

صندوق الاستثمار اريك ريت المتنوع
Alistithmar AREIC Diversified REIT Fund



Alistithmar AREIC Diversified REIT Fund



Terms and Conditions

A Closed-Ended Public Shariah-Compliant
Real Estate Investment Traded Fund

Fund Manager: الاستثمار كابيتال
Alistithmar Capital



Custodian: الإنماء المالية
alinma capital



صندوق الاستثمار اريك ريت المتنوع

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Fund Size

One billion two hundred and ten million (1,210,000,000) Saudi riyals



Value of units offered to the public

One hundred and eighty-five million (185,000,000) Saudi riyals representing thirty point fifty-eight (30,58%) of the number of units issued by the Fund and fifteen point thirty (15,30%) of the size of the Fund



Number of units issued by the Fund

Sixty million five hundred thousand (60,500,000) units



Number of units offered to the public

Eighteen million five hundred thousand (18,500,000) units



Loan Value

Six hundred and five million (605,000,000) Saudi riyals representing fifty percent (50%) of the size of the fund



Unit price at offering

Ten (10) Saudi riyals

Fund Manager

الاستثمار كابيتال
Alistithmar Capital



Alistithmar Capital

Custodian

الإنماء المالية
alinma capital



Alinma Capital Company

A Closed-Ended Public Shariah-Compliant Real Estate Investment Traded Fund

Important Notice

- A. The Capital Market Authority does not give any assurance regarding the accuracy or completeness of this document, and disclaims any liability or any loss resulting from what is stated in this document or reliance on any part hereof. Those wishing to subscribe to the units of the Fund offered under this document must investigate the validity of the information related to the units offered. If the contents of this document cannot be understood, they must consult an authorized financial advisor.”
- B. AREIC Diversified REIT Fund has been certified as a Sharia compliant REIT by the Sharia Supervision Committee appointed for this investment fund and approved under number AAR-2326-13-04-08-22.
- C. Every potential investor shall read these Terms and Conditions in full and carefully before making any investment decision. Potential investors shall not treat the contents of these Terms and Conditions as investment, tax, Zakat or legal advice, but all investors should read these Terms and Conditions and investigate for themselves, and verify and test the opportunity to invest in the Fund, with regard to the advantages and risks involved in investing in the Fund. Investors are advised to consult their financial advisors authorized by the Capital Market Authority, tax advisors, legal advisors and accountants regarding the purchase, holding and disposal of units in the Fund.
- D. These Terms and Conditions have been prepared by the Alistithmar for Financial Securities and Brokerage Company (Alistithmar Capital) in its capacity as Fund Manager. Alistithmar for Financial Securities and Brokerage Company (Alistithmar Capital) is a Saudi closed joint stock company under Commercial Registration No. 1010235995 dated 08/07/1428H (corresponding to 22/07/2007G) and licensed as a “Capital Market Institution” under the license of the Capital Market Authority No. 37/11156, whose address is the Kingdom of Saudi Arabia, Riyadh, P.O. Box (6888), Postal Code Riyadh (11452), Kingdom of Saudi Arabia.
- E. The level of risk in the fund is classified as high. Accordingly, the fund may not be suitable for investors who want a low or medium risk investment, as the prices of the Fund’s units or cash returns may decline or not exist due to the risks that the Fund may be exposed to. Therefore, the investor may not recover the invested capital. Potential investors shall be aware that investing in the Fund involves high risk and is only suitable for investors who are aware of the risks involved and understand these risks, and who are able to bear the loss of their invested capital in part or in full (for more information on the risks of investing in the Fund, please refer to Article “6” of these Terms and Conditions).
- F. The Fund Manager confirms to the best of its knowledge (having exercised reasonable professional care to ensure this) that the information contained in these Terms and Conditions does not contain any incorrect or misleading statement and does not omit any matters required by the Capital Market Law or the executive regulations issued by the Capital Market Authority Board to be included therein. However, an important part of the information contained in these Terms and Conditions related to the real estate market and sector has been obtained from external sources. Although the Fund Manager has no reason to believe that the real estate market and sector information is materially inaccurate, it has not independently verified this information. In addition, the Fund Manager and the consultants do not provide any guarantee of the accuracy or completeness of this information.
- G. These Terms and Conditions were issued on 01/08/1445H (corresponding to 11/02/ 2024G).
- H. This is a translated version of Alistithmar AREIC Diversified REIT Fund’s Arabic Terms and Conditions, in case of any discrepancies between the two versions, the Arabic version shall prevail.
- I. The Capital Market Authority approved the public offering of the Fund’s units on 01/08/1445H (corresponding to 11/02/2024G). These terms and conditions were last amended on 17/03/1447H (corresponding to 09/09/ 2025G).

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Glossary of Terms

“Authority”, “Capital Market Authority” or CMA”:	Means the Capital Market Authority of the Kingdom of Saudi Arabia including, as allowed the text, any committee, sub-committee, employee or agent that may be delegated to perform any of the functions of the Authority.
Capital Market Law:	Means the Capital Market Law issued by Royal Decree No. (M/30) dated 02/06/1424H (corresponding to 31/07/2003G), in accordance with its amendments to the date of these Terms and Conditions and as amended from time to time.
Regulation of Real Estate Investment Funds:	Means the Real Estate Investment Funds Regulations issued by the Board of the Capital Market Authority by Resolution No. 1-193-2006G dated 19/06/1427H (corresponding to 15/07/2006G), as amended to the date of these Terms and Conditions and as amended from time to time.
Capital Markets Institutions Regulation:	Means the Capital Market Institutions Regulations issued by the Board of the Saudi Capital Market Authority by Resolution No. 1-83-2005G dated 21/05/1426H (corresponding to 28/06/2005G), in accordance with its amendments to the date of these Terms and Conditions and as amended from time to time.
Investment Funds Regulations:	Means the Investment Funds Regulations issued by the Board of the Capital Market Authority by Resolution No. 1-219-2006 dated 03/12/1427H (corresponding to 24/12/2006G), in accordance with its amendments to the date of these Terms and Conditions and as amended from time to time.
Glossary of Terms CMA Regulations and Rules:	Means the glossary of terms used in the Regulations and Rules of the Capital Market Authority issued by the Board of the Capital Market Authority pursuant to Resolution No. 4-11-2004 dated 20/08/1425H (corresponding to 04/10/2004G), as amended to the date of these Terms and Conditions and as amended from time to time.
Listing Rules:	Means the listing rules approved by Capital Market Authority Board Resolution No. 3-123-2017 dated 09/04/1439H (corresponding to 27/12/2017G), as amended to the date of these Terms and Conditions and as amended from time to time.
Applicable Laws:	means any laws, executive regulations, rules, orders, directives, notices or requests of any government authority and/or any regulatory or supervisory institution or any orders of any court of competent jurisdiction, or operating rules and procedures, as well as any circulars or requirements issued in the future in the Kingdom of Saudi Arabia, as amended from time to time.
“Alistithmar for Financial Securities and Brokerage Company (Alistithmar Capital)” or “Fund Manager”:	Means Alistithmar for Financial Securities and Brokerage Company (Alistithmar Capital), a Saudi closed joint stock company, under Commercial Registration No. 1010235995 dated 08/07/1428H (corresponding to 22/07/2007G) and licensed as a “Capital Market Institution” under the license of the Capital Market Authority No. 37/11156 to practice dealing, arranging, managing (investment management and fund operation), advising and maintaining activities.
Special Purpose Vehicle (SPV):	Means the Saudi company that is established and owned by the Custodian to retain ownership of the Fund’s assets.
Board of Directors of the Fund:	It is a board of directors whose members appoint the Fund Manager in accordance with the Real Estate Investment Funds Regulations to monitor the work of the Fund Manager and the progress of the fund.
Independent Board Member:	The Fund’s BOD member is independent and enjoys full independence. Independence is contradicted by, for example, but not limited to, that the member of the Board of Directors of the Fund is an employee or a member of the Board of Directors of the Fund Manager or its subsidiary, or the Fund Custodian, or that he has a substantial work or contractual relationship with the Fund Manager or its subsidiary, the Fund Custodian or any subordinate, or that he is a senior executive during the past two years with the Fund Manager or one of his subordinates, or that he has a first degree relationship with any of the members of the Board of Directors or senior executives of the Fund Manager or any affiliate of the Fund Manager, or that he is the owner of a controlling share with the Fund Manager or any of his subordinates, and all that is stipulated in the Real Estate Investment Funds Regulations and the list of terms used in the Capital Market Authority’s regulations and rules.
Property Manager:	One or more entities appointed by the Fund Manager to manage the property subject of the Fund’s investment and be responsible for all services related to property management, including, but not limited to: Management, operation and maintenance of properties, rental services and rent collection.



Capital Market Institution:	Means a person licensed by the Capital Market Authority to practice securities business.
Compliance & AML Officer:	Compliance & AML Officer at Alistithmar for Financial Securities and Brokerage Company (Alistithmar Capital) who is appointed in accordance with the provisions of paragraph (a) of Article (57) of the Capital Market Institutions Regulations.
Fund:	Means Alistithmar AREIC Diversified REIT Fund, a Sharia compliant closed-end REIT managed by the Fund Manager.
Term of the Fund:	The term of the Fund is ninety-nine (99) years starting from the date of listing the Units in Tadawul, and may be extended for any additional term as provided in these Terms and Conditions.
Fund Assets Total Value:	The value of the Fund's assets that are valued in accordance with the manner specified in these Terms and Conditions and related to the valuation of assets.
Fund Management Fee:	Compensation, expenses and fees related to the services provided by the Fund Manager, which are paid to the Fund Manager from the Fund's assets.
Subscription:	It is what the subscriber provides in cash or in kind for the purpose of investing in the Fund in accordance with the terms and conditions of the Fund.
"Unit" or "Units":	Common shares in the net asset value of the Fund that grant unitholders the right to participate in the ownership of the Fund's assets on a pro rata basis in accordance with the number of units held by the unitholder.
"Unitholder" or "Unitholders":	Synonymous terms, each of which is used to refer to the person who owns the units.
Fund Ordinary Decision:	Means a decision that requires the approval of unitholders whose ownership percentage represents more than (50%) of the total units whose holders are present at the meeting of unitholders, whether their presence is in person, by proxy or by means of modern technology.
Special Resolution of the Fund:	Means a decision that requires the approval of the unitholders whose ownership percentage is (75%) or more of the total units whose holders are present at the meeting of the unitholders, whether their attendance is in person, represented by an agent, or by means of modern technology.
Essential Changes:	Means any of the following cases: 1. Significant change in the objectives, nature or category of the Fund. 2. A change that has a material and adverse effect on the unitholders or on their rights in relation to the Fund. 3. A change that has an impact on the risk degree to the Fund. 4. Voluntary withdrawal of the Fund Manager from the position of Fund Manager. 5. Any change usually leads unitholders to reconsider their subscription to the Fund. 6. Any change results in increased payments from the Fund's assets to the Fund Manager or any member of the Board of Directors of the Fund or any subsidiary of any of them. 7. Any change that provides a new type of payment to be made from the Fund's assets. 8. Any change that materially increases the types of other payments made from the Fund's assets. 9. Change in the maturity or termination date of the Fund. 10. Increase of the total value of the Fund's assets by accepting cash and/or in-kind subscriptions. 11. Any other cases decided by the Authority from time to time and reported to the Fund Manager.
Offering:	Means the public offering of units in accordance with the Real Estate Investment Funds Regulations, the Listing Rules and these Terms and Conditions.
Net Asset Value of the Fund:	Means the total value of the assets of the Fund less liabilities.
Net Asset Value per Unit:	An indicative value for each unit, calculated by dividing the net asset value of the Fund according to the latest valuation by the number of existing units of the Fund, in accordance with the mechanism specified in Article "13" of these Terms and Conditions.
Number of units issued by the Fund:	The number of units issued by the Fund, whether in kind or in cash, and the total (target) number of these units is sixty million five hundred thousand (60,500,000) units.
Proceeds of the Offering:	All cash subscriptions accepted by the Fund Manager and resulting in the issuance of Units.



