additional Real Estate Asset**

### **1. Name and Address of Property Manager of Additional Real Estate Asset**

## **NMR Real Estate**

Nora Square, Takhassusi Road - Riyadh

Tel.: +966 11-488-0840

Kingdom of Saudi Arabia

Website: [www.nmrre.com.sa](http://www.nmrre.com.sa)

## **2. Statement of the Property Manager's tasks, duties and responsibilities**

NMR Real Estate (current owner of the Additional Real Estate Asset (The Boulevard)) has been appointed to as a property manager based on a management, operation, and renting contract under which it shall be responsible for tasks of renting, marketing, managing, operating, and supervising maintenance of the Additional Real Estate Asset including the following duties and responsibilities:

- (2-1) Conducting all works necessary to manage, operate, renting, market, and supervise maintenance of the Additional Real Estate Asset.
- (2-2) Signing all lease contracts with tenants in accordance with the management, operation, and renting contract.
- (2-3) Selecting and appointing all service providers as required to enable NMR Real Estate to fulfil its obligations stated in the management, operation, and renting contract.

## **3. Disclosure of whether the Property Manager (company that carries out the property managements) intends to invest in the Fund's units, and the value of these investments**

The Fund Manager shall issue [●] Units of the Fund (representing [●]% of the Fund Units) to the Property Manager of the Additional Real Estate Asset (NMR Real Estate) as an in-kind contribution in return for paying a portion of the purchase value of the Additional Real Estate Asset (The Boulevard) the Fund intends to acquire in accordance with this Supplementary Annex. The said purchase value is SAR 320,000,000 (not including the real estate disposition tax and brokerage fees) of which the in-kind portion forms (in-kind contribution) SAR 120,000,000, while the remaining which is SAR 200,000,000, shall be paid in cash to the seller of the Additional Real Estate Asset (NMR Real Estate). Such Units shall be allocated and issued for the benefit of NMR Real Estate, and shall be subject to a prohibition period extending to one year as of the date of listing the Units issued thereto.

## **4. Property Manager Fees**

As herein referred to in this Supplementary Annex and under the Management, Operation, Rental Contract made with the Property Manager (NMR Real Estate), the only consideration NMR Real Estate shall receive in return for management, operation,

and implementation of its obligations under such Contract shall be equal to 2.5% of the total revenues due in such year (all amounts collected by NMR Real Estate regarding the Additional Real Estate Asset (The Boulevard) before deducting operational expenses). Such property management fee shall be settled in a semi-annual basis in two payments, each payment at the end of each six months, and the first payment of property management fee shall be payable upon the expiry of six months as of the date of signing the Management, Operation, and Rental Contract.

**Ibrahim Mohammad Al  
Kuwaiflie  
Manager, Legal and Compliance**

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**Tariq Bin Ziyad Al-Sudairy  
Managing Director and Chief  
Executive Officer**

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**Schedule (1)**  
**Owners of NMR Real Estate**

**NMR Real Estate** is owned by the following partners:

<b>Name of Partner</b>	<b>Percentage of Ownership</b>
NMR Limited	95%
Nawaf Bin Mohammed bin Abdullah Al Rajhi	5%

**Schedule (2)**  
**Acknowledgments by the Fund Manager and Letter of Fund Manager**  
**(As of the date of preparing the Supplementary Annex)**

**Acknowledgments by the Fund Manager**

We, Jadwa Investment Company, ("**Fund Manager**"), in our capacity as the Fund Manager of Jadwa REIT Saudi Fund ("**Fund**") acknowledge as follows:

- (1) That the Terms and Conditions of the Fund have been prepared in accordance with the Real Estate Investment Funds Regulations and the Real Estate Investment Traded Funds Instructions issued by the CMA.
- (2) The Fund Manager confirms, having made all reasonable enquiries, that to the best of its knowledge and belief, there are no other facts the exclusion of which would render any statement herein misleading. CMA and Saudi Stock Exchange assume no responsibility for content of the Terms and Conditions and this Supplementary Annex.
- (3) The Fund Manager represents that the real estate property is free from any violations of the law that prevent, or cause to prevent, the utilization of that property or the operation thereof. The Fund Manager also represents that the real estate property is technically sound and free from any major architectural defects that prevent, or cause to prevent, the utilization of the building or the operation thereof or lead to the need to perform major costly maintenance and replacement works.
- (4) The Fund Manager acknowledges that there is no conflict of interest directly or indirectly with the following parties, except for what is expressly stated:
  - Fund Manager;
  - Fund-related property manager(s);
  - Fund-related property owner(s); and
  - Tenant(s) of Real estate properties the returns of which represent 10% or more of the annual rent returns of the Fund.
  - Accredited valuer.
- (5) The Fund Manager represents that it has carried out due diligence necessary to ensure no conflicts of interest between the seller of the real estate property to the Fund and the accredited valuers.
- (6) The Fund Manager represents that all members of the Fund Board: were not the subject of any bankruptcy or insolvency actions nor any bankruptcy or liquidation proceedings; have not committed any fraudulent, dishonorable or dishonest acts that compromise

their integrity or honesty; and enjoy the skills and expertise necessary to be qualified members of the Fund Board.

- (7) The Fund Manager represents that each independent director is in compliance with the definition of an independent director as mentioned in the Glossary of Defined Terms Used in the Regulations and Rules of the CMA, which shall also apply to any independent member appointed by the Fund Manager throughout the lifetime of the Fund.
- (8) The Fund Manager represents that there are no other important business activities or interests of the members of the Fund Board of Directors of the Fund Manager “Jadwa Investment Company” that might be in conflict with the Fund's interests.
- (9) The Fund Manager represents that there are no conflicts of interest that would affect the Fund Manager in the performance of its duties to the Fund.
- (10) The Fund Manager represents that there are no fees other than those listed in the Schedule of Fees under Paragraph (D) of this Supplementary Annex.
- (11) The Fund Manager represents that the Fund will be listed only upon the completion of the transfer of ownership or interest of the Real Estate Property to the Fund. In case of failure to complete such transfer within the Offering Period specified in Paragraph (B) of this Supplementary Annex, the entire subscription amount shall be returned to investors.
- (12) The Fund Manager represents that no member of the Board of Directors may have a direct or indirect interest in the business and contracts made for the Fund.
- (13) The Fund Manager represents that all contracts and agreements related to the Fund and may affect the investors' decisions to subscribe to the Fund, have been disclosed in the Terms and Conditions of the Fund and this Supplementary Annex, and that there are no contracts or agreements other than those stated in those Terms and Conditions and this Supplementary Annex.
- (14) The Fund Manager represents that Unitholders shall be entitled to vote on matters presented to the same in Unitholders' meetings. In addition, the approval of the majority of Unitholders, holding more than 50% of the total value of Units whose owners are present, shall be obtained in relation to any fundamental change to the Fund, including:
  - a material change in the Fund’s objectives;
  - a change which may have an adverse and material effect on the Unitholders or their rights with respect to the Fund;
  - a change that may have an impact on the Fund’s risk profile;
  - and any change of the total value of the Fund assets.

(15) The Fund Manager represents that it shall take all measures necessary to achieve the best interest of all Unitholders according to the best of its knowledge with due diligence. The Fund Manager and its directors, officers, employees, agents, advisers and affiliates; the Custodian; the Shariah Advisor and the Fund Board shall exert all reasonable efforts and shall act in good faith in order to achieve the best interests of Unitholders. However, the Fund may incur a loss in any way due to an unintentional action by any of the said parties during their management of the Fund's affairs. Then, such parties shall not be held liable for such loss, provided that they have acted in good faith (good faith is established in the absence of any action, decision or correspondence indicating prior knowledge of the negative consequences of such action) and in a manner believed to serve the best interest of the Fund, and the action does not involve fraud, gross negligence or willful misconduct.