Calendar Day:	Means the day on which the net asset value of the Fund is calculated. Valuation takes place every six (6) months at the end of June and the end of December of each calendar year.
“Riyal”, “Saudi Riyal” or “SAR”:	Saudi Riyal, The official currency of the Kingdom of Saudi Arabia.
Money Market Funds:	They are investment funds whose sole purpose is to invest in short-term securities and money market transactions in accordance with the Investment Funds Regulations.
Subscription Amounts:	The total amount paid by the investor to the Fund Manager to subscribe to the Fund and includes the net subscription amounts and subscription fees.
Net Subscription Amounts:	For the purpose of calculating subscription fees, it is the net amount paid by the investor to the Fund Manager for the units (excluding subscription fees and the value added tax (VAT)).
Subscription Application Form:	The form used to apply for subscription in the Fund and any required documents in accordance with the executive regulations issued by the Capital Market Authority, the Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) laws and other applicable laws, and any attached information signed by the client (in any acceptable way in accordance with the applicable laws) for the purpose of subscription in the Fund, provided that the Fund Manager approves it.
Financial Year:	It is the calendar year and the period of time at the beginning of which all the financial operations of the Fund are documented and recorded and at the end of which the financial statements are prepared, which consists of twelve (12) calendar months, starting from one (1) January and ending at the end of thirty-one (31) December. As an exception, the first fiscal year of the Fund begins from the date of listing and ends on thirty-one (31) December.
Quarter:	A period of three (3) months of each financial year ending on the last day of the months March, June, September, and December of each year (as the case may be).
“Day” or “Business Day”:	A business day in the Kingdom of Saudi Arabia according to the official working days of the Authority
Net Profit of the Fund:	Means the total returns of the Fund after deducting the total expenses and fees incurred by the Fund excluding the components of other comprehensive income.
Related parties:	Means any of the following: 1. Fund Manager and Sub-Fund Manager. 2. Custodian and Sub-Custodian. 3. Developer and Engineering Office. 4. Property Manager, where applicable. 5. Accredited Valuer. 6. The Auditor 7. Board of Directors of the Fund 8. Members of the Board of Directors or any of the executives or employees of any of the above parties. 9. Any unitholder whose ownership exceeds (5%) of the number of units issued by the Fund. 10. Any person who is affiliated with or in control of any of the aforementioned persons.
Tadawul:	Saudi Stock Exchange
Money Markets:	Means any capital market operating in the Kingdom of Saudi Arabia (or any market that is licensed in the future), including, for example, the main market, the parallel market (Nomu), the sukuk and bonds market, and the derivatives market.
Fund Assets:	Means any assets owned by the Fund, whether liquid or illiquid, including the initial real estate assets described in Clause “5.3” of these Terms and Conditions.
The Public:	Whoever holds a unit in the Fund, provided that they do not include the following: 1. Any unitholder who owns (5%) or more of the Fund’s units. 2. The Fund Manager and its affiliates. 3. Members of Board of Directors of the Fund
“Receiving Entity / Entities”:	Means Alistithmar for Financial Securities and Brokerage Company (Alistithmar Capital), the Saudi Investment Bank and the Saudi National Bank, who will receive the application forms and the terms and conditions of the Fund and receive subscription amounts from potential investors.
Sharia Supervision Committee:	Means the Shariyah Review Bureau.



Initial Real Estate Assets:	Means the real estate assets described in Clause “5.3” of these Terms and Conditions.
Initial Investment Portfolio:	The portfolio containing the initial real estate assets.
Value Added Tax Law and its Executive Regulations:	Means the Value Added Tax Law issued by Royal Decree No. (M/113) dated 02/11/1438H (corresponding to 25/07/2017G), and its executive regulations issued by virtue of the decision of the Board of Directors of the General Authority for Zakat and Income No. (3839) dated 14/12/1438H (corresponding to 05/09/2017G), in accordance with their amendments to the date of these Terms and Conditions and as amended from time to time.
Value Added Tax:	It is the tax imposed in accordance with the Value Added Tax Law and its executive regulations.
Executive Regulations for Real Estate Disposition Tax:	The executive regulations for the real estate disposition tax issued pursuant to Minister of Finance Resolution No. (712) dated 15/02/1442H (02/10/2020G), in accordance with its amendments to the date of these Terms and Conditions and as amended from time to time.
Real Estate Disposition Tax:	It is the real estate disposition tax imposed in accordance with the executive regulations of the Real Estate Disposition Tax.
Hedging Agreement:	A hedging agreement is an agreement entered into by the Fund Manager on behalf of the Fund with the financing bank or any other bank with the aim of stabilizing the SAIBOR rate to protect the fund from interest fluctuation during the term of the financing.
“SAIBOR”:	The profit rate for the cost of financing among public banks in the Kingdom of Saudi Arabia.
Ratio of the expected total return to the net asset value of the Fund:	The total return ratio is the total net rental value to the net asset value of the Fund.
Ratio of the expected net return to the net asset value of the Fund:	The net return ratio is the Fund’s expected net income to the Fund’s net asset value.

Fund Guidebook

Fund Manager

Alistithmar for Financial Securities and Brokerage Company (Alistithmar Capital)

Kingdom of Saudi Arabia, Riyadh, King Fahd Road
PO.B.: 6888 Postal Code: 11452
Tel: 0112547666
Fax: 0114896253
Kingdom of Saudi Arabia
Website: www.alistithmarcapital.com



Custodian

Alinma Capital Company
Al-Anoud Tower: 2, Floor 20
King Fahd Road, Olaya
P.O. B.: 66333, Riyadh 11576
Kingdom of Saudi Arabia
Website: www.alinmainvestment.com



Receiving Entities

First Receiving Entity

Alistithmar for Financial Securities and Brokerage Company (Alistithmar Capital)

Kingdom of Saudi Arabia, Riyadh, King Fahd Road
PO.B.: 6888 Postal Code: 11452
Tel: 0112547666
Fax: 0114896253
Kingdom of Saudi Arabia
Website: www.alistithmarcapital.com



Second Receiving Entity

The Saudi Investment Bank

HQ – General Administration
Haritha Bin Uday Street
P.O. B. 3533, Riyadh 11481
Kingdom of Saudi Arabia
Tel: 0118743000
Website: www.Saib.com.sa



Third Receiving Entity

Saudi National Bank

King Fahd Road – Al Aqeeq District
P.O. B. 3208 Unit No.:778
Riyadh 13519– 6676
Kingdom of Saudi Arabia
Tel: 0126462740
Website: www.alahli.com



Auditor

PKF Ibrahim Ahmed Al-Bassam & Partners Chartered Accountants

Prince Mohammed Bin Abdulaziz Road (Tahlia)
P.O. B. 69658, Riyadh 11557
Kingdom of Saudi Arabia
Website: www.pkfalbassam.com



شركة إبراهيم أحمد البسام وشركاؤه
محاسبون قانونيون – البسام وشركاؤه
(عضو بي كي اف العالمية)

Legal Advisor

Stat Advocates & Legal Professional Consultants

Sky Towers, 2nd Floor, North Tower
King Fahd Road, Olaya
Riyadh 12214 - 2419
Kingdom of Saudi Arabia
Tel: 0112020344
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E-mail: info@statlawksa.com



Feasibility Study Advisor

Value Strat Company

King Faisal Foundation Building, Al Faisaliah Complex,
Riyadh Kingdom of Saudi Arabia
Tel: +966112935127
Website: www.valustrart.com



Sharia Supervisory Committee

Shariyah Review Bureau

Building 872 Office No. 41 Road 3618, Saif 436,
Manama, Kingdom of Bahrain.
Tel: +97389851217
Website: www.shariyah.com



SHARIYAH
REVIEW BUREAU

Real Estate Valuers

First Valuer

Barcode Company

Intersection of Othman Bin Affan Road with Imam Saud
Road, Riyadh, Kingdom of Saudi Arabia
Tel: +966114000111
Website: www.barcode-sa.com



Second Valuer

Qaim Real Estate Appraisal Company

Othman Ibn Affan Road, Riyadh, Saudi Arabia
Tel: 920025832
Website: www.qiam.com.sa



Property Manager

Al Mutlaq Real Estate Investment Company One-person Company

Salah Al-Din Al-Ayoubi Road
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Tel: +966112917333
Website: www.areic.com.sa





Capital Market Authority

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هيئة السوق المالية
Capital Market Authority



Tadawul Platform

Saudi Tadawul Company(the Market)

King Fahad Road - Olaya 6897
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Riyadh 12211 - 3388
Kingdom of Saudi Arabia
Tel: +966920001919
Fax: +966112189133
Website: www.saudiexchange.sa
E-mail: csc@saudiexchange.sa





Summary of the Offering

Fund Type:	A closed-ended public Sharia-compliant real estate investment traded fund publicly offered fund whose units are traded in Tadawul (the main market). It was established in the Kingdom of Saudi Arabia under the Real Estate Investment Funds Regulations.
Currency of the Fund:	Saudi Riyal (SAR)
Term of the Fund:	Ninety-nine (99) years commencing from the date of listing the units in Tadawul, extendable for any additional period at the discretion of the Fund Manager and after obtaining the approval of the units holder, the Fund Board of Directors and the Capital Market Authority.
Investment Objectives of the Fund:	The Fund aims to invest in real estate assets inside or outside the Kingdom of Saudi Arabia that are capable of achieving periodic rental income, and distribute at least 90% of the Fund's net profits annually (semi-annually). The Fund may secondarily invest the Fund's assets in real estate development projects (if the Fund Manager deems appropriate) provided that: - The Fund's assets invested in developed real estate assets that generate periodic income shall not be less than (75%) of the total value of the Fund's assets according to the latest audited financial statements. - The Fund shall not invest its assets in white lands.
Size of the Targeted Fund:	One billion two hundred and ten million (1,210,000,000) Saudi riyals.
Size of Cash Offering:	One hundred and eighty-five million (185,000,000) Saudi riyals.
Nominal Value per Unit:	Ten (10) Saudi riyals.
Unit Price upon Subscription:	Ten (10) Saudi riyals.
Risk Degree:	High (please see Article "6 of these Terms and Conditions for details of the risks associated with investing in the Fund).
Minimum Subscription:	One thousand (1,000) Saudi riyals plus the value of the subscription fees in addition to the value added tax, noting that it is possible to allocate an amount less than the minimum subscription in the event that the size of the subscriptions collected in the offering period is greater than the size of the targeted cash offering during the offering period.
Dividend Policy:	Dividends will be distributed to the unitholders (if realized) at a rate of not less than (90%) of the net profits of the Fund at least twice (2) a year, semi-annually in September and March, with the exception of capital gains resulting from the sale or expropriation of real estate assets, from which the cash flow will be reinvested at the discretion of the Fund's Board of Directors and in accordance with the investment objectives of the Fund and in a manner that serves the interests of unitholders.
Offering Period:	The offering period will last for seven (7) working days, which can be extended for an additional ten (10) business days. The offering period will be from 04/11/ 1445H (corresponding to 12/05/ 2024G) to 12/11/ 1445H (corresponding to 20/05/ 2024G).. Any extension thereof shall be in accordance with the Real Estate Investment Funds Regulations and these Terms and Conditions.
Offering Expenses:	The Fund shall bear all the costs of the offering and all the expenses and fees incurred by the Fund Manager related to the offering.
Percentage Allocated to Institutional Investors:	Means the percentage allocated from the entire cash offering to institutional investors, amounting to (80%) of the entire cash offering.
Percentage Allocated to Individual Investors:	Means the percentage allocated from the entire cash offering to individual investors, amounting to (20%) of the entire cash offering.
Valuation Frequency:	Twice a year, every six (6) months of the Fund's financial year. The valuation shall take place at the end of June and the end of December of each calendar year.



Subscription Fee:	The subscription fees shall be deducted from the net subscription amounts upon subscription to the Fund and at the rate of (2%) of the net subscription amounts, which shall be paid to the Fund Manager upon subscription. These fees shall be finally due upon allocation of units. The Fund Manager will waive all subscription fees related to Al-Mutlaq Real Estate Investment Company, one-person company (which subscribes in kind), as stated in Clause "7.7" of these Terms and Conditions. The Fund Manager shall also be entitled to a subscription fee of (2%) of the net subscription amounts in the event of any future offerings to increase the total value of the Fund's assets.
Fund Management Fee:	Annual fees equivalent to (0.5%) of the total value of the Fund's assets, calculated and paid on a semi-annual basis.
Transaction Fees:	The Fund Manager shall receive (0.5%) of the special selling price for each real estate asset sold by the Fund. It shall also receive (0.5%) of the special purchase price for each real estate asset purchased by the Fund in return for the Fund Manager conducting the necessary investigation, negotiating the terms of purchase or sale, and completing the process. Dealing fees shall be due after the completion of the purchase or sale of each real estate asset. Note that the transaction fees will be applied to the purchase of the initial real estate assets, which will be calculated on the basis of the acquisition price of the initial real estate assets.
Performance Fee :	Without prejudice to the Dividend Policy mentioned in Article "9" of these Terms and Conditions, in the event that the Fund is able to pay annual cash dividends exceeding (10%) of the Fund's net asset value, incentive fees of (20%) of any amount exceeding (10%) of the Fund's net asset value shall be paid from the Fund's assets to the Fund Manager.
Brokerage Commission :	In the event that the Fund is the buyer, the Fund may bear a brokerage commission at a maximum rate of (2.5%) of the price of each deal, and shall be paid by the Fund (in its capacity as buyer) to the broker in the relevant deal after emptying. Such commission (if any) will be disclosed in the summary of the financial disclosure at the end of each year. Note that the brokerage commission will not be applied to the purchase of initial real estate assets.
Debt Arrangement fees:	In addition to the financing costs, the Fund shall bear an arrangement fee equivalent to (0.5%) of the value of the financing to be obtained by the Fund, which shall be paid to the Fund Manager in return for arranging financing loans for the Fund to be used to cover the costs of acquisition, development and operation of the Fund. The arrangement fee shall apply to the financing to be obtained for the benefit of the Fund referred to in these Terms and Conditions. In any case, the arrangement fee shall not exceed three million five hundred thousand (3,500,000) Saudi riyals.
Finance Costs:	The Fund shall bear all financing costs, fees, expenses and expenses related to arranging and structuring the Fund's financing and all that is directly or indirectly related to the financing, such as hedging agreements (if any) that are paid to the financing entity at the prevailing market price. The Fund's financing shall not exceed (50%) of the total value of the Fund's assets at the time of concluding the relevant financing contract, according to the latest audited financial statements.
Custody Fees:	Annual fees equivalent to (0.02%) of the net asset value of the Fund, to be paid semi-annually. In any case, regardless of the value of the net assets of the Fund, the annual fee shall not be less than the amount of one hundred and fifty thousand (150,000) Saudi riyals, in addition to the fees stipulated in the disclosure in clause "11.1" of these Terms and Conditions related to the Custodian.



Hotels Operating Fee:	The specific and scope fees that the Fund will bear for the operation of the Somerset Hotel and the Citadines Hotel in accordance with the relevant operating contracts (which have been indicated that their referral to the Fund is a prerequisite for the initial real estate asset purchase and sale agreement (excluding the sixth real estate asset (Al-Mashael Warehouses)) as in Clause "5.7" of these Terms and Conditions), and are calculated for each hotel as follows: - Fixed fees equivalent to 2% of the total income for the relevant month plus a percentage of the adjusted gross operating profit (AGOP). This percentage shall be one of the percentages mentioned below (as applicable and based on performance) and shall be paid on a monthly basis. <table border="1"> <thead> <tr> <th>Adjusted Gross Operating Profit (AGOP) Margin Ratio</th><th>Accrued Percentage of Adjusted Gross Operating Profit (AGOP)</th></tr> </thead> <tbody> <tr> <td>If it is less than 35%</td><td>0%</td></tr> <tr> <td>If it is more than or equal to 35% but less than 45%</td><td>4%</td></tr> <tr> <td>If it is more than or equal to 45% but less than 55%</td><td>6%</td></tr> <tr> <td>If it is more than or equal to 55%</td><td>8%</td></tr> </tbody> </table> Note that the method of calculating the components of the fees is fully agreed with the operator. It should also be noted that the Uniform System of Accounts for the Lodging Industry, 10th Revised Edition will be used for some items related to the above fees only for the purposes of calculating the components of these fees. - The Fund shall also bear the additional costs of the common services provided by the Operator: A. 131 Saudi riyals per month per room. B. 2% of room income as brand fees. C. Training and education costs included in the annual work plan, which is agreed upon between the parties on an annual basis. D. Prevailing charges at the relevant time for the Global Reservations Service. E. Part of the cost of marketing and other administrative services.	Adjusted Gross Operating Profit (AGOP) Margin Ratio	Accrued Percentage of Adjusted Gross Operating Profit (AGOP)	If it is less than 35%	0%	If it is more than or equal to 35% but less than 45%	4%	If it is more than or equal to 45% but less than 55%	6%	If it is more than or equal to 55%	8%
Adjusted Gross Operating Profit (AGOP) Margin Ratio	Accrued Percentage of Adjusted Gross Operating Profit (AGOP)										
If it is less than 35%	0%										
If it is more than or equal to 35% but less than 45%	4%										
If it is more than or equal to 45% but less than 55%	6%										
If it is more than or equal to 55%	8%										
Costs of Operating and Maintaining the Fund's assets:	The Fund shall bear all the costs of operating and maintaining the Fund's assets at the prevailing market rate. In all cases, only the actual expenses and fees will be deducted in the future.										
Insurance Fees and Costs:	In the event that the Fund Manager insures any of the Fund's assets, the Fund will bear all the fees and costs of the relevant insurance policy according to the prevailing market rate at the time.										
Auditor's fees:	The Fund shall pay the auditor an annual fee of forty-five thousand (45,000) Saudi riyals, half of which shall be paid immediately upon signing the relevant contract and the rest of which shall be paid upon the issuance of the relevant draft financial statements. These fees may change frequently, and such change will be disclosed in the reports submitted to the Unitholders in accordance with Article 22 " " of these Terms and Conditions.										
Sharia Supervision Committee Fees:	Annual fees of twenty thousand (20,000) Saudi riyals to be paid semi-annually, which may change from time to time, and such change will be disclosed in the reports submitted to the unitholders in accordance with Article 22 " " of these Terms and Conditions if it occurs. This is with the exception of the first year, in which half of the fees will be paid immediately after the signing of the contract and the second payment immediately after the issuance of the Sharia approval certificate.										
Real Estate Valuers Fees:	The Fund shall bear all the costs of real estate valuers at the prevailing market rate. In all cases, only the actual expenses and fees will be deducted in the future.										
Fees for Engineering and Consulting Services:	The Fund shall bear the actual expenses related to the technical and engineering services that the Fund Manager may need to ascertain the work of the Property Manager/Developer/or any of their contractors, including but not limited to: Ensure the progress of the project, the quality of the implementation of the works, claims and other related services. In all cases, only the actual fees and expenses shall be deducted.										
Remuneration of the Board of Directors Members:	The Fund will grant the independent members of the Board of Directors of the Fund a financial remuneration of ten thousand (10,000) Saudi riyals per meeting, up to a maximum of twenty thousand (20,000) Saudi riyals per independent member annually, to be paid twice a year after each meeting of the Board of Directors of the Fund. The Fund shall also bear all actual travel and accommodation costs incurred by each member of the Board of Directors of the Fund in order to attend the meetings of the Board of Directors of the Fund (regardless of whether he is a member of the Board of Directors of an independent fund or otherwise).										



Listing and Registration Fees:	The Fund will incur fees for the services provided by Tadawul and the Depository Center as changed and updated from time to time. These fees are as follows: A. Registration Fees - Unitholders Register Creation Service: An amount of fifty thousand (50,000) Saudi riyals in addition to two (2) Saudi riyals for each investor up to a maximum amount of five hundred thousand (500,000) Saudi riyals. - Unitholders Register Management Service Annual Fee: An amount of four hundred thousand (400,000) Saudi riyals annually. This fee may change from time to time according to the net asset value of the Fund. B. Listing Fees - Initial Listing Service for Fund Units: Fifty thousand (50,000) Saudi riyals. - Annual Fee for the Service of Listing the Units of the Fund: (0.03%) of the market value of the Fund, with a minimum of fifty thousand (50,000) Saudi riyals and a maximum of three hundred thousand (300,000) Saudi riyals.
Supervisory Fees Paid to the Capital Market Authority:	The Fund will bear a lump sum of seven thousand five hundred (7,500) Saudi riyals annually. These fees will be prorated for the number of days of the year, and the due fees will be paid every twelve (12) months.
Fees for Publishing Information on the Tadawul Website:	The Fund will bear a lump sum of five thousand (5,000) Saudi riyals annually for the publication of information on the Tadawul website. These fees will be prorated for the number of days of the year, and the due fees will be paid every twelve (12) months.
Property Manager Fees:	Annual fees paid to the Property Manager in the amount of two million six hundred thousand (2,600,000) Saudi riyals, and paid as an advance and semi-annually to the Property Manager. The Property Manager will also be entitled after the end of the third year of the property management contract to an increase in the annual fees equivalent to (2.5%) of the fees paid for the previous year (the third year). In addition to the aforementioned annual fees, the Property Manager will be entitled to receive amounts of money that will not totally exceed four hundred thousand (400,000) Saudi riyals in the event that the performance indicators that will be agreed upon later with the Property Manager are achieved, which will include, but are not limited to, the occupancy rates of real estate assets under management, the payment of tenants for relevant rental payments, and the average timetables for processing related tenants' requests. The Fund Manager is also entitled to deduct from the annual Property Manager's fees a value that does not totally exceed four hundred thousand (400,000) Saudi riyals in the event that he fails to achieve the performance indicators that will be agreed upon. The Fund will also bear all expenses, fees and costs of the service providers contracted by the Property Manager for the purposes of servicing the properties managed by it, which are (as at the date of these Terms and Conditions) the initial real estate assets.
Development Fees:	In the event that the Fund invests in real estate development projects, the developer will receive its fees for supervising/working on the development of the project in the form of a percentage of the costs of constructing the project and according to the prevailing market price.
Other Expenses:	Without prejudice to the fees, charges and costs expressly mentioned in these Terms and Conditions, the Fund shall bear all fees, expenditures and expenses related to the activities and investments of the Fund. It shall also bear the expenses and fees resulting from transactions and services provided by third parties or related parties that are needed by the Fund Manager, such as legal and advisory services, real estate consultants and any other professional, technical, technological, administrative, advisory or government services, including expenses related to transfer fees between bank or investment accounts or their replacements, in addition to any fees (if any). Such costs shall not exceed (0.6%) of the total value of the Fund's assets annually. In all cases, only actual expenses and fees shall be deducted.
Trade Units:	Units shall be traded via Tadawul system upon listing, in the same manner as shares of listed companies and units of real estate investment funds traded in Tadawul. Therefore unitholders and investors (without prejudice to these Terms and Conditions) may trade during the normal trading hours announced by the Capital Market directly.



Zakat:	The Fund Manager will register with the Zakat, Tax and Customs Authority for the purposes of Zakat in accordance with the rules for the collection of Zakat from investors in investment funds (the “Rules”) issued by Ministerial Resolution No. (29791) dated 9 Jumada Al-Awwal 1444H, and the Executive Regulations for the Collection of Zakat issued by Ministerial Resolution No. (2216) dated 7 Rajab 1440H, as amended by His Excellency the Minister of Finance Resolution No. (58705) dated 21/09/1444H. Based on what is set forth in the Rules, the conditions of deduction will be applied to the taxpayers who own the units of the investment fund according to the mechanism, conditions and controls of calculating Zakat of these detailed investments, in order to qualify the taxpayers subject to the provisions of the Regulations to record their investment units held in this Fund as deductions from the components of the Zakat base in their Zakat returns. This occurs if the deduction conditions mentioned in the Regulations and other controls mentioned in the rules apply, noting that these rules are a mechanism for regulating the collection of Zakat from investors in investment funds only if the taxpayer subject to the rules chooses to record these investments within the deductions from the Zakat base in its return. The Fund Manager is responsible for paying Zakat on the units from the investors, and each unitholder shall be responsible for paying Zakat on the units he holds in the fund. The Fund Manager undertakes to provide the Zakat, Tax and Customs Authority with all reports and requirements regarding Zakat returns and with the information required by the Zakat, Tax and Customs Authority for the purposes of examining and reviewing the Fund Manager’s returns. The Fund Manager shall also provide the unitholder in charge of Zakat returns upon request in accordance with the rules for the collection of Zakat from investing in investment funds held by the Zakat, Tax and Customs Authority. Mandated investors subject to the provisions of these rules who own investment units in the Fund shall calculate and pay Zakat on these investments. The rules for the collection of Zakat from investing in investment funds issued by the Zakat, Tax and Customs Authority can also be found on the website: https://zatca.gov.sa/ar/Pages/default.aspx
Government Fees/ Taxes:	The said fees, commissions and expenses due to the Fund Manager or other parties do not include government fees/taxes. The Fund will bear the government fees/taxes separately, whether due to the Fund Manager or resulting from its normal operating business, in accordance with the relevant legislation and executive regulations, including, for example, VAT.

Terms and Conditions of the Fund

1. Fund Name and Type

The name of the fund is “Alistithmar AREIC Diversified REIT Fund”, which is a closed-ended public Shariah-compliant real estate investment traded fund and whose units are traded in Tadawul (the main market), compliant with the provisions of Islamic Sharia. It was established in the Kingdom of Saudi Arabia under the Real Estate Investment Funds Regulations and the applicable laws.

2. Fund Manager Address

Alistithmar for Financial Securities and Brokerage Company (Alistithmar Capital), Kingdom of Saudi Arabia, Riyadh, King Fahd Road, P.O.Box 6888,

Tel No. 0112547666, Fax No. 0114896253,

Website: www.alistithmarcapital.com.