(16) The Fund Manager represents that it has explained to the accredited valuers that the scope of work on valuation reports must be appropriate for the purpose of Fund Manager's request and usable if the market rental value is different from the contractual rental value in real estate property leases.

**Name: Tariq Bin Ziyad Al-Sudairy**

**Date: 01/04/2021G**

**Signature: (Signed)**

**Schedule (3)**  
**Legal Advisor's Letter**

**Date: 10/08/1442H**

**Corresponding to: 23/03/2021G**

**Messrs./ Capital Market Authority,**

**May Allah's peace, mercy, and blessing be upon you,**

In our capacity as the legal advisor of Jadwa Investment Company ("**Fund Manager**") in connection with the request of the Fund Manager for offering additional units of Jadwa REIT Saudi Fund (a public closed-ended Shariah-compliant real estate investment traded fund), and listing them in the Saudi Stock Exchange ("**Tadawul**"),

We refer to the Supplementary Annex prepared regarding the changes related to the increase of the total value of the Fund assets, and particularly in connection with the request of offering additional units and listing the same in Tadawul submitted to the Capital Market Authority ("**CMA**"), and regarding the requirements stipulated by the CMA Law, Real Estate Investment Traded Funds Instructions, and Real Estate Investment Funds Regulations, we have, in particular, provided legal advice to the Fund Manager about the requirements that are to be set forth in the legal sections of the Supplementary Annex, and also gave the Fund Manager legal advice about the fulfillment of the targeted additional real estate asset of all legal requirements, and also about the validity of the deed of such asset, which is under acquisition. In this respect, we have conducted some further studies and investigations which we consider appropriate in the circumstances. We also conducted the legal and professional due diligence study required in this regard.

Being the legal counsel, we confirm that we are not aware of any material matter that may constitute a violation by the Fund Manager of its obligations under the CMA Law requirements or the conditions stipulated by the Real Estate Investment Traded Funds Instructions and the Real Estate Investment Funds Regulations in connection with the request of offering additional units and listing the same in Tadawul, including such requirements related to the content of the Supplementary Annex as of the date of this letter.

**Respectfully Yours,**

**Khalid Nassar & Partners Lawyers and Legal Consultants**

**Lawyer: Muhammad B. Ahmad An-Nafe' – Partner**

**(Signed and sealed)**



**Schedule (4)  
Proxy Form**

I, \_\_\_\_\_, a  
\_\_\_\_\_ national, holder of ID No. \_\_\_\_\_  
\_\_\_\_\_, [the authorized representative of  
\_\_\_\_\_ (the  
“Unitholder”)], being the registered owner of  
\_\_\_\_\_ Units valuing at  
\_\_\_\_\_ in the Jadwa REIT Saudi Fund (“Fund”), do hereby, nominate,  
constitute and appoint \_\_\_\_\_, a \_\_\_\_\_ national,  
holder of ID No. \_\_\_\_\_, as [my/the  
Unitholder’s] proxy in relation to [my/the Unitholder’s] Units in the Fund, with authority to  
attend and vote at all Unitholders’ meetings, from the date hereof until [I instruct/the  
Unitholder instructs] otherwise or cease to hold Units in the Fund.

**IN WITNESS WHEREOF**, this proxy has been signed and shall come into effect as of  
\_\_\_\_\_.

Name: \_\_\_\_\_

Mob: \_\_\_\_\_ E-mail: \_\_\_\_\_

Address: \_\_\_\_\_

Signature: \_\_\_\_\_

**Schedule (5)  
Subscription Form**

**Fund Name: Jadwa REIT Saudi Fund**

**A. Prime Subscriber**

Date:										Nationality:									
Name of the Investor:																			
Client's No.:										ID No.:									
Mobile:										E-mail:									
Investment Account No.:																			
Address:																			

**B. Subscription Details (\*)**

Individual <input type="checkbox"/>	Governmental Entity <input type="checkbox"/>	Charity <input type="checkbox"/>
Company <input type="checkbox"/>	Semi-Governmental Entity <input type="checkbox"/>	Other <input type="checkbox"/>

Required Units (in figures)	Units
Required Units (in letters)	Units
Total Amount Payable (in figures)	SAR
Total Amount Payable (in letters)	SAR

*\* In case of subscription for family members, specify the total number of required units for all subscribers*

**C. Payment Terms**

We agree that you Deduct the Total Amount Payable from our Investment Account.

**D. Details of the Share Portfolio in which Units shall be deposited**

Bank/Company Name:																			
IBAN:																			
Investment Account No.:																			

Portfolio No.:

**E. Subscription of Family Members**

Family Members on behalf of which subscription is made and who are Included in the Family Book	Relationship	Civil Registration No.									
1-											
2-											
3-											
4-											
5-											
6-											
7-											
8-											
9-											
10-											

**F. Investor's Acknowledgment**

We confirm that we are a "Qualified Investor" as described in the Supplementary Annex and the Fund's Terms and Conditions. We acknowledge by returning this Subscription Form to Jadwa Investment Company that we are making an irrevocable offer to subscribe for Units in Jadwa REIT Saudi Fund, which may be accepted by Jadwa Investment Company in its discretion as Fund Manager.

We also hereby confirm that we have power, authority and legal capacity to sign the Subscription Application and hold Units in accordance with the Supplementary Annex and the Terms and Conditions. Further, we confirm that we, as well as all individuals included herein, did not apply for subscription to the Fund Additional Units. The Fund Manager shall be entitled to reject all applications in case of repeated applications. We hereby apply

for subscription to Jadwa REIT Saudi Fund in accordance with the Supplementary Annex and the Terms and Conditions that We have received, understood and signed in acceptance.

**Investor's Signature/ Authorized signatory (in case of corporate)**

I hereby apply for subscription to Jadwa REIT Saudi Fund as described above. In accordance with the Supplementary Annex and the Terms and Conditions which I received, read and understood, I signed this in acceptance. I hereby authorize you to make entries into my investment account as described above.

**G. Relationship Manager Signature**

**Schedule (6)  
Acknowledgment Letter  
Jadwa REIT Saudi Fund - Increase of the Total Value of the Fund Assets**

On this day \_\_\_\_\_ of the month \_\_\_\_\_ of the year \_\_\_\_\_, the undersigned acknowledges and agrees that the undersigned has read, understood and accepted the Supplementary Annex and the Terms and Conditions of Jadwa REIT Saudi Fund. The undersigned acknowledges and agrees that the undersigned is bound by the Supplementary Annex and the Terms and

Conditions, upon receipt of a signed copy of the Supplementary Annex and the Terms and Conditions from the Fund Manager and upon the acceptance of the Fund Manager of this Acknowledgment Letter and the Subscription Form from the undersigned, the shall be bound by the Supplementary Annex and the Terms and Conditions.