3. Term of the Fund

The term of the Fund is ninety-nine (99) years commencing from the date of listing the units in Tadawul, extendable for any additional period at the discretion of the Fund Manager and after obtaining the approval of the Unitholders, the Fund Board of Directors and the Capital Market Authority.

4. Description of the Fund's Purpose and Investment Objectives

The fund aims to invest in real estate assets (constructively developed) at a rate of at least (75%) of the total value of the fund's assets, which aims to achieve periodic rental income within the Kingdom of Saudi Arabia and in accordance with the Fund's investment strategy contained in Article “5” of these Terms and Conditions and to distribute at least 90% of the Fund's net profits annually (for more details on the dividend distribution policy, please refer to Article “9” of these Terms and Conditions), excluding capital gains (if any) resulting from either the sale of real estate assets or the expropriation of its ownership, from which the resulting cash flow will be reinvested in other real estate assets, according to the discretion of the Fund's Board of Directors and in accordance with the Fund's investment objectives and in a way that serves the interests of the unitholders. The Fund may also invest secondary in real estate development projects or other investments if the Fund Manager deems it suitable and appropriate in accordance with the restrictions specified in the Fund's strategy contained in Article “5” of these Terms and Conditions. In order to achieve the aforementioned investment objectives mentioned in the other articles of these Terms and Conditions, the Fund Manager shall study and analyze investment opportunities effectively and in line with the Fund's investment objectives. For the purpose of determining the feasibility of the investment opportunity, the Fund Manager shall study investment opportunities taking into account several factors, including the location of the real estate asset, the age of the real estate asset, occupancy rates as well as other factors that the Fund Manager deems appropriate in order to reach a decision on investing in the investment opportunity.

5. Summary of the Fund's Strategies to Achieve its Objectives

The Fund will work to achieve its investment objectives by following the following strategies:

5.1 Areas of investment in which the Fund will invest

The table below shows the percentages in which the Fund's investments are restricted and their minimum and maximum limits in proportion to the total value of the Fund's assets, noting that the Fund will not invest in the white lands:

S/N.	Investment area	Its minimum percentage of the total value of the Fund's assets (according to the latest audited financial statements)	Percentage of its maximum limit of the total value of the Fund's assets (according to the latest audited financial statements)
1.	Investing in (income-generating) real estate assets in various sectors within the Kingdom of Saudi Arabia.	75%	100%
2.	Investing in real estate development (whether or not the properties are owned by it).	No Minimum	25%
3.	Investing in real estate outside the Kingdom of Saudi Arabia.	No Minimum	25%
4.	Investing in renovation and redevelopment of real estate.	No Minimum	25%
5.	Investing in real estate repurchase agreements.	No Minimum	25%
6.	Investing in money market funds licensed by the Capital Market Authority and managed by the Fund Manager or by any person licensed by the Capital Market Authority, or investing in real estate companies.*	No Minimum	25%
7.	Investing in income-generating investment funds licensed by the Capital Market Authority that invest in the real estate sector and managed by the Fund Manager or any person licensed by the Capital Market Authority. Investment shall be in accordance with the terms and conditions of these real estate funds that are compatible with Sharia controls and standards.	No Minimum	25%
8.	Investing in beneficial rights.	No Minimum	25%
9.	Investing in debt instruments.	No Minimum	25%
10.	Investing in treasury units.	No Minimum	10%

* Banks shall be selected in the event of entering into an investment channel from the above by a decision of the Fund Manager. If the investment channel may or must be carried out through a bank or capital market institution, the Fund Manager shall not be bound by any specific credit rating given to those banks and/or capital market institutions, as long as the relevant bank is licensed by the Saudi Central Bank and operating in the Kingdom of Saudi Arabia and/or that the capital market institution is licensed by the Capital Market Authority and operating in the Kingdom of Saudi Arabia.

5.2 Description of sectors in which the Fund will invest

The Fund Manager shall seek to achieve the Fund's investment objectives, which aim to achieve cash returns for unitholders driven by rental returns, by designing a diversified investment portfolio of real estate assets in sectoral and geographical terms that meets the pillars of investment valuation for each real estate asset in accordance with the best applicable practices, which include, for example, but not limited to, real estate valuation studies, investment feasibility, the expected future return from the real estate asset, technical studies, legal reviews, and other studies. It is intended for the Fund's initial investment portfolio to include seven (7) properties structurally developed and distributed in terms of

sectors to the commercial, hotel, and logistical (warehouses) and office sectors and, from a geographical standpoint, to the city of Riyadh, the city of Khobar, the city of Dammam, the city of Jubail, and the city of Abha (as described in detail in Clauses “5.3” and “5.4” below and in general in this Article”5”). It should be noted that the Fund may, in the future, diversify its investment portfolio and acquire other income-generating real estate assets, whether inside or outside the Kingdom of Saudi Arabia, or invest in other sectors such as the residential, educational, health, or other various sectors, or invest in other investment channels stipulated in the table shown above in Clause “5.1” while adhering to the percentages set for it.

5.3 A statement of the real estate assets to be owned (initial investment portfolio)

The fund will initially invest in seven (7) properties. The properties are located in the city of Riyadh, the city of Khobar, the city of Dammam, the city of Jubail, and the city of Abha, distributed among four sectors, including the commercial sector, the office sector, the hotel sector, and the logistics sector (warehouses). The table below shows all the details related to the properties to be owned by the Fund if the target of the offering is achieved.

The table below shows an introductory summary of the properties to be owned by the Fund:

S/N.	Name of the Real Estate Asset	Sector	Ownership Type	Property Condition	City	Total Acquisition Cost (In Saudi Riyal)	Total Return Ratio*	Property Occupancy Ratio for the Year 2023G
1.	Galleria Mall	Commercial	Usufruct contract	Developed	Jubail	269,676,847	13.50%	99%
2.	Citadines Hotel	Hotel	Freehold	Developed	Abha	247,827,882	8.27%	54%***
3.	Somerset Hotel	Hotel	Freehold	Developed	Khobar	236,451,187	11.90%	53%***
4.	The Roof	Commercial	Freehold	Developed	Riyadh	226,338,570	7.25%	100%
5.	Plaza Corniche	Commercial/ Office	Freehold	Developed	Dammam	110,115,402	7.37%	100%
6.	Al-Masha'el Warehouses	Logistics (Warehouses)	Freehold	Developed	Riyadh	34,119,505	8.18%	100%
7.	Ericsson Building in Saudi Arabia	Office	Freehold	Developed	Riyadh	16,175,957	8.20%	100%
Total						1,140,705,350	9.97%	99%****

* The total acquisition cost includes real estate disposition tax, transaction fees and debt arrangement fees.

** The total annual return rate was calculated by dividing the annual rent before deducting the Property Manager's expenses and the Fund's expenses by the total acquisition cost.

*** Due to the nature of the hotel sector and the quality of its tenants (daily rental) and its difference from the rest of the sectors through which the property may be rented partially or completely for relatively long periods, and in addition to that, the hotel sector's occupancy rates are generally affected by the seasons of tenants' demand for those hotels and other factor which affects the occupancy rates mentioned in the table above and related to the two hotels. Accordingly, the reason for the decline in the occupancy rate of the two hotel properties is due to the aforementioned reasons.

**** The occupancy rate expresses the average occupancy of non-hotel properties.

5.4 An indicative table of the real estate assets to be owned (initial real estate assets)

The initial investment portfolio consists of the assets shown below, whose lease contracts were summarized in the same tables according to the information at the time of offering, noting that some information may change after the offering. Below is a description of each property in the initial investment portfolio:

First Property: Galleria Mall



General information about the first real estate asset

Asset Name	Galleria Mall
Usufruct right Owner Information	Al Mutlaq Real Estate Investment Company, One-Person Company (as of the date of these Terms and Conditions)
Ownership Type	Usufruct contract
Asset Type	Commercial
Mortgage	The Usufruct contract is not mortgaged as of the date of these Terms and Conditions
Asset Overview	A commercial complex located in Jubail Industrial City consisting of many brands. It also contains a hypermarket and a cinema.
City/ Country	Jubail Industrial City -Kingdom of Saudi Arabia
District/Street	Al Fanateer - Beach Road
Site Coordinates	https://goo.gl/maps/i7TupjpNKBZp2iR8
Land Area	21,572 M ²
Building area (according to building permit)	45,378 M ²
Number of Floors	Three Floors
Units Type and Number*	65 stores, 14 restaurants and cafes, 6 warehouses, entertainment city, hypermarket, cinemas
Property occupancy rate	99%
Construction completion date (according to the construction completion certificate)	23/07/1438H



General information about the first real estate asset			
Property Age	6 years		
Property Purchase Cost	254,940,000 Saudi riyals		
Real Estate Disposition Tax	12,747,000 Saudi riyals		
Brokerage Amount	None		
Total Acquisition Cost**	269,676,847 Saudi riyals		
Usufruct contract Information ***	Contract No.	Contract Start Date (Contract End Date)	Issuer
	661 – 34	03/12/1427H (02/12/1477H)	Royal Commission for Jubail and Yanbu
The most important cases in which the Royal Commission for Jubail and Yanbu has the right to terminate the Usufruct contract	A. Failure of the tenant to comply with the terms and conditions of the Agreement (Usufruct contract) and its annexes.		
	B. Failure of the tenant to comply with the regulations and procedures applied in Jubail Industrial City.		
	C. Leaving, assigning, mortgaging or subletting the land or any part thereof or using the land for purposes other than the primary purpose without the written approval of the Royal Commission for Jubail and Yanbu.		
	D. The tenant ceases to exist as a legal entity.		
	E. Failure to obtain the necessary permits and any other permits required by the competent authorities in the Kingdom of Saudi Arabia or the Royal Commission in Jubail and Yanbu, or expiry of the permits related to the leased property.		
	F. Failure of the tenant to pay rent, or to pay housing bills to due from it and its employees, or any financial obligation of the Royal Commission for Jubail and Yanbu for a period of sixty (60) days.		
	G. Any other relevant provisions stipulated in the Agreement (the Usufruct contract).		
Information about the details of the lease of the first real estate asset			
Overview of current lease contracts	The property is leased to 88 tenants. Below is a list of the most important tenants:		
	Tenant Name	Contract End Date	Annual Rent to Total Property Revenue
	Alshaya International Trading Company	09/11/2026G	11.01%
	Landmark Arabia (Centrepont)	14/11/2024G	8.78%
	Lulu Saudi Supermarkets Co., Ltd. (Lulu Hypermarket)	31/12/2036G	8.19%
	Majid Al Futtaim Cinemas(VOX Cinemas)	24/10/2041G	4.57%
	Alfa Co. for Operations Services Ltd. (Piatto Restaurant)	09/11/2023G	4.45%
Operational performance (in Saudi Riyals)	Year	Total Revenue (in SAR)	Net Income (in SAR)
	2021G	39,126,484	29,471,785
	2022G	37,159,103	28,045,474
	2023G	36,416,261	24,355,830
Total Return Ratio****	13.50%		
Net return ratio*****	9.03%		



Information about the details of the lease of the first real estate asset		
Terms of Lease Contracts	Terms of Contracts	
	Percentage	
	Lease contracts have a remaining term between (5) years and (10) years or more	18.44%
	Lease contracts have a remaining term between (1) year and (5) years	80.49%
	Lease contracts with less than one year remaining to expire	1.07%
Conditions for Canceling the Lease Contract	Tenant Name	Conditions for Canceling the Lease Contract
	Alshaya International Trading Company	- Either party may terminate the contract upon the occurrence of one or more of the following cases: A. It is proven that the property is about to collapse according to a report from the Civil Defense or someone authorized by an approved government authority. B. If government decisions require amending building regulations, resulting in the inability to use rental units. C. If the country possesses the property or part of it, so that the rental units cannot be used. D. Force Majeure.
	Landmark Arabia (Centrepont)	- Either party may terminate the contract upon the occurrence of one or more of the following cases: A. It is proven that the property is about to collapse according to a report from the Civil Defense or someone authorized by an approved government authority. B. If government decisions require amending building regulations, resulting in the inability to use rental units. C. If the country possesses the property or part of it, so that the rental units cannot be used. D. Force Majeure.
	Lulu Saudi Supermarkets Co., Ltd. (Lulu Hypermarket)	- Either party may terminate the contract upon the occurrence of one or more of the following cases: A. It is proven that the property is about to collapse according to a report from the Civil Defense or someone authorized by an approved government authority. B. If government decisions require amending building regulations, resulting in the inability to use rental units. C. If the country possesses the property or part of it, so that the rental units cannot be used. D. Force Majeure.



Information about the details of the lease of the first real estate asset

Tenant Name	Conditions for Canceling the Lease Contract
Majid Al Futtaim Cinemas (VOX Cinemas)	- The affected party may terminate the contract if the other party breaches any of its obligations arising from this contract, after the breaching party is warned by the affected party through the means stipulated for the entitlement approved for it if the warned party does not commit within fifteen days from the date of being warned to perform its obligations or eliminate the damage resulting due to it. - In the event of the tenant's insolvency if it is an individual, or its bankruptcy if it is a commercial establishment, or liquidation for any reason, this contract shall be considered terminated from the date of the tenant's knowledge of this or the expiration of the original or renewed term of the contract, whichever is earlier, without prejudice to the tenant's right to obtain its dues for the period preceding the termination of the contract. - The contract is also considered terminated in the following cases: A. The expiry of the contract period as set forth in the contract. B. It is proven that the property is about to collapse according to a report from the Civil Defense or someone authorized by an approved government authority. C. If government decisions require amending building regulations, resulting in the inability to use rental units. D. If the country possesses the property or part of it, so that the rental units cannot be used. E. Force Majeure.
	- The affected party may terminate the contract if the other party breaches any of its obligations arising from this contract, after the breaching party is warned by the affected party through the means stipulated for the entitlement approved for it if the warned party does not commit within fifteen days from the date of being warned to perform its obligations or eliminate the damage resulting due to it. - In the event of the tenant's insolvency if it is an individual, or its bankruptcy if it is a commercial establishment, or liquidation for any reason, this contract shall be considered terminated from the date of the tenant's knowledge of this or the expiration of the original or renewed term of the contract, whichever is earlier, without prejudice to the tenant's right to obtain its dues for the period preceding the termination of the contract. - The contract is also considered terminated in the following cases: A. The expiry of the contract period as set forth in the contract. B. It is proven that the property is about to collapse according to a report from the Civil Defense or someone authorized by an approved government authority. C. If government decisions require amending building regulations, resulting in the inability to use rental units. D. If the country possesses the property or part of it, so that the rental units cannot be used. E. Force Majeure.

Details of the property management contract	
Property Manager	Al Mutlaq Real Estate Investment Company, One-Person Company.
Property management, operation and maintenance costs	As stated in Article “11” of these Terms and Conditions.
Contract Term	The property management contract will be signed as soon as ownership of the initial real estate assets is transferred to the Fund. It is intended and initially agreed upon with the Property Manager that the contract term shall be 5 years.

Disclosures	
Fund Manager disclosures	Some leases are not registered on Ejar platform.

* Includes shops and kiosks.

** The total acquisition cost includes real estate disposition tax, transaction fees, and debt arrangement fees.

*** The usufruct contract may be transferred or assigned by the current usufruct owner (tenant) to the Fund, provided that the approval of the other party to the usufruct contract (the property owner and the tenant - the Royal Commission for Jubail and Yanbu) is obtained. The permissibility and possibility of assignment of the usufruct contract will be treated like any other contract, as long as the waiver was made by the will of the parties to the contract. The Fund Manager and the owner of the current usufruct right also acknowledge that all regulatory requirements and required approvals have been met and that the usufruct contract has been completed and transferred to the Fund before listing.

**** The gross annual return rate for the year 2023G was calculated by dividing the gross annual rent by the total acquisition cost, which includes the cost of purchasing the property, real estate disposition tax, transaction fees, and debt arrangement fees.

***** The net annual return rate for the year 2023G was calculated by dividing the net annual rent by the total acquisition cost, which includes the cost of purchasing the property, real estate disposition tax, transaction fees, and debt arrangement fees.

Second Property: Citadines Hotel



General information about the Second real estate asset

Asset Name	Citadines Hotel
Property Owner Information	Al Mutlaq Real Estate Investment Company, One-Person Company (as of the date of these Terms and Conditions)
Ownership Type	Freehold
Asset Type	Hotel
Mortgage	The property is mortgaged to one of the commercial banks licensed and operating in the Kingdom of Saudi Arabia, noting that ownership of the property will be transferred to the Fund free of any mortgages upon transfer.
Hotel Operator	Ascott International Management (Dubai) Pte Ltd (Dubai Branch)
Asset Overview	A five-star hotel located on King Fahd Road next to Asir Mall. It consists of 140 hotel rooms. It also contains a restaurant and a café.
City/ Country	Abha - Kingdom of Saudi Arabia
District/Street	Budaiya - Nofal Bin Muawiyah Street
Site Coordinates	https://goo.gl/maps/kBSC3hbwYRaQimr18
Land Area	5,000 M ²
Building area (according to building permit)	22,323 M ²
Number of Floors	12 Floors
Units Type and Number	[140] Hotel room plus restaurant and café
Property occupancy rate*	54% occupancy average until December 2023G
Construction completion date (according to the construction completion certificate)	04/06/1444H
Property Age	One Year
Property Purchase Cost	234,285,000 Saudi riyals



Real Estate Disposition Tax	11,714,250 Saudi riyals			
Brokerage Amount	None			
Total Acquisition Cost**	247,827,882 Saudi riyals			
Title Deed Information	Deed No.		Date of Issue	Issuer
	330205020072		01/02/1441H	Ministry of Justice in Abha
	330210000990		01/02/1441H	

Overview of the Citadines Hotel Operation Contract		
Operator	Ascott International Management (Dubai) Pte Ltd (Dubai Branch)	
Operation Fees	The hotel operator is entitled to the following fees in exchange for its services in operating and managing the hotel:	
	Fixed fees equivalent to 2% of the total income for the relevant month plus a percentage of the adjusted gross operating profit (AGOP). This percentage shall be one of the percentages mentioned below (as applicable and based on performance) and shall be paid on a monthly basis.	
	Adjusted Gross Operating Profit (AGOP) Margin Ratio	Accrued Percentage of Adjusted Gross Operating Profit (AGOP)
	If it is less than 35%	0%
	If it is more than or equal to 35% but less than 45%	4%
	If it is more than or equal to 45% but less than 55%	6%
	If it is more than or equal to 55%	8%
Contract Term	- The Fund shall also bear the additional costs of the common services provided by the Operator: A. 131 Saudi riyals per month per room. B. 2% of room income as brand fees. C. Training and education costs included in the annual action plan, as agreed upon between the parties on an annual basis. D. Prevailing charges at the relevant time for the Global Reservations Service. E. Part of the cost of marketing and other administrative services.	
	For more details, please refer to Article "11" of these Terms and Conditions.	
	10 years starting from the date of actual operation of the real estate asset, extendable for a similar period by agreement of both parties.	



Information about the details of the lease of the third real estate asset			
Overview of current lease contracts	Part of the property is leased to one tenant as follows:		
	Tenant Name	Contract End Date	Annual Rent to Total Property Revenue
	Shita' Wa Layl Beverage Service (Chemistry Café)	31/05/2025G	1.79%
Operational performance (in Saudi Riyals)***	Total revenues for the year 2023G are 25,724,980 Saudi riyals. An operating minimum for the real estate asset of SAR 20,500,000 was also guaranteed in accordance with the Guarantee Contract (commercial guarantee) concluded with Al-Mutlaq Real Estate Investment Company, one-person company (Guarantor), the details of which are set out in Article "11, 5.7" of these Terms and Conditions.		
Total Return Ratio****	8.27% according to the guarantee contract concluded with Al-Mutlaq Real Estate Investment Company, one-person company (Guarantor)		
Net return ratio*****	8.27% according to the guarantee contract concluded with Al-Mutlaq Real Estate Investment Company, one-person company (Guarantor)		
Number and Terms of Lease Contracts	Terms of Contracts		Percentage
	Lease contracts have a remaining term between (5) years and (10) years or more		0%
	Lease contracts have a remaining term between (1) year and (5) years		100%
	Lease contracts with less than one year remaining to expire		0%
Conditions for Canceling the Lease Contract	Tenant Name	Conditions for Canceling the Lease Contract	
	Shita' Wa Layl Beverage Service (Chemistry Café)	- The affected party may terminate the contract if the other party breaches any of its obligations arising from this contract, after the breaching party is warned by the affected party through the means stipulated for the entitlement approved for it if the warned party does not commit within fifteen days from the date of being warned to perform its obligations or eliminate the damage resulting due to it. - In the event of the tenant's insolvency if it is an individual, or its bankruptcy if it is a commercial establishment, or liquidation for any reason, this contract shall be considered terminated from the date of the tenant's knowledge of this or the expiration of the original or renewed term of the contract, whichever is earlier, without prejudice to the tenant's right to obtain its dues for the period preceding the termination of the contract. - The contract is also considered terminated in the following cases: A. The expiry of the contract period as set forth in the contract. B. It is proven that the property is about to collapse according to a report from the Civil Defense or someone authorized by an approved government authority. C. If government decisions require amending building regulations, resulting in the inability to use rental units. D. If the country possesses the property or part of it, so that the rental units cannot be used. E. Force Majeure.	

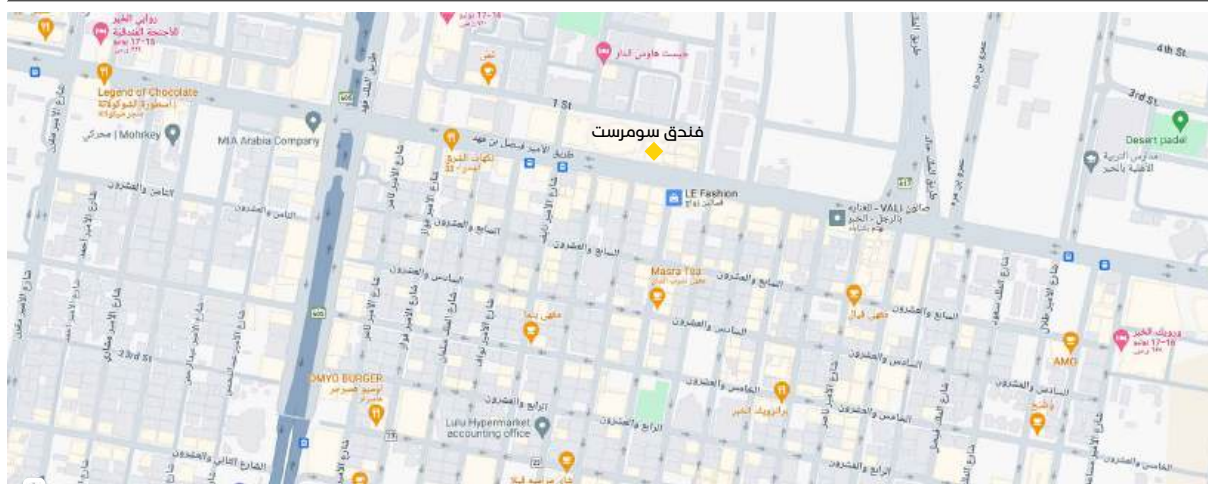


Details of the property management contract	
Property Manager	Al Mutlaq Real Estate Investment Company, One-Person Company.
Property management, operation and maintenance costs	As stated in Article “11” of these Terms and Conditions.
Contract Term	The property management contract will be signed as soon as ownership of the initial real estate assets is transferred to the Fund. It is intended and initially agreed upon with the Property Manager that the contract term shall be 5 years.

Disclosures	
Fund Manager disclosures	None

- * Due to the nature of the hotel sector and the quality of its tenants (daily rental) and its difference from the rest of the sectors through which the property may be rented partially or completely for relatively long periods, and in addition to that, the hotel sector's occupancy rates are generally affected by the seasons of tenants' demand for those hotels and other factor which affects the occupancy rates mentioned in the table above and related to the two hotels. Accordingly, the reason for the decline in the occupancy rate of the two hotel properties is due to the aforementioned reasons.
- ** The total acquisition cost includes real estate disposition tax, transaction fees, and debt arrangement fees.
- *** Commissioning began in July 2022G. Revenues for that period until the end of the year amounted to 7,003,783 Saudi riyals.
- **** The gross annual return rate was calculated by dividing the gross annual rent by the total acquisition cost, which includes the cost of purchasing the property, real estate disposition tax, transaction fees, and debt arrangement fees.
- ***** The net annual return rate was calculated by dividing the net annual rent by the total acquisition cost, which includes the cost of purchasing the property, real estate disposition tax, transaction fees, and debt arrangement fees.