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**Individual Investors**

Prime Investor's Name:

Signature:

Address:

E-mail:

Tel./Mobile:

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**Corporate Investors**

Authorized Signatory(ies):

Name:

Title:

Seal:

Address:

E-mail:

Tel./Mobile:

**IN WITNESS WHEREOF**, this Acknowledgment Letter has been accepted by the Fund Manager as of the abovementioned date.

**Fund Manager**

Name:

Signature:

Title:

Date:

## Schedule (7): Lease Contracts

In addition to the lease contracts at The Boulevard as set forth in this Supplementary Annex, the below list provides information and a summary of the remaining lease contracts at The Boulevard as follows:

No.	Tenant	Date of Signature	Term of Lease (Contract Duration)	Lease Termination	Rental Value
1	Aseel Holding Company	05/08/1438H (01/05/2017G)	Lease term is 9 (nine) Gregorian years commencing as of 01/01/2018G (14/04/1439H) and ending on 31/12/2026G (22/07/1448H).	The landlord may terminate / continue the lease after he is given his entitlements if payable rent is not paid for a period exceeding 30 (thirty) days from the date it becomes due. The landlord may also terminate the lease in case the tenant is away from the leased property for a period of 30 (thirty) days for any reason whatsoever. Also, in case the tenant violates any of his contractual obligations, the landlord shall be entitled to terminate the lease after serving the tenant a warning and after granting him a grace period of 30 (thirty) days. Besides, the landlord may terminate the lease in case the tenant becomes insolvent or bankrupt, unless he provides a guarantee ensuring he shall pay the rent when it becomes due, and the landlord may also terminate the lease in case the leased property is closed by a third party due to a	Total rental value: SAR 13,950,000. The lease is silent regarding the value-added tax since the lease has been signed before the effective date of such tax.  Payment Method: The annual rental value shall be paid in two installments on a bi-annual basis (one installment every six months) as per the dates and payments specified in the lease contract.  Utilities: The tenant shall pay electricity and gas bills. As for water bills, they shall be divided among the number of shops at The Boulevard and shall be borne by the tenant.

No.	Tenant	Date of Signature	Term of Lease (Contract Duration)	Lease Termination	Rental Value
				cause not attributable to the landlord for more than 30 (thirty) days. Further, the tenant shall be required to pay the remaining rent until another tenant is contracted unless closing cause does not exist after 90 (ninety) days of closing date.	
2	Adyaf Gulf Co. Ltd	11/06/1436H (31/05/2015)	Lease term is 9 (nine) Gregorian years commencing as of 01/10/2016G (26/12/1437H) and ending on 30/09/2025G (08/04/1447H).	The landlord may terminate / continue the lease after he is given his entitlements if payable rent is not paid for a period exceeding 30 (thirty) days from the date it becomes due. The landlord may also terminate the lease in case the tenant is away from the leased property for a period of 30 (thirty) days for any reason whatsoever. Also, in case the tenant violates any of his contractual obligations, the landlord shall be entitled to terminate the lease after serving the tenant a warning and after granting him a grace period of 30 (thirty) days. Besides, the landlord may terminate the lease in case the tenant becomes insolvent or bankrupt, unless he provides a guarantee ensuring he shall pay	Total rental value: SAR 13,157,250. The lease is silent regarding the value-added tax since the lease has been signed before the effective date of such tax.  Payment Method: The annual rental value shall be paid in two installments on a bi-annual basis (one installment every six months) as per the dates and payments specified in the lease contract.  Utilities: The tenant shall pay electricity and gas bills. As for water bills, they shall be divided among the number of shops at The Boulevard and shall be borne by the tenant.



No.	Tenant	Date of Signature	Term of Lease (Contract Duration)	Lease Termination	Rental Value
				<p>the rent when it becomes due, and the landlord may also terminate the lease in case the leased property is closed by a third party due to a cause not attributable to the landlord for more than 30 (thirty) days. Further, the tenant shall be required to pay the remaining rent until another tenant is contracted.</p>	
3	Al Alamia for Health and Beauty	29/11/1437H (01/09/2016G)	Lease term is 9 (nine) Gregorian years commencing as of 01/12/2016G (02/03/1438H) and ending on 30/11/2025G (10/06/1447H).	<p>The landlord may terminate / continue the lease after he is given his entitlements if payable rent is not paid for a period exceeding 30 (thirty) days from the date it becomes due. The landlord may also terminate the lease in case the tenant is away from the leased property for a period of 30 (thirty) days for any reason whatsoever. Also, in case the tenant violates any of his contractual obligations, the landlord shall be entitled to terminate the lease after serving the tenant a warning and after granting him a grace period of 30 (thirty) days. Besides, the landlord may terminate the lease in case the tenant becomes insolvent or</p>	<p>Total rental value: SAR 8,192,250. The lease is silent regarding the value-added tax since the lease has been signed before the effective date of such tax.</p> <p>Payment Method: The annual rental value shall be paid in two installments on a bi-annual basis (one installment every six months) as per the dates and payments specified in the lease contract.</p> <p>Utilities: The tenant shall pay electricity and gas bills. As for water bills, they shall be divided among the number of shops at The Boulevard and shall be borne by the tenant.</p>

No.	Tenant	Date of Signature	Term of Lease (Contract Duration)	Lease Termination	Rental Value
				bankrupt, unless he provides a guarantee ensuring he shall pay the rent when it becomes due, and the landlord may also terminate the lease in case the leased property is closed by a third party due to a cause not attributable to the landlord for more than 30 (thirty) days. Further, the tenant shall be required to pay the remaining rent until another tenant is contracted unless closing cause does not exist after 90 (ninety) days of closing date.	
4	Al-Jadeed Signature Limited Company	24/03/1437H (04/01/2016G)	Lease term is 9 (nine) Gregorian years commencing as of 01/10/2016G (29/12/1437H) and ending on 30/09/2025G (08/04/1447H).	The landlord may terminate / continue the lease after he is given his entitlements if payable rent is not paid for a period exceeding 30 (thirty) days from the date it becomes due. The landlord may also terminate the lease in case the tenant is away from the leased property for a period of 30 (thirty) days for any reason whatsoever. Also, in case the tenant violates any of his contractual obligations, the landlord shall be entitled to terminate the lease after serving the tenant a warning and after	Total rental value: SAR 7,447,500. The lease is silent regarding the value-added tax since the lease has been signed before the effective date of such tax.  Payment Method: The annual rental value shall be paid in two installments on a bi-annual basis (one installment every six months) as per the dates and payments specified in the lease contract.  Utilities: The tenant shall pay electricity and gas bills. As for water bills, they shall be divided among the number of shops at The Boulevard and

No.	Tenant	Date of Signature	Term of Lease (Contract Duration)	Lease Termination	Rental Value
				granting him a grace period of 30 (thirty) days. Besides, the landlord may terminate the lease in case the tenant becomes insolvent or bankrupt, unless he provides a guarantee ensuring he shall pay the rent when it becomes due, and the landlord may also terminate the lease in case the leased property is closed by a third party due to a cause not attributable to the landlord for more than 30 (thirty) days. Further, the tenant shall be required to pay the remaining rent until another tenant is contracted unless closing cause does not exist after 90 (ninety) days of closing date.	shall be borne by the tenant.
5	IHMAJ Arabian Company	11/06/1436H (31/03/2015G)	Lease term is 9 (nine) Gregorian years commencing as of 01/12/2016G (02/03/1438H) and ending on 30/11/2025G (10/06/1447H).	The landlord may terminate / continue the lease after he is given his entitlements if payable rent is not paid for a period exceeding 30 (thirty) days from the date it becomes due. The landlord may also terminate the lease in case the tenant is away from the leased property for a period of 30 (thirty) days for any reason whatsoever. Also, in case the tenant violates any of his	Total rental value: SAR 7,311,831. The lease is silent regarding the value-added tax since the lease has been signed before the effective date of such tax.  Payment Method: The annual rental value shall be paid in two installments on a bi-annual basis (one installment every six months) as per the dates and payments specified in the lease contract.

No.	Tenant	Date of Signature	Term of Lease (Contract Duration)	Lease Termination	Rental Value
				<p>contractual obligations, the landlord shall be entitled to terminate the lease after serving the tenant a warning and after granting him a grace period of 30 (thirty) days. Besides, the landlord may terminate the lease in case the tenant becomes insolvent or bankrupt, unless he provides a guarantee ensuring he shall pay the rent when it becomes due, and the landlord may also terminate the lease in case the leased property is closed by a third party due to a cause not attributable to the landlord for more than 30 (thirty) days. Further, the tenant shall be required to pay the remaining rent until another tenant is contracted.</p>	<p>Utilities: The tenant shall pay electricity and gas bills. As for water bills, they shall be divided among the number of shops at The Boulevard and shall be borne by the tenant.</p>
6	Arabian Passion Company	11/06/1436H (31/03/2015G)	Lease term is 6 (six) Gregorian years commencing as of 01/10/2016G (26/12/1437H) and ending on 30/09/2022G (05/03/1444H).	The landlord may terminate / continue the lease after he is given his entitlements if payable rent is not paid for a period exceeding 30 (thirty) days from the date it becomes due. The landlord may also terminate the lease in case the tenant is away from the leased property for a period of 30 (thirty) days for any reason	<p>Total rental value: SAR 6,930,000. The lease is silent regarding the value-added tax since the lease has been signed before the effective date of such tax.</p> <p>Payment Method: The annual rental value shall be paid in two installments on a bi-annual basis (one installment every six months) as per the dates and payments</p>

No.	Tenant	Date of Signature	Term of Lease (Contract Duration)	Lease Termination	Rental Value
				<p>whatsoever. Also, in case the tenant violates any of his contractual obligations, the landlord shall be entitled to terminate the lease after serving the tenant a warning and after granting him a grace period of 30 (thirty) days. Besides, the landlord may terminate the lease in case the tenant becomes insolvent or bankrupt, unless he provides a guarantee ensuring he shall pay the rent when it becomes due, and the landlord may also terminate the lease in case the leased property is closed by a third party due to a cause not attributable to the landlord for more than 30 (thirty) days. Further, the tenant shall be required to pay the remaining rent until another tenant is contracted.</p>	<p>specified in the lease contract.</p> <p>Utilities: The tenant shall pay electricity and gas bills. As for water bills, they shall be divided among the number of shops at The Boulevard and shall be borne by the tenant.</p>
7	Restaurant Franchise Co. For Trading	23/08/1437H (30/05/2016G)	Lease term is 10 (ten) Gregorian years commencing as of 01/10/2016G (29/12/1437H) and ending on 30/09/2026G (18/04/1448H).	The landlord may terminate / continue the lease after he is given his entitlements if payable rent is not paid for a period exceeding 30 (thirty) days from the date it becomes due. Also, in case the tenant violates any of his contractual obligations, the	<p>Total rental value: SAR 5,670,000. The lease is silent regarding the value-added tax since the lease has been signed before the effective date of such tax.</p> <p>Payment Method: The annual rental value shall be paid in two installments on a bi-annual basis (one</p>

No.	Tenant	Date of Signature	Term of Lease (Contract Duration)	Lease Termination	Rental Value
				<p>landlord shall be entitled to terminate the lease after serving the tenant a warning and after granting him a grace period of 30 (thirty) days. Besides, the landlord may terminate the lease in case the tenant becomes insolvent or bankrupt, unless he provides a guarantee ensuring he shall pay the rent when it becomes due.</p>	<p>installment every six months) as per the dates and payments specified in the lease contract.</p> <p>Utilities: The tenant shall pay electricity and gas bills. As for water bills, they shall be divided among the number of shops at The Boulevard and shall be borne by the tenant.</p>
8	Country's Elite Restaurants to Provide Meals	01/02/1438H (01/11/2016G)	Lease term is 6 (six) Gregorian years commencing as of 05/02/2017G (09/05/1438H) and ending on 04/02/2023G (14/07/1444H).	<p>The landlord may terminate / continue the lease after he is given his entitlements if payable rent is not paid for a period exceeding 30 (thirty) days from the date it becomes due. The landlord may also terminate the lease in case the tenant is away from the leased property for a period of 30 (thirty) days for any reason whatsoever. Also, in case the tenant violates any of his contractual obligations, the landlord shall be entitled to terminate the lease after serving the tenant a warning and after granting him a grace period of 30 (thirty) days. Besides, the landlord may terminate the lease in case the tenant</p>	<p>Total rental value: SAR 5,355,000. The lease is silent regarding the value-added tax since the lease has been signed before the effective date of such tax.</p> <p>Payment Method: The annual rental value shall be paid in two installments on a bi-annual basis (one installment every six months) as per the dates and payments specified in the lease contract.</p> <p>Utilities: The tenant shall pay electricity and gas bills. As for water bills, they shall be divided among the number of shops at The Boulevard and shall be borne by the tenant.</p>

No.	Tenant	Date of Signature	Term of Lease (Contract Duration)	Lease Termination	Rental Value
				<p>becomes insolvent or bankrupt, unless he provides a guarantee ensuring he shall pay the rent when it becomes due, and the landlord may also terminate the lease in case the leased property is closed by a third party due to a cause not attributable to the landlord for more than 30 (thirty) days. Further, the tenant shall be required to pay the remaining rent until another tenant is contracted unless closing cause does not exist after 90 (ninety) days of closing date.</p>	
9	12 Cups Co. Ltd.	24/08/1437H (25/07/2016G)	<p>Lease term is 9 (nine) Gregorian years commencing as of 25/10/2016G (24/01/1438H) and ending on 24/10/2025G (03/05/1447H).</p>	<p>The landlord may terminate / continue the lease after he is given his entitlements if payable rent is not paid for a period exceeding 30 (thirty) days from the date it becomes due. The landlord may also terminate the lease in case the tenant is away from the leased property for a period of 30 (thirty) days for any reason whatsoever. Also, in case the tenant violates any of his contractual obligations, the landlord shall be entitled to terminate the lease after serving the tenant a</p>	<p>Total rental value: SAR 4.965.000. The lease is silent regarding the value-added tax since the lease has been signed before the effective date of such tax.</p> <p>Payment Method: The annual rental value shall be paid in two installments on a bi-annual basis (one installment every six months) as per the dates and payments specified in the lease contract.</p> <p>Utilities: The tenant shall pay electricity and gas bills. As for water bills, they shall be divided among the</p>

No.	Tenant	Date of Signature	Term of Lease (Contract Duration)	Lease Termination	Rental Value
				<p>warning and after granting him a grace period of 30 (thirty) days. Besides, the landlord may terminate the lease in case the tenant becomes insolvent or bankrupt, unless he provides a guarantee ensuring he shall pay the rent when it becomes due, and the landlord may also terminate the lease in case the leased property is closed by a third party due to a cause not attributable to the landlord for more than 30 (thirty) days. Further, the tenant shall be required to pay the remaining rent until another tenant is contracted unless closing cause does not exist after 90 (ninety) days of closing date.</p>	<p>number of shops at The Boulevard and shall be borne by the tenant.</p>
10	NMR RETAIL CO.	29/05/1437H (09/03/2016G)	Lease term is 9 (nine) Gregorian years commencing as of 01/11/2016G (01/02/1438H) and ending on 31/10/2025G (10/05/1447H).	<p>The landlord may terminate / continue the lease after he is given his entitlements if payable rent is not paid for a period exceeding 30 (thirty) days from the date it becomes due. The landlord may also terminate the lease in case the tenant is away from the leased property for a period of 30 (thirty) days for any reason whatsoever. Also, in case the tenant</p>	<p>Total rental value: SAR 4.965.000. The lease is silent regarding the value-added tax since the lease has been signed before the effective date of such tax.</p> <p>Payment Method: The annual rental value shall be paid in two installments on a bi-annual basis (one installment every six months) as per the dates and payments specified in the lease contract.</p>