Third Property: Somerset Hotel



General information about the Third real estate asset

Asset Name	Somerset Hotel
Property Owner Information	Al Mutlaq Real Estate Investment Company, One-Person Company (as of the date of these Terms and Conditions)
Ownership Type	Freehold
Asset Type	Hotel
Mortgage	The property is mortgaged to one of the commercial banks licensed and operating in the Kingdom of Saudi Arabia, noting that ownership of the property will be transferred to the Fund free of any mortgages upon transfer.
Hotel Operator	Ascott International Management (Dubai) Pte Ltd (Dubai Branch)
Asset Overview	A four-star hotel located near the commercial complexes and Khobar Corniche. It consists of [139] hotel rooms and also contains a café
City/ Country	Khobar - Kingdom of Saudi Arabia
District/Street	Al Bandariya - Prince Faisal bin Fahd Street
Site Coordinates	https://goo.gl/maps/3a7hYVicQzNbNfJE7
Land Area	3,506.5 M ²
Building area (according to building permit)	27,350 M ²
Number of Floors	19 Floors
Units Type and Number	[139] Hotel rooms in addition to a restaurant and a café on the ground floor and a café on the first floor
Property occupancy rate*	53% occupancy average until December 2023G
Construction completion date (according to the construction completion certificate)	13/04/1444H
Property Age	One Year
Purchase Amount	223,530,000 Saudi riyals



General information about the Third real estate asset			
Real Estate Disposition Tax	11,176,500 Saudi riyals		
Brokerage Amount	None		
Total Acquisition Cost**	236,451,187 Saudi riyals		
Title Deed Information	Deed No.	Date of Issue	Issuer
	993534000945	05/12/1443H	Ministry of Justice

Overview of the Somerset Hotel Operation Contract		
Operator	Ascott International Management (Dubai) Pte Ltd (Dubai Branch)	
Operation Fees	The hotel operator is entitled to the following fees in exchange for its services in operating and managing the hotel:	
	Fixed fees equivalent to 2% of the total income for the relevant month plus a percentage of the adjusted gross operating profit (AGOP). This percentage shall be one of the percentages mentioned below (as applicable and based on performance) and shall be paid on a monthly basis.	
	Adjusted Gross Operating Profit (AGOP) Margin Ratio	Accrued Percentage of Adjusted Gross Operating Profit (AGOP)
	If it is less than 35%	0%
	If it is more than or equal to 35% but less than 45%	4%
	If it is more than or equal to 45% but less than 55%	6%
	If it is more than or equal to 55%	8%
Contract Term	- The Fund shall also bear the additional costs of the common services provided by the Operator: A. 131 Saudi riyals per month per room. B. 2% of room income as brand fees. C. Training and education costs included in the annual work plan, which is agreed upon between the parties on an annual basis. D. Prevailing charges at the relevant time for the Global Reservations Service. E. Part of the cost of marketing and other administrative services.	
	For more details, please refer to Article "11" of these Terms and Conditions.	



Information about the details of the lease of the second real estate asset			
Overview of current lease contracts	Part of the property is leased to one tenant as follows:		
	Tenant Name	Contract End Date	Annual Rent to Total Property Revenue
	Bawabat Maraq For Coffee Limited Company (Tim Hortons)	31/03/2025G	0.56%
Operational performance (in Saudi Riyals)***	Total revenues for the year 2023G are 14,282,564 Saudi riyals with a total return for the period equivalent to 6.04% on an annual basis.		
Total Return Ratio****	11.90% according to the study prepared by the independent feasibility study consultant (Value Strat Company), assuming an occupancy rate of 50%.		
Net return ratio*****	7.42% according to the study prepared by the independent feasibility study consultant (Value Strat Company), assuming an occupancy rate of 50%.		
Terms of Lease Contracts	Terms of Contracts		Percentage
	Lease contracts have a remaining term between (5) years and (10) years or more		0%
	Lease contracts have a remaining term between (1) year and (5) years		100%
	Lease contracts with less than one year remaining to expire		0%
Conditions for Canceling the Lease Contract	Tenant Name	Conditions for Canceling the Lease Contract	
	Bawabat Maraq For Coffee Limited Company (Tim Hortons)	- The affected party may terminate the contract if the other party breaches any of its obligations arising from this contract, after the breaching party is warned by the affected party through the means stipulated for the entitlement approved for it if the warned party does not commit within fifteen days from the date of being warned to perform its obligations or eliminate the damage resulting due to it. - In the event of the tenant's insolvency, if it is an individual, or its bankruptcy, if it is a commercial establishment, or liquidation for any reason, this contract shall be considered terminated from the date of the tenant's knowledge of this or the expiration of the original or renewed term of the contract, whichever is earlier, without prejudice to the tenant's right to obtain its dues for the period preceding the termination of the contract. - The contract is also considered terminated in the following cases: A. The expiry of the contract period as set forth in the contract. B. It is proven that the property is about to collapse according to a report from the Civil Defense or someone authorized by an approved government authority. C. If government decisions require amending building regulations, resulting in the inability to use rental units. D. If the country possesses the property or part of it, so that the rental units cannot be used. E. Force Majeure.	

Details of the property management contract	
Property Manager	Al Mutlaq Real Estate Investment Company, One-Person Company.
Property management, operation and maintenance costs	As stated in Article “11” of these Terms and Conditions.
Contract Term	The property management contract will be signed as soon as ownership of the initial real estate assets is transferred to the Fund. It is intended and initially agreed upon with the Property Manager that the contract term shall be 5 years.

Disclosures

Fund Manager disclosures	None
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* Due to the nature of the hotel sector and the quality of its tenants (daily rental) and its difference from the rest of the sectors through which the property may be rented partially or completely for relatively long periods, and in addition to that, the hotel sector's occupancy rates are generally affected by the seasons of tenants' demand for those hotels and other factor which affects the occupancy rates mentioned in the table above and related to the two hotels. Accordingly, the reason for the decline in the occupancy rate of the two hotel properties is due to the aforementioned reasons.

** The total acquisition cost includes real estate disposition tax, transaction fees, and debt arrangement fees.

*** Commissioning began in April 2022G. Revenues for that period until the end of the year amounted to 8,940,628 Saudi riyals.

**** The total annual return rate was calculated by dividing the annual revenue according to the feasibility study prepared by the independent feasibility study consultant by the total acquisition cost, which includes the cost of purchasing the property, real estate disposition tax, transaction fees, and debt arrangement fees.

***** The net annual return rate was calculated by dividing the net annual income according to the feasibility study prepared by the independent feasibility study consultant by the total acquisition cost, which includes the cost of purchasing the property, real estate disposition tax, transaction fees, and debt arrangement fees.

The fourth property: The Roof



General information about the fourth real estate asset

Asset Name	The Roof		
Property Owner Information	Al Mutlaq Real Estate Investment Company, One-Person Company (as of the date of these Terms and Conditions)		
Ownership Type	Freehold		
Asset Type	Commercial		
Asset Overview	A commercial complex located in the city of Riyadh and consists of a hypermarket and cinemas and contains some stores		
City/ Country	Riyadh - Kingdom of Saudi Arabia		
District/Street	Jasmine – Abi Bakr Al-Siddiq Road		
Site Coordinates	https://goo.gl/maps/ZVJkTQz8CMiA1SZP8		
Land Area	11,880 M ²		
Building area (according to building permit)	33,786.33 M ²		
Number of Floors	Four roles		
Units Type and Number	The complex consists of various stores, cinemas and other services		
Property occupancy rate	100%		
Construction completion date (according to the construction completion certificate)	17/04/1440H		
Property Age	4 years		
Property Purchase Cost	213,970,000 Saudi riyals		
Real Estate Disposition Tax	10,698,500 Saudi riyals		
Brokerage Amount	None		
Total Acquisition Cost*	226,338,570 Saudi riyals		
Title Deed Information	Deed No.	Date of Issue	Issuer
	310142000103	25/12/1443H	Ministry of Justice



Information about the details of the lease of the fourth real estate asset			
Overview of current lease contracts	The property is leased some tenants as follows:		
	Tenant Name	Contract End Date	Annual Rent to Total Property Revenue
	Lulu Real Estate (Lulu Hypermarket)	14/06/2034G	80%
	Majid Al Futtaim Cinemas (VOX Cinemas)	02/04/2034G	20%
Operational performance (in Saudi Riyals)	Year	Total Revenue (in SAR)	Net Income (in SAR)
	2021G	18,413,115	16,625,890
	2022G	16,399,470	15,137,343
	2023G	16,399,470	14,914,195
Total Return Ratio**	7.25%		
Net return ratio***	6.59%		
Terms of Lease Contracts	Terms of Contracts		Percentage
	Lease contracts have a remaining term between (5) years and (10) years or more		100%
	Lease contracts have a remaining term between (1) year and (5) years		0%
	Lease contracts with less than one year remaining to expire		0%
Conditions for Canceling the Lease Contract	Tenant Name	Conditions for Canceling the Lease Contract	
	Lulu Real Estate (Lulu Hypermarket)	- Either party may terminate the contract upon the occurrence of one or more of the following cases: A. It is proven that the property is about to collapse according to a report from the Civil Defense or someone authorized by an approved government authority. B. If government decisions require amending building regulations, resulting in the inability to use rental units. C. If the country possesses the property or part of it, so that the rental units cannot be used. D. Force Majeure.	

Information about the details of the lease of the fourth real estate asset					
Conditions for Canceling the Lease Contract	<table> <tr> <th>Tenant Name</th><th>Conditions for Canceling the Lease Contract</th></tr> <tr> <td>Majid Al Futtaim Cinemas (VOX Cinemas)</td><td> - The affected party may terminate the contract if the other party breaches any of its obligations arising from this contract, after the breaching party is warned by the affected party through the means stipulated for the entitlement approved for it if the warned party does not commit within fifteen days from the date of being warned to perform its obligations or eliminate the damage resulting due to it. - In the event of the tenant's insolvency if it is an individual, or its bankruptcy if it is a commercial establishment, or liquidation for any reason, this contract shall be considered terminated from the date of the tenant's knowledge of this or the expiration of the original or renewed term of the contract, whichever is earlier, without prejudice to the tenant's right to obtain its dues for the period preceding the termination of the contract. - The contract is also considered terminated in the following cases: A. The expiry of the contract period as set forth in the contract. B. It is proven that the property is about to collapse according to a report from the Civil Defense or someone authorized by an approved government authority. C. If government decisions require amending building regulations, resulting in the inability to use rental units. D. If the country possesses the property or part of it, so that the rental units cannot be used. E. Force Majeure. </td></tr> </table>	Tenant Name	Conditions for Canceling the Lease Contract	Majid Al Futtaim Cinemas (VOX Cinemas)	- The affected party may terminate the contract if the other party breaches any of its obligations arising from this contract, after the breaching party is warned by the affected party through the means stipulated for the entitlement approved for it if the warned party does not commit within fifteen days from the date of being warned to perform its obligations or eliminate the damage resulting due to it. - In the event of the tenant's insolvency if it is an individual, or its bankruptcy if it is a commercial establishment, or liquidation for any reason, this contract shall be considered terminated from the date of the tenant's knowledge of this or the expiration of the original or renewed term of the contract, whichever is earlier, without prejudice to the tenant's right to obtain its dues for the period preceding the termination of the contract. - The contract is also considered terminated in the following cases: A. The expiry of the contract period as set forth in the contract. B. It is proven that the property is about to collapse according to a report from the Civil Defense or someone authorized by an approved government authority. C. If government decisions require amending building regulations, resulting in the inability to use rental units. D. If the country possesses the property or part of it, so that the rental units cannot be used. E. Force Majeure.
Tenant Name	Conditions for Canceling the Lease Contract				
Majid Al Futtaim Cinemas (VOX Cinemas)	- The affected party may terminate the contract if the other party breaches any of its obligations arising from this contract, after the breaching party is warned by the affected party through the means stipulated for the entitlement approved for it if the warned party does not commit within fifteen days from the date of being warned to perform its obligations or eliminate the damage resulting due to it. - In the event of the tenant's insolvency if it is an individual, or its bankruptcy if it is a commercial establishment, or liquidation for any reason, this contract shall be considered terminated from the date of the tenant's knowledge of this or the expiration of the original or renewed term of the contract, whichever is earlier, without prejudice to the tenant's right to obtain its dues for the period preceding the termination of the contract. - The contract is also considered terminated in the following cases: A. The expiry of the contract period as set forth in the contract. B. It is proven that the property is about to collapse according to a report from the Civil Defense or someone authorized by an approved government authority. C. If government decisions require amending building regulations, resulting in the inability to use rental units. D. If the country possesses the property or part of it, so that the rental units cannot be used. E. Force Majeure.				
Details of the property management contract					
Property Manager	Al Mutlaq Real Estate Investment Company, One-Person Company.				
Property management, operation and maintenance costs	As stated in Article "11" of these Terms and Conditions.				
Contract Term	The property management contract will be signed as soon as ownership of the initial real estate assets is transferred to the Fund. It is intended and initially agreed upon with the Property Manager that the contract term shall be 5 years.				
Disclosures					
Fund Manager disclosures	None				

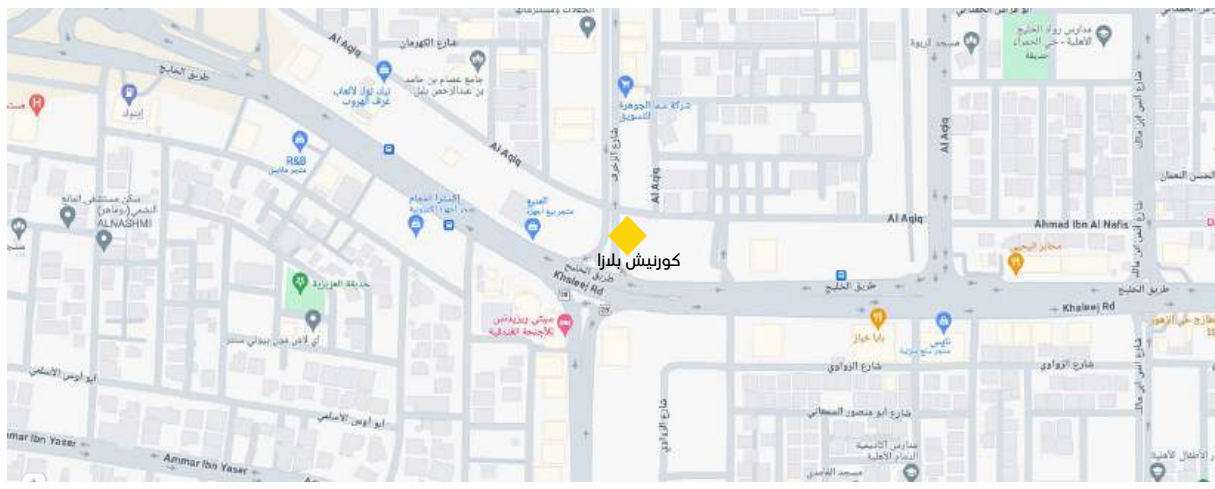
*The total acquisition cost includes real estate disposition tax, transaction fees and debt arrangement fees.