No.	Tenant	Date of Signature	Term of Lease (Contract Duration)	Lease Termination	Rental Value
				<p>violates any of his contractual obligations, the landlord shall be entitled to terminate the lease after serving the tenant a warning and after granting him a grace period of 30 (thirty) days. Besides, the landlord may terminate the lease in case the tenant becomes insolvent or bankrupt, unless he provides a guarantee ensuring he shall pay the rent when it becomes due, and the landlord may also terminate the lease in case the leased property is closed by a third party due to a cause not attributable to the landlord for more than 30 (thirty) days. Further, the tenant shall be required to pay the remaining rent until another tenant is contracted.</p>	<p>Utilities: The tenant shall pay electricity and gas bills. As for water bills, they shall be divided among the number of shops at The Boulevard and shall be borne by the tenant.</p>
11	Raf International for Investment and Commercial Development Company	21/04/1437H (31/01/2016G)	Lease term is 6 (six) Gregorian years commencing as of 01/10/2016G (29/12/1437H) and ending on 30/09/2022G (05/03/1444H).	<p>The landlord may terminate / continue the lease after he is given his entitlements if payable rent is not paid for a period exceeding 30 (thirty) days from the date it becomes due. The landlord may also terminate the lease in case the tenant is away from the leased property for a period of 30 (thirty) days for</p>	<p>Total rental value: SAR 4,725,000. The lease is silent regarding the value-added tax since the lease has been signed before the effective date of such tax.</p> <p>Payment Method: The annual rental value shall be paid in two installments on a bi-annual basis (one installment every six months) as per the</p>

No.	Tenant	Date of Signature	Term of Lease (Contract Duration)	Lease Termination	Rental Value
				<p>any reason whatsoever. Also, in case the tenant violates any of his contractual obligations, the landlord shall be entitled to terminate the lease after serving the tenant a warning and after granting him a grace period of 30 (thirty) days. Besides, the landlord may terminate the lease in case the tenant becomes insolvent or bankrupt, unless he provides a guarantee ensuring he shall pay the rent when it becomes due, and the landlord may also terminate the lease in case the leased property is closed by a third party due to a cause not attributable to the landlord for more than 30 (thirty) days. Further, the tenant shall be required to pay the remaining rent until another tenant is contracted unless closing cause does not exist after 90 (ninety) days of closing date.</p>	<p>dates and payments specified in the lease contract.</p> <p>Utilities: The tenant shall pay electricity and gas bills. As for water bills, they shall be divided among the number of shops at The Boulevard and shall be borne by the tenant.</p>
12	Tatwir & Enjaz Trading Company	24/07/1437H (01/05/2016G)	Lease term is 6 (six) Gregorian years commencing as of 01/10/2016G (29/12/1437H) and ending on 30/09/2022G (05/03/1444H).	The landlord may terminate / continue the lease after he is given his entitlements if payable rent is not paid for a period exceeding 30 (thirty) days from the date it	Total rental value: SAR 4,725,000. The lease is silent regarding the value-added tax since the lease has been signed before the effective date of such tax.

No.	Tenant	Date of Signature	Term of Lease (Contract Duration)	Lease Termination	Rental Value
				<p>becomes due. The landlord may also terminate the lease in case the tenant is away from the leased property for a period of 30 (thirty) days for any reason whatsoever. Also, in case the tenant violates any of his contractual obligations, the landlord shall be entitled to terminate the lease after serving the tenant a warning and after granting him a grace period of 30 (thirty) days. Besides, the landlord may terminate the lease in case the tenant becomes insolvent or bankrupt, unless he provides a guarantee ensuring he shall pay the rent when it becomes due, and the landlord may also terminate the lease in case the leased property is closed by a third party due to a cause not attributable to the landlord for more than 30 (thirty) days. Further, the tenant shall be required to pay the remaining rent until another tenant is contracted unless closing cause does not exist after 90 (ninety) days of closing date.</p>	<p>Payment Method: The annual rental value shall be paid in two installments on a bi-annual basis (one installment every six months) as per the dates and payments specified in the lease contract.</p> <p>Utilities: The tenant shall pay electricity and gas bills. As for water bills, they shall be divided among the number of shops at The Boulevard and shall be borne by the tenant.</p>
13	AlMultaka Ladies Center	13/08/1437H (20/05/2016G)	Lease term is 6 (six) Gregorian	The landlord may terminate / continue	Total rental value: SAR 4,410,000. The

No.	Tenant	Date of Signature	Term of Lease (Contract Duration)	Lease Termination	Rental Value
			<p>years commencing as of 20/09/2016G (18/12/1437H) and ending on 19/09/2022G (23/02/1444H).</p>	<p>the lease after he is given his entitlements if payable rent is not paid for a period exceeding 30 (thirty) days from the date it becomes due. The landlord may also terminate the lease in case the tenant is away from the leased property for a period of 30 (thirty) days for any reason whatsoever. Also, in case the tenant violates any of his contractual obligations, the landlord shall be entitled to terminate the lease after serving the tenant a warning and after granting him a grace period of 30 (thirty) days. Besides, the landlord may terminate the lease in case the tenant becomes insolvent or bankrupt, unless he provides a guarantee ensuring he shall pay the rent when it becomes due, and the landlord may also terminate the lease in case the leased property is closed by a third party due to a cause not attributable to the landlord for more than 30 (thirty) days. Further, the tenant shall be required to pay the remaining rent until another tenant is contracted unless</p>	<p>lease is silent regarding the value-added tax since the lease has been signed before the effective date of such tax.</p> <p>Payment Method: The annual rental value shall be paid in two installments on a bi-annual basis (one installment every six months) as per the dates and payments specified in the lease contract.</p> <p>Utilities: The tenant shall pay electricity and gas bills. As for water bills, they shall be divided among the number of shops at The Boulevard and shall be borne by the tenant.</p>

No.	Tenant	Date of Signature	Term of Lease (Contract Duration)	Lease Termination	Rental Value
				closing cause does not exist after 90 (ninety) days of closing date.	
14	Wraps Arabia Company	11/06/1436H (31/03/2015G)	Lease term is 6 (six) Gregorian years commencing as of 01/10/2016G (29/12/1437H) and ending on 30/09/2022G (05/03/1444H).	The landlord may terminate / continue the lease after he is given his entitlements if payable rent is not paid for a period exceeding 30 (thirty) days from the date it becomes due. The landlord may also terminate the lease in case the tenant is away from the leased property for a period of 30 (thirty) days for any reason whatsoever. Also, in case the tenant violates any of his contractual obligations, the landlord shall be entitled to terminate the lease after serving the tenant a warning and after granting him a grace period of 30 (thirty) days. Besides, the landlord may terminate the lease in case the tenant becomes insolvent or bankrupt, unless he provides a guarantee ensuring he shall pay the rent when it becomes due, and the landlord may also terminate the lease in case the leased property is closed by a third party due to a cause not attributable to the landlord for	<p>Total rental value: SAR 3,780,000. The lease is silent regarding the value-added tax since the lease has been signed before the effective date of such tax.</p> <p>Payment Method: The annual rental value shall be paid in two installments on a bi-annual basis (one installment every six months) as per the dates and payments specified in the lease contract.</p> <p>Utilities: The tenant shall pay electricity and gas bills. As for water bills, they shall be divided among the number of shops at The Boulevard and shall be borne by the tenant.</p>

No.	Tenant	Date of Signature	Term of Lease (Contract Duration)	Lease Termination	Rental Value
				more than 30 (thirty) days. Further, the tenant shall be required to pay the remaining rent until another tenant is contracted.	
15	AL BADR OPTICAL EST.	14/12/1436H (27/09/2015G)	Lease term is 6 (six) Gregorian years commencing as of 01/10/2016G (29/12/1437H) and ending on 30/09/2022G (05/03/1444H).	The landlord may terminate / continue the lease after he is given his entitlements if payable rent is not paid for a period exceeding 30 (thirty) days from the date it becomes due. The landlord may also terminate the lease in case the tenant is away from the leased property for a period of 30 (thirty) days for any reason whatsoever. Also, in case the tenant violates any of his contractual obligations, the landlord shall be entitled to terminate the lease after serving the tenant a warning and after granting him a grace period of 30 (thirty) days. Besides, the landlord may terminate the lease in case the tenant becomes insolvent or bankrupt, unless he provides a guarantee ensuring he shall pay the rent when it becomes due, and the landlord may also terminate the lease in case the leased property is closed by	<p>Total rental value: SAR 3,307,500. The lease is silent regarding the value-added tax since the lease has been signed before the effective date of such tax.</p> <p>Payment Method: The annual rental value shall be paid in two installments on a bi-annual basis (one installment every six months) as per the dates and payments specified in the lease contract.</p> <p>Utilities: The tenant shall pay electricity and gas bills. As for water bills, they shall be divided among the number of shops at The Boulevard and shall be borne by the tenant.</p>