** The gross annual return rate for the year 2023G was calculated by dividing the gross annual rent by the total acquisition cost, which includes the cost of purchasing the property, real estate disposition tax, transaction fees, and debt arrangement fees.

*** The net annual return rate for the year 2023G was calculated by dividing the net annual rent by the total acquisition cost, which includes the cost of purchasing the property, real estate disposition tax, transaction fees, and debt arrangement fees.



Fifth property: Plaza Corniche



General information about the fifth real estate asset

Asset Name	Plaza Corniche
Property Owner Information	Al Mutlaq Real Estate Investment Company, One-Person Company (as of the date of these Terms and Conditions)
Ownership Type	Freehold
Asset Type	Commercial– Office
Mortgage	The Property is not mortgaged as at the date of these Terms and Conditions
Asset Overview	A commercial complex located in the city of Dammam and consists of a number of commercial showrooms and contains administrative offices
City/ Country	Dammam - Kingdom of Saudi Arabia
District/Street	Al Jawhara – Al Khaleej Road
Site Coordinates	https://goo.gl/maps/thyzzefxApLnk6WS8
Land Area	9,493.03 M ²
Building area (according to building permit)	22,284 M ²
Number of Floors	4 Floors
Units Type and Number	Commercial showrooms and 12 offices
Property occupancy rate	100%
Building Completion Date	There is a building permit dated 26/02/1426AH
Property Age	Approximately 20 years
Property Purchase Cost	104,098,000 Saudi riyals
Real Estate Disposition Tax	5,204,900 Saudi riyals
Brokerage Amount	None
Total Acquisition Cost*	110,115,402 Saudi riyals



General information ab out the fifth real estate asset			
Title Deed Information	Deed No.	Date of Issue	Issuer
	594057001730	25/02/1444H	Ministry of Justice
	894057001731	25/02/1444H	
Information about the details of the lease of the fifth real estate asset			
Overview of current lease contracts	The property is leased to[17]tenants, the following is a list of the most important tenants:		
	Tenant Name	Contract End Date	Annual Rent to Total Property Revenue
	Landmark Arabia (Center Point)	31/05/2028G	83.1%
Operational performance (in Saudi Riyals)	Year	Total Revenue (in SAR)	Net Income (in SAR)
	2021G	7,426,537	7,074,143
	2022G	8,120,780	7,899,777
	2023G	8,120,780	7,634,163
Total Return Ratio**	7.37%		
Net return ratio***	6.93%		
Terms of Lease Contracts	Terms of Contracts		Percentage
	Lease contracts have a remaining term between (5) years and (10) years or more		88.78%
	Lease contracts have a remaining term between (1) year and (5) years		11.22%
	Lease contracts with less than one year remaining to expire		0%
Conditions for Canceling the Lease Contract	Tenant Name	Conditions for Canceling the Lease Contract	
	Landmark Arabia (Centrepont)		



Details of the property management contract	
Property Manager	Al Mutlaq Real Estate Investment Company, One-Person Company.
Property management, operation and maintenance costs	As stated in Article “11” of these Terms and Conditions.
Contract Term	The property management contract will be signed as soon as ownership of the initial real estate assets is transferred to the Fund. It is intended and initially agreed upon with the Property Manager that the contract term shall be 5 years.

Disclosures	
Fund Manager disclosures	Some leases are not registered on Ejar platform.

- * The total acquisition cost includes real estate disposition tax, transaction fees and debt arrangement fees.
- ** The gross annual return rate for the year 2023G was calculated by dividing the gross annual rent by the total acquisition cost, which includes the cost of purchasing the property, real estate disposition tax, transaction fees, and debt arrangement fees.
- *** The net annual return rate for the year 2023G was calculated by dividing the net annual rent by the total acquisition cost, which includes the cost of purchasing the property, real estate disposition tax, transaction fees, and debt arrangement fees.

Sixth property: Al-Masha'el Warehouses



General information about the sixth real estate asset

Asset Name	Al-Masha'el Warehouses		
Property Owner Information	Al Mutlaq Furniture Company, One-Person Company (as of the date of these Terms and Conditions)		
Ownership Type	Freehold		
Asset Type	Logistics (Warehouses)		
Asset Overview	A warehouse located in the south of Riyadh and contains administrative offices		
City/ Country	Riyadh - Kingdom of Saudi Arabia		
District/Street	Al Masha'el – Haroun Al Rasheed Road		
Site Coordinates	https://goo.gl/maps/zge6uKmMFRYwQe6A		
Land Area	21,275 M ²		
Building area (according to building permit)	23,999 M ²		
Number of Floors	1 Floor		
Units Type and Number	One warehouse and one administrative office		
Property occupancy rate	100%		
Building Completion Date	There is a building permit dated 18/02/1427H.		
Property Age	Approximately 19 years		
Property Purchase Cost	32,255,000 Saudi riyals		
Real Estate Disposition Tax	1,612,750 Saudi riyals		
Brokerage Amount	None		
Total Acquisition Cost*	34,119,505 Saudi riyals		
Title Deed Information	Deed No.	Date of Issue	Issuer
	310142000104	25/12/1443H	First Notary Public in Riyadh



Information about the details of the lease of the sixth real estate asset			
Overview of current lease contracts	The property is leased to one tenant as follows:		
	Tenant Name	Contract End Date	Annual Rent to Total Property Revenue
	Al Mutlaq Furniture Company, One-Person Company**	03/09/2029G	100%
Operational performance (in Saudi Riyals)	Year	Total Revenue (in SAR)	Net Income (in SAR)
	2021G	2,418,923	2,418,923
	2022G	2,418,923	2,410,589
	2023G	2,792,606	2,765,806
Total Return Ratio***	8.18%		
Net return ratio****	8.11%		
Terms of Lease Contracts	Terms of Contracts		Percentage
	Lease contracts have a remaining term between (5) years and (10) years or more		100%
	Lease contracts have a remaining term between (1) year and (5) years		0%
	Lease contracts with less than one year remaining to expire		0%
Conditions for Canceling the Lease Contract	Tenant Name	Conditions for Canceling the Lease Contract	
	Al Mutlaq Furniture Company, One-Person Company	- If the Tenant breaches any of the terms of the Contract or any of its clauses, and after being notified in writing to correct any violation of any of the terms of the Contract within 30 days, and in the event that the tenant fails to correct the default during the notice period, the Lessor shall have the right, without taking any official or legal procedures, to terminate this Contract, and the Tenant shall bear all damages, expenditures and expenses incurred by the Lessor as a result of the tenant's breach of the terms of this Contract.	
		- If the whole of the Property is acquired or expropriated by any competent authority for any public or quasi-public use or purpose or is assigned by virtue of an agreement with respect to such public or semi-public use or purpose with or without any expropriation action or procedure being instituted, this Agreement shall terminate automatically as of the date of acquisition or assignment of the Property without notice or action by the Parties.	
Details of the property management contract			
Property Manager	Al Mutlaq Real Estate Investment Company, One-Person Company.		
Property management, operation and maintenance costs	As stated in Article “11” of these Terms and Conditions.		
Contract Term	The property management contract will be signed as soon as ownership of the initial real estate assets is transferred to the Fund. It is intended and initially agreed upon with the Property Manager that the contract term shall be 5 years.		

Disclosures	
Fund Manager disclosures	The lease is not registered on Ejari platform.

- * The total acquisition cost includes real estate disposition tax, transaction fees and debt arrangement fees.
- ** Because there is an internal structure between Al-Mutlaq Real Estate Investment Company, One-Person Company and Al-Mutlaq Furniture Company Limited, One-Person Company, the Tenant has become Al-Mutlaq Furniture Company Limited, One-Person Company, noting that this internal structure will not have any impact directly or indirectly on the Fund with regard to the ability to lease this asset in the future according to natural conditions.
- *** The total annual return rate was calculated by dividing the total rental value concluded with the tenant by the total acquisition cost, which includes the cost of purchasing the property, real estate disposition tax, transaction fees, and debt arrangement fees..
- **** The net annual return rate was calculated by dividing the net rental value concluded with the tenant by the total acquisition cost, which includes the cost of purchasing the property, real estate disposition tax, transaction fees, and debt arrangement fees.



Seventh property: Ericsson Building in Saudi Arabia



General information about the seventh real estate asset

Asset Name	Ericsson Building in Saudi Arabia
Property Owner Information	Al Mutlaq Real Estate Investment Company, One-Person Company (as of the date of these Terms and Conditions)
Ownership Type	Freehold
Asset Type	Commercial– Office
Mortgage	The Property is not mortgaged as at the date of these Terms and Conditions
Asset Overview	A building located in the heart of Riyadh on Salah Al-Din Al-Ayyubi Road adjacent to many government facilities and hospitals and leased as the headquarters of a company
City/ Country	Riyadh - Kingdom of Saudi Arabia
District/Street	Al-Dubbat – Salah Al-Din Al-Ayoubi Road
Site Coordinates	https://goo.gl/maps/ofirxys61FwBWrt26
Land Area	693 M ²
Building area (according to building permit)	3,593.53 M ²
Number of Floors	6 Floors
Units Type and Number	1 Office
Property occupancy rate	100%
Building Completion Date	There is a building permit dated 02/08/1396H.
Property Age	Approximately 50 years (the renovation of the property was completed in April 2022G)
Property Purchase Cost	15,292,000 Saudi riyals
Real Estate Disposition Tax	764,600 Saudi riyals
Brokerage Amount	None
Total Acquisition Cost*	16,175,957 Saudi riyals



General information about the seventh real estate asset			
Title Deed Information	Deed No.	Date of Issue	Issuer
	310117028984	19/02/1436H	First Notary Public in Riyadh
Information about the details of the lease of the seventh real estate asset			
Overview of current lease contracts	The property is leased to one tenant as follows:		
	Tenant Name	Contract End Date	Annual Rent to Total Property Revenue
	Ericsson Telecom Ltd.	31/08/2027G	100%
Operational performance (in Saudi Riyals)	Year	Total Revenue (in SAR)	Net Income (in SAR)
	2022G**	475,252	474,759
	2023G	1,326,484	1,289,465
Total Return Ratio ***	8.20%		
Net return ratio ****	7.97%		
Terms of Lease Contracts	Terms of Contracts		Percentage
	Lease contracts have a remaining term between (5) years and (10) years or more		0%
	Lease contracts have a remaining term between (1) year and (5) years		100%
	Lease contracts with less than one year remaining to expire		0%
Conditions for Canceling the Lease Contract	Tenant Name	Conditions for Canceling the Lease Contract	
	Ericsson Telecom Ltd.	- The affected party may terminate the contract if the other party breaches any of its obligations arising from this contract, after the breaching party is warned by the affected party through the means stipulated for the entitlement approved for it if the warned party does not commit within fifteen days from the date of being warned to perform its obligations or eliminate the damage resulting due to it. - In the event of the tenant's insolvency if it is an individual, or its bankruptcy if it is a commercial establishment, or liquidation for any reason, this contract shall be considered terminated from the date of the tenant's knowledge of this or the expiration of the original or renewed term of the contract, whichever is earlier, without prejudice to the tenant's right to obtain its dues for the period preceding the termination of the contract. - The contract is also considered terminated in the following cases: A. The expiry of the contract period as set forth in the contract. B. It is proven that the property is about to collapse according to a report from the Civil Defense or someone authorized by an approved government authority. C. If government decisions require amending building regulations, resulting in the inability to use rental units. D. If the country possesses the property or part of it, so that the rental units cannot be used. E. Force Majeure.	



Details of the property management contract	
Property Manager	Al Mutlaq Real Estate Investment Company, One-Person Company.
Property management, operation and maintenance costs	As stated in Article “11” of these Terms and Conditions.
Contract Term	The property management contract will be signed as soon as ownership of the initial real estate assets is transferred to the Fund. It is intended and initially agreed upon with the Property Manager that the contract term shall be 5 years.

Disclosures	
Fund Manager disclosures	Lack of Construction Completion Certificate.

* The total purchase cost includes real estate disposition tax, transaction fees, and debt arrangement fees.

** The real estate asset was leased starting from September 2022G.

*** The total annual return rate was calculated by dividing the total rental value concluded with the tenant by the total acquisition cost, which includes the cost of purchasing the property, real estate disposition tax, transaction fees, and debt arrangement fees.

*** The net annual return rate was calculated by dividing the net rental value concluded with the tenant by the total acquisition cost, which includes the cost of purchasing the property, real estate disposition tax, transaction fees, and debt arrangement fees.

5.5 Policies of Investment Concentration

The Fund aims to invest in (structurally developed) real estate assets at a rate of at least (75%) of the total value of the Fund's assets according to the latest audited financial statements, mainly inside or outside the Kingdom of Saudi Arabia (provided that it does not exceed (25%) of the total value of the Fund's assets according to the latest audited financial statements) if the Fund Manager deems it appropriate and in the interests of the unitholders taking into account the table shown above in Clause "5.1". In addition, the Fund aims to ensure that these real estate assets are capable of achieving periodic rental income and returns on the invested capital. The relevant acquisition cost will be financed through the Fund's available assets or through in-kind subscriptions or through credit facilities (as applicable). The Fund does not intend or aim to focus on a specific sector. However, it will ensure that it is diverse in terms of sectors and geographical areas in the Kingdom of Saudi Arabia, taking into account that the regions/cities that have positive investment features, growth in business activities and a positive flow of investments will be selected. The decisive factor in the investment decision will be the economic factors of the regions/cities, whether current or future, based on studies, including, but not limited to, the growth of demand for the real estate targeted by the Fund in terms of the sector or the expectation of demand growth, as well as to have a good infrastructure and the general situation of those regions/cities in terms of purchasing power, cash liquidity available in them and other factors affecting the feasibility of investment, after conducting a comprehensive feasibility study of these real estate through its work either internally by the Fund Manager or using an external consultant to conduct the studies. Note that three (3) of initial real estate assets to be owned mentioned in these Terms and Conditions locate in the city of Riyadh. These real estate assets serve the commercial, office and logistical sectors (warehouses), noting that the initial real estate assets to be owned were applied to the above criteria when they were selected. The table below also shows each of the initial real estate assets to be owned with a title deed for each of them as follows:

S/N.	Asset Name	Deed No.
1.	Galleria Mall	N/A – Usufruct contract
2.	Somerset Hotel	993534000945
3.	Citadines Hotel	330210000990 – 330205020072
4.	The Roof	310142000103
5.	Plaza Corniche	594057001730 – 894057001731
6.	Al-Masha'el Warehouses	310142000104
7.	Ericsson Building in Saudi Arabia	310117028984

5.6 Past and targeted rental returns for each of the initial real estate assets

Past Returns							
S/N.	Asset Name	2021G		2022G		2023G	
		Net Rents (in SAR)	Percentage (annual rent/ total rents for the same year)	Net Rents (in SAR)	Percentage (annual rent/ total rents for the same year)	Net Rents (in SAR)	Percentage (annual rent/ total rents for the same year)
1.	Galleria Mall	29,471,785	53.02%	28,045,474	51.97%	24,355,830	47.79%
2.	Somerset Hotel	N/A*	N/A*	N/A*	N/A*	Not available until the audited financial statements are issued	Not available until the audited financial statements are issued
3.	Citadines Hotel	N/A*	N/A*	N/A*	N/A*	Not available until the audited financial statements are issued	Not available until the audited financial statements are issued
4.	The Roof	16,625,890	29.91%	15,137,343	28.05%	14,914,195	29.27%
5.	Plaza Corniche	7,074,143	12.73%	7,899,777	14.64%	7,634,163	14.98%
6.	Al-Mashael Warehouses	2,418,923	4.35%	2,410,589	4.47%	2,765,806	5.43%
7.	Ericsson Building in Saudi Arabia	N/A**	N/A**	474,759***	0.88%	1,289,465	2.53%
Total		55,590,741	100%	53,967,942	100%	50,959,459	100%

*Not applicable as the property is newly built.

**Not applicable as the property was under renovation.

***The real estate asset was leased as of September 2022G.

Targeted/Expected Returns							
S/N.	Asset Name	2024G		2025G		2026G	
		Net Rents (in SAR)	Percentage (annual rent/ total rents for the same year)	Net Rents (in SAR)	Percentage (annual rent/ total rents for the same year)	Net Rents (in SAR)	Percentage (annual rent/ total rents for the same year)
1.	Galleria Mall	27,933,524	29.4%	27,351,898	29.1%	27,351,898	29.0%
2.	Somerset Hotel	17,544,669	18.7%	17,629,230	18.9%	17,813,211	19.0%
3.	Citadines Hotel	20,500,000	21.5%	20,500,000	21.8%	20,500,000	21.7%
4.	The Roof	16,964,361	17.8%	17,006,643	18.1%	17,140,149	18.2%
5.	Plaza Corniche	7,178,726	7.5%	7,015,573	7.5%	7,048,227	7.5%
6.	Al-Mashael Warehouses	2,475,000	2.6%	2,450,000	2.6%	2,450,000	2.6%
7.	Ericsson Building in Saudi Arabia	1,287,000	1.4%	1,324,050	1.4%	1,324,050	1.4%
Total Net Rents		93,883,279	100%	93,277,394	100%	93,627,535	100%
Ratio of the expected total return to the net asset value of the Fund*		15.5%		15.4%		15.5%	
Total fees and expected fund costs		48,648,624		45,623,624		45,623,624	
Fund's expected net income		45,234,656		47,653,770		48,003,911	
Ratio of the expected net return to the net asset value of the Fund**		7.5%		7.9%		7.9%	

* The total return ratio is the total net rental value to the net asset value of the Fund.

** The net return ratio is the Fund's expected net income to the Fund's net asset value.

5.7 Initial Real Estate Asset Purchase and Sale Agreements, Guarantee Contract and other Covenants

- A. The Fund Manager (on behalf of the Fund) signed a binding purchase and sale agreement for the purpose of acquiring five (5) properties owned by Al-Mutlaq Real Estate Investment Company, one-person company, and purchasing the usufruct right for one property in which Al-Mutlaq Real Estate Investment Company, one-person company, owns the usufruct right. The total purchase of these properties and the usufruct contract is an amount of one billion and forty-six million one hundred and fifteen thousand (1,046,115,000) Saudi riyals, according to the aforementioned agreement. Note that the Fund Manager (on behalf of the Fund) has hired real estate valuers for the purpose of valuating the properties subject of the acquisition. In addition, the Fund Manager (on behalf of the Fund) acquired all of the aforementioned assets at a price lower than the average of those valuations.
- B. The Fund Manager (on behalf of the Fund) signed a binding purchase and sale agreement for the purpose of acquiring one property owned by Al-Mutlaq Furniture Company Limited, one-person company. The total purchase value of this property amounts to thirty-two million two hundred and fifty-five thousand (32,255,000) Saudi riyals, according to the aforementioned agreement. Note that the Fund Manager (on behalf of the Fund) has hired real estate valuers for the purpose of valuating this properties. In addition, the Fund Manager (on behalf of the Fund) acquired all of the aforementioned asset at a price lower than the average of that valuation.
- C. A percentage of (61.05%) of the total purchase value will be paid in cash to Al Mutlaq Real Estate Investment Company, one-person company, using the proceeds of the offering and the credit facility. A percentage of (38.95%) of the total purchase value will be paid in kind by issuing units for the benefit of Al-Mutlaq Real Estate Investment Company, one-person company, will constitute (69.42%) of the number of units issued by the Fund, as shown in the table below.

The following are the most important items contained therein: (1) Initial Real Estate Assets Purchase and Sale Agreement (except for the sixth real estate asset (Al-Mashael Warehouses)) between Alistithmar for Financial Securities and Brokerage Company (Alistithmar Capital) (on behalf of the Fund) as a buyer and Al-Mutlaq Real Estate Investment Company, one-person company, as a seller, (2) Sixth Real Estate Asset Purchase and Sale Agreement (Al-Mashael Warehouses) between Alistithmar for Financial Securities and Brokerage Company (Alistithmar Capital) (on behalf of the Fund) as a buyer and Al-Mutlaq Furniture Company Limited, one-person company as a seller, (3) the Guarantee Contract and (4) Other Covenants provided by Al-Mutlaq Real Estate Investment Company, one-person company, and the covenant provided by the Fund Manager.



(1) Initial Real Estate Assets Purchase and Sale Agreement (except for the sixth real estate asset (Al-Mashael Warehouses))	
First Party (Buyer)	Alistithmar for Financial Securities and Brokerage Company (Alistithmar Capital) (on behalf of the Fund)
Second Party (Seller)	Al Mutlaq Real Estate Investment Company, One-Person Company.
Price	
Acquisition Price for the Initial Real Estate Assets (except for the sixth real estate asset (Al-Mashael Warehouses))	One billion and forty-six million one hundred and fifteen thousand (1,046,115,000) Saudi riyals.
Payment method	The acquisition price for the initial real estate assets (except for the sixth real estate asset (Al-Mashael Warehouses)) shall be paid through in-kind and cash payment as follows: - <u>In kind Payment:</u> Issuing units for the benefit of Al-Mutlaq Real Estate Investment Company, one-person company, with a value of three hundred and eighty-seven million, seven hundred and forty-five thousand (387,745,000) Saudi riyals, constituting (64.09%) of the number of units issued by the fund. - <u>Cash Payment:</u> Payment of a cash amount of six hundred and fifty-eight million and three hundred and seventy thousand (658,370,000) Saudi riyals, which represents the rest of the price, through the proceeds of the offering and the remaining part through the credit facility that the Fund Manager will obtain on behalf of the fund.
Preconditions	
Some of the conditions that must be met to complete the acquisition process	- Obtaining the Authority's approval to offer the Fund and Tadawul's approval to list the units. - The Fund Manager (on behalf of the Fund) shall obtain credit facilities for the Fund in the amount of six hundred and five million (605,000,000) Saudi riyals. - Al-Mutlaq Real Estate Investment Company, one-person company (in its capacity as the Seller), shall renew or obtain all licenses and regulatory certificates related to the relevant initial real estate assets. - Al-Mutlaq Real Estate Investment Company, one-person company (in its capacity as the Seller), shall register all lease contracts related to the relevant initial real estate assets on the Ejari platform in its capacity as lessor. - Signing both Transfer Agreements related to the operation of the Somerset Hotel and the Citadines Hotel, by transferring the rights and obligations of Al Mutlaq Real Estate Investment Company, one-person company (in its capacity as a contracting company with the company operating the two aforementioned hotels) to the Fund. - Signing of the Transfer Agreement by Al-Mutlaq Real Estate Investment Company, one-person company, and the Royal Commission for Jubail and Yanbu, with regard to the Usufruct Contract related to the Galleria Mall real estate asset, by transferring the usufruct right from Al-Mutlaq Group Company to the Fund. - Al-Mutlaq Real Estate Investment Company, one-person company, shall conclude a property management contract (in its capacity as Property Manager). - Other preconditions imposed by the Fund Manager to protect the interests of the Fund and unitholders.



(2) Sixth Real Estate Asset Purchase and Sale Agreement (Al-Mashael Warehouses)

First Party (Buyer)	Alistithmar for Financial Securities and Brokerage Company (Alistithmar Capital) (on behalf of the Fund)
Second Party (Seller)	Al Mutlaq Furniture Company, One-Person Company.
Price	
Acquisition Price for the Sixth Real Estate Assets (Al-Mashael Warehouses)	Thirty-two million two hundred and fifty