No.	Tenant	Date of Signature	Term of Lease (Contract Duration)	Lease Termination	Rental Value
				a third party due to a cause not attributable to the landlord for more than 30 (thirty) days. Further, the tenant shall be required to pay the remaining rent until another tenant is contracted.	
16	Al Mobtakera Gulf Catering Company	03/04/1442H (18/11/2020G)	Lease term is 3 (three) Gregorian years commencing as of 04/02/2021G (22/06/1442H) and ending on 03/02/2024G (22/07/1445H).	The party suffering harm shall be entitled to terminate the lease in case the other party violates any of his contractual obligations and does not rectify such violation within a period of 15 (fifteen) days of date of notice. Also, in case the tenant becomes insolvent or bankrupt, the lease shall be considered terminated as of the date the landlord is aware of such fact, and such shall be without prejudice to the landlord's right to receive his dues for the period preceding the termination of lease.	Total rental value: SAR 2,242,500 inclusive of value added tax.  Payment Method: The annual rental value shall be paid in two installments on a bi-annual basis (one installment every six months) as per the dates and payments specified in the lease contract.  Utilities: The tenant shall pay electricity, gas, and water bills.
17	Roma Restaurant Limited Co.	03/04/1442H (18/11/2020G)	Lease term is 3 (three) Gregorian years commencing as of 15/03/2021G (02/08/1442H) and ending on 14/03/2024G (04/09/1445H).	The party suffering harm shall be entitled to terminate the lease in case the other party violates any of his contractual obligations and does not rectify such violation within a period of 15 (fifteen) days of date of notice. Also, in case the tenant becomes	Total rental value: SAR 2,070,000 inclusive of value added tax.  Payment Method: The annual rental value shall be paid in two installments on a bi-annual basis (one installment every six months) as per the dates and payments

No.	Tenant	Date of Signature	Term of Lease (Contract Duration)	Lease Termination	Rental Value
				insolvent or bankrupt, the lease shall be considered terminated as of the date the landlord is aware of such fact, and such shall be without prejudice to the landlord's right to receive his dues for the period preceding the termination of lease.	specified in the lease contract.  Utilities: The tenant shall pay electricity, gas, and water bills.
18	Abdul-Aziz Bin Saleh Al Rajhi Holding Company	12/05/1437H (21/02/2016G)	Lease term is 5 (five) Gregorian years commencing as of 01/10/2016G (29/12/1437H) and ending on 30/09/2021G (23/02/1443H).	The landlord may terminate / continue the lease after he is given his entitlements if payable rent is not paid for a period exceeding 30 (thirty) days from the date it becomes due. Also, in case the tenant violates any of his contractual obligations, the landlord shall be entitled to terminate the lease after serving the tenant a warning and after granting him a grace period of 30 (thirty) days. Besides, the landlord may terminate the lease in case the tenant becomes insolvent or bankrupt, unless he provides a guarantee ensuring he shall pay the rent when it becomes due.	Total rental value: SAR 1,729,000. The lease is silent regarding the value-added tax since the lease has been signed before the effective date of such tax.  Payment Method: The annual rental value shall be paid in two installments on a bi-annual basis (one installment every six months) as per the dates and payments specified in the lease contract.  Utilities: The tenant shall pay electricity and gas bills. As for water bills, they shall be divided among the number of shops at The Boulevard and shall be borne by the tenant.
19	Mohammad Al-Jammaz and Partners Investment Company	23/04/1437H (02/02/2016G)	Lease term is 5 (five) Gregorian years commencing as of 01/10/2016G	The landlord may terminate / continue the lease after he is given his entitlements if	Total rental value: SAR 846.000. The lease is silent regarding the value-added tax since the



No.	Tenant	Date of Signature	Term of Lease (Contract Duration)	Lease Termination	Rental Value
			(29/12/1437H) and ending on 30/09/2021G (23/02/1443H).	payable rent is not paid for a period exceeding 30 (thirty) days from the date it becomes due. Also, in case the tenant violates any of his contractual obligations, the landlord shall be entitled to terminate the lease after serving the tenant a warning and after granting him a grace period of 30 (thirty) days. Besides, the landlord may terminate the lease in case the tenant becomes insolvent or bankrupt, unless he provides a guarantee ensuring he shall pay the rent when it becomes due.	lease has been signed before the effective date of such tax.  Payment Method: The annual rental value shall be paid in two installments on a bi-annual basis (one installment every six months) as per the dates and payments specified in the lease contract.  Utilities: The tenant shall pay electricity and gas bills. As for water bills, they shall be divided among the number of shops at The Boulevard and shall be borne by the tenant.
20	NMR Real Estate	22/04/1442H (07/12/2020G)	Lease term is 3 (three) Gregorian years commencing as of 10/02/2021G (28/06/1442H) and ending on 09/02/2024G (28/07/1445H).	The party suffering harm shall be entitled to terminate the lease in case the other party violates any of his contractual obligations and does not rectify such violation within a period of 15 (fifteen) days of date of notice. Also, in case the tenant becomes insolvent or bankrupt, the lease shall be considered terminated as of the date the landlord is aware of such fact, and such shall be without prejudice to the landlord's right to receive his dues for the period	Total rental value: SAR 538,200 inclusive of value added tax.  Payment Method: The annual rental value shall be paid in two installments on a bi-annual basis (one installment every six months) as per the dates and payments specified in the lease contract.  Utilities: The tenant shall pay electricity, gas, and water bills.

No.	Tenant	Date of Signature	Term of Lease (Contract Duration)	Lease Termination	Rental Value
				preceding the termination of lease.	
21	Future Solutions Company for Trading	02/06/1440H (07/02/2019G)	Lease term is 3 (three) Gregorian years commencing as of 01/06/2019G (28/09/1440H) and ending on 31/05/2022G (01/11/1443H).	The landlord may terminate / continue the lease after he is given his entitlements if payable rent is not paid for a period exceeding 30 (thirty) days from the date it becomes due. Also, in case the tenant violates any of his contractual obligations, the landlord shall be entitled to terminate the lease after serving the tenant a warning and after granting him a grace period of 30 (thirty) days. Besides, the landlord may terminate the lease in case the tenant becomes insolvent or bankrupt, unless he provides a guarantee ensuring he shall pay the rent when it becomes due.	<p>Total rental value: SAR 525,000 exclusive of value added tax.</p> <p>Payment Method: The annual rental value shall be paid in two installments on a bi-annual basis (one installment every six months) as per the dates and payments specified in the lease contract.</p> <p>Utilities: The tenant shall pay electricity and gas bills. As for water bills, they shall be divided among the number of shops at The Boulevard and shall be borne by the tenant.</p>
22	Semi-Permanent Make-Up Co.	10/02/1442H (27/09/2020G)	Lease term is 1 (one) Gregorian year commencing as of 01/12/2020G (16/04/1442H) and ending on 30/11/2021G (25/04/1443H).	The party suffering harm shall be entitled to terminate the lease in case the other party violates any of his contractual obligations and does not rectify such violation within a period of 15 (fifteen) days of date of notice. Also, in case the tenant becomes insolvent or bankrupt, the lease shall be considered	<p>Total rental value: SAR 460,000 inclusive of value added tax.</p> <p>Payment Method: The annual rental value shall be paid in two installments on a bi-annual basis (one installment every six months) as per the dates and payments specified in the lease contract.</p>

No.	Tenant	Date of Signature	Term of Lease (Contract Duration)	Lease Termination	Rental Value
				terminated as of the date the landlord is aware of such fact, and such shall be without prejudice to the landlord's right to receive his dues for the period preceding the termination of lease.	Utilities: The tenant shall pay electricity, gas, and water bills.
23	Alinma Bank	13/10/1437H (18/07/2016G)	Lease term is 5 (five) Gregorian years commencing as of 01/12/2016G (02/03/1438H) and ending on 30/11/2021G (25/04/1443H).	The tenant may terminate the lease at any time and restore any payments paid in advance for unused periods in case the ATM operation license is not renewed, in case the landlord fails to provide electric power, and also in case the landlord violates his contractual obligations.	Total rental value: SAR 150,000. The lease is silent regarding the value-added tax since the lease has been signed before the effective date of such tax.  Payment Method: Rental value is paid in advance at the beginning of each contract year, and the tenant may restore all the payments he paid in advance for unused periods upon termination of contract in accordance with the cases stated in the contract.
24	Etihad Etisalat Company (Mobily)	20/04/1441H (17/12/2019G)	Lease term is 1 (one) Gregorian year commencing as of 01/02/2020G (07/06/1441H) and ending on 31/01/2021G (18/06/1442H) (to be automatically renewed unless either party objects to renewal).	The landlord may terminate / continue the lease after he is given his entitlements if payable rent is not paid for a period exceeding 15 (fifteen) days from the date it becomes due. Also, in case the tenant violates any of his contractual obligations, the landlord shall be entitled to terminate the lease after	Total rental value: SAR 100,000 exclusive of value added tax.  Payment Method: Rent shall be paid in on a lumpsum basis within 30 (thirty) days as of the commencement of lease year.  Utilities: The landlord shall be required to provide electric power source.

No.	Tenant	Date of Signature	Term of Lease (Contract Duration)	Lease Termination	Rental Value
				<p>serving the tenant a warning and after granting him a grace period of 15 (thirty) days. Besides, the landlord may terminate the lease in case the tenant becomes insolvent or bankrupt, unless he provides a guarantee ensuring he shall pay the rent when it becomes due.</p> <p>Tenant may terminate the contract after the first lease year without justifications.</p>	
25	Alinma Bank	13/10/1437H (18/07/2016G)	Lease term is 5 (five) Gregorian years commencing as of 01/12/2016G (02/03/1438H) and ending on 30/11/2021G (25/04/1443H).	<p>The tenant may terminate the lease at any time and restore any payments paid in advance for unused periods in case the ATM operation license is not renewed, in case the landlord fails to provide electric power, and also in case the landlord violates his contractual obligations.</p>	<p>Total rental value: SAR 100,000. The lease is silent regarding the value-added tax since the lease has been signed before the effective date of such tax.</p> <p>Payment Method: Rental value is paid in advance at the beginning of each contract year, and the tenant may restore all the payments he paid in advance for unused periods upon termination of contract in accordance with the cases stated in the contract.</p> <p>Utilities: The landlord shall be required to provide electric power source.</p>

No.	Tenant	Date of Signature	Term of Lease (Contract Duration)	Lease Termination	Rental Value
26	AlMultaka Ladies Center	13/08/1437H (20/05/2016G)	Lease term is 6 (six) Gregorian years commencing as of 20/09/2016G (18/02/1437H) and ending on 19/09/2022G (23/02/1444H).	The landlord may terminate / continue the lease after he is given his entitlements if payable rent is not paid for a period exceeding 30 (thirty) days from the date it becomes due. The landlord may also terminate the lease in case the tenant is away from the leased property for a period of 30 (thirty) days for any reason whatsoever. Also, in case the tenant violates any of his contractual obligations, the landlord shall be entitled to terminate the lease after serving the tenant a warning and after granting him a grace period of 30 (thirty) days. Besides, the landlord may terminate the lease in case the tenant becomes insolvent or bankrupt, unless he provides a guarantee ensuring he shall pay the rent when it becomes due, and the landlord may also terminate the lease in case the leased property is closed by a third party due to a cause not attributable to the landlord for more than 30 (thirty) days. Further, the tenant shall be required to pay the remaining rent until	Total rental value: SAR 4,410,000. Please refer to below note.  Payment Method: The annual rental value shall be paid in two installments on a bi-annual basis (one installment every six months) as per the dates and payments specified in the lease contract.  Utilities: The tenant shall pay electricity and gas bills. As for water bills, they shall be divided among the number of shops at The Boulevard and shall be borne by the tenant.

No.	Tenant	Date of Signature	Term of Lease (Contract Duration)	Lease Termination	Rental Value
				another tenant is contracted unless closing cause does not exist after 90 (ninety) days of closing date.	
27	Al-Mazak Oasis Commercial Co.	06/07/1442H (17/02/2021G)	Lease term is 3 (three) Gregorian years commencing as of 12/06/2021G (02/11/1442H) and ending on 11/06/2024G (05/12/1445H).	The party suffering harm shall be entitled to terminate the lease in case the other party violates any of his contractual obligations and does not rectify such violation within a period of 15 (fifteen) days of date of notice. Also, in case the tenant becomes insolvent or bankrupt, the lease shall be considered terminated as of the date the landlord is aware of such fact, and such shall be without prejudice to the landlord's right to receive his dues for the period preceding the termination of lease.	<p>Total rental value: SAR 1,552,500 inclusive of value added tax.</p> <p>Payment Method: The annual rental value shall be paid in two installments on a bi-annual basis (one installment every six months) as per the dates and payments specified in the lease contract.</p> <p>Utilities: The tenant shall pay electricity, gas, and water bills.</p>
28	NMR Real Estate	05/06/1442H (18/01/2021G)	Lease term is 3 (three) Gregorian years commencing as of 26/02/2021G (14/07/1442H) and ending on 25/02/2024G (15/08/1445H).	The party suffering harm shall be entitled to terminate the lease in case the other party violates any of his contractual obligations and does not rectify such violation within a period of 15 (fifteen) days of date of notice. Also, in case the tenant becomes insolvent or bankrupt, the lease shall be considered terminated as of the	<p>Total rental value: SAR 776,250 inclusive of value added tax.</p> <p>Payment Method: The annual rental value shall be paid in two installments on a bi-annual basis (one installment every six months) as per the dates and payments specified in the lease contract.</p> <p>Utilities: The tenant</p>

No.	Tenant	Date of Signature	Term of Lease (Contract Duration)	Lease Termination	Rental Value
				date the landlord is aware of such fact, and such shall be without prejudice to the landlord's right to receive his dues for the period preceding the termination of lease.	shall pay electricity, gas, and water bills.
29	IHMAJ Arabian Company	21/12/1436H (05/10/2015G)	Lease term is 6 (six) Gregorian years commencing as of 01/11/2016G (01/02/1438H) and ending on 31/10/2022G (06/04/1444H).	The landlord may terminate / continue the lease after he is given his entitlements if payable rent is not paid for a period exceeding 30 (thirty) days from the date it becomes due. The landlord may also terminate the lease in case the tenant is away from the leased property for a period of 30 (thirty) days for any reason whatsoever. Also, in case the tenant violates any of his contractual obligations, the landlord shall be entitled to terminate the lease after serving the tenant a warning and after granting him a grace period of 30 (thirty) days. Besides, the landlord may terminate the lease in case the tenant becomes insolvent or bankrupt, unless he provides a guarantee ensuring he shall pay the rent when it becomes due, and the landlord may also terminate the lease in	<p>Total rental value: SAR 3,150,000. The lease is silent regarding the value-added tax since the lease has been signed before the effective date of such tax.</p> <p>Payment Method: The annual rental value shall be paid in two installments on a bi-annual basis (one installment every six months) as per the dates and payments specified in the lease contract.</p> <p>Utilities: The tenant shall pay electricity and gas bills. As for water bills, they shall be divided among the number of shops at The Boulevard and shall be borne by the tenant.</p>

No.	Tenant	Date of Signature	Term of Lease (Contract Duration)	Lease Termination	Rental Value
				<p>case the leased property is closed by a third party due to a cause not attributable to the landlord for more than 30 (thirty) days. Further, the tenant shall be required to pay the remaining rent until another tenant is contracted.</p>	
30	Saudi Food Bank	24/10/1440H (27/06/2019G)	Lease term is 5 (five) Gregorian years commencing as of 01/09/2019G (02/01/1441H) and ending on 31/08/2024G (26/02/1446H).	<p>If the tenant delays paying rent for a period exceeding 30 (thirty) days from the date it becomes due; in case the tenant is away from the leased property for a period of 30 (thirty) days for any reason whatsoever; or if the tenant violates any of his contractual obligations, the landlord shall be entitled to terminate the lease after serving the tenant a warning and after granting him a grace period of 30 (thirty) days. Besides, the landlord may terminate the lease in case the tenant becomes insolvent or bankrupt, unless he provides a guarantee ensuring he shall pay the rent when it becomes due.</p>	<p>Total rental value: SAR 780,000. The lease is silent regarding the value-added tax.</p> <p>Payment Method: The annual rental value shall be paid in two installments on a bi-annual basis (one installment every six months) as per the dates and payments specified in the lease contract.</p> <p>Utilities: The tenant shall pay electricity and gas bills. As for water bills, they shall be divided among the number of shops at The Boulevard and shall be borne by the tenant.</p>
31	Al Mutamaiza International Limited Company for Real Estate	05/06/1441H (30/01/2020G)	Lease term is 5 (five) Gregorian years commencing as of 01/02/2020G (07/06/1441H)	<p>If the tenant delays paying rent for a period exceeding 30 (thirty) days from the date it becomes due; in case the tenant is</p>	<p>Total rental value: SAR 1,224,300. The lease is silent regarding the value-added tax which shall be borne by the</p>



No.	Tenant	Date of Signature	Term of Lease (Contract Duration)	Lease Termination	Rental Value
			and ending on 31/01/2025G (02/08/1446H).	away from the leased property for a period of 30 (thirty) days for any reason whatsoever; or if the tenant violates any of his contractual obligations, the landlord shall be entitled to terminate the lease after serving the tenant a warning and after granting him a grace period of 30 (thirty) days. Besides, the landlord may terminate the lease in case the tenant becomes insolvent or bankrupt, unless he provides a guarantee ensuring he shall pay the rent when it becomes due.	tenant.  Payment Method: The annual rental value shall be paid in two installments on a bi-annual basis (one installment every six months) as per the dates and payments specified in the lease contract.  Utilities: The tenant shall pay electricity and gas bills. As for water bills, they shall be divided among the number of shops at The Boulevard and shall be borne by the tenant.
32	Faisal ALHomaidi Trading Establishment	10/05/1440H (16/01/2019G)	Lease term is 6 (six) Gregorian years commencing as of 30/04/2019G (25/08/1440H) and ending on 01/05/2025G (04/11/1446H).	The landlord may terminate / continue the lease after he is given his entitlements if payable rent is not paid for a period exceeding 30 (thirty) days from the date it becomes due. The landlord may also terminate the lease in case the tenant is away from the leased property for a period of 30 (thirty) days for any reason whatsoever. Also, in case the tenant violates any of his contractual obligations, the landlord shall be entitled to terminate the lease after serving the tenant a	Total rental value: SAR 3,465,000. The lease is silent regarding the value-added tax.  Payment Method: The annual rental value shall be paid in two installments on a bi-annual basis (one installment every six months) as per the dates and payments specified in the lease contract.  Utilities: The tenant shall pay electricity and gas bills. As for water bills, they shall be divided among the number of shops at The Boulevard and shall be borne by the tenant.

No.	Tenant	Date of Signature	Term of Lease (Contract Duration)	Lease Termination	Rental Value
				<p>warning and after granting him a grace period of 30 (thirty) days. Besides, the landlord may terminate the lease in case the tenant becomes insolvent or bankrupt, unless he provides a guarantee ensuring he shall pay the rent when it becomes due, and the landlord may also terminate the lease in case the leased property is closed by a third party due to a cause not attributable to the landlord for more than 30 (thirty) days. Further, the tenant shall be required to pay the remaining rent until another tenant is contracted.</p>	
33	Mena Est. for Gifts & Wedding Dais	06/02/1440H (15/10/2018G)	Lease term is 5 (five) Gregorian years commencing as of 15/01/2018G (28/04/1439H) and ending on 14/01/2023G (22/06/1444H).	<p>The landlord may terminate / continue the lease after he is given his entitlements if payable rent is not paid for a period exceeding 30 (thirty) days from the date it becomes due. The landlord may also terminate the lease in case the tenant is away from the leased property for a period of 30 (thirty) days for any reason whatsoever. Also, in case the tenant violates any of his contractual obligations, the landlord shall be</p>	<p>Total rental value: SAR 3,000,000. The lease is silent regarding the value-added tax.</p> <p>Payment Method: The annual rental value shall be paid in two installments on a bi-annual basis (one installment every six months) as per the dates and payments specified in the lease contract.</p> <p>Utilities: The tenant shall pay electricity and gas bills. As for water bills, they shall be divided among the number of shops at</p>

No.	Tenant	Date of Signature	Term of Lease (Contract Duration)	Lease Termination	Rental Value
				entitled to terminate the lease after serving the tenant a warning and after granting him a grace period of 30 (thirty) days. Besides, the landlord may terminate the lease in case the tenant becomes insolvent or bankrupt, unless he provides a guarantee ensuring he shall pay the rent when it becomes due, and the landlord may also terminate the lease in case the leased property is closed by a third party due to a cause not attributable to the landlord for more than 30 (thirty) days. Further, the tenant shall be required to pay the remaining rent until another tenant is contracted unless closing cause does not exist after 90 (ninety) days of closing date.	The Boulevard and shall be borne by the tenant.
34	Alshaya International Trading Company	28/10/1440H (01/07/2019G)	Lease term is 12 (twelve) Gregorian years commencing as of 01/01/2020G (06/05/1441H) and ending on 31/12/2031G (18/09/1453H).	If the tenant delays paying rent for a period exceeding 30 (thirty) days from the date it becomes due; in case the tenant is away from the leased property for a period of 30 (thirty) days for any reason whatsoever; or if the tenant violates any of his contractual obligations, the landlord shall be entitled to terminate	Total rental value: SAR 19,800,000. The lease is silent regarding the value-added tax. Payment Method: The annual rental value shall be paid in two installments on a bi-annual basis (one installment every six months) as per the dates and payments specified in the lease contract.

No.	Tenant	Date of Signature	Term of Lease (Contract Duration)	Lease Termination	Rental Value
				<p>the lease after serving the tenant a warning and after granting him a grace period of 90 (thirty) days. Besides, the landlord may terminate the lease in case the tenant becomes insolvent or bankrupt, unless he provides a guarantee ensuring he shall pay the rent when it becomes due.</p>	<p>Utilities: The tenant shall pay electricity and gas bills. As for water bills, they shall be divided among the number of shops at The Boulevard and shall be borne by the tenant.</p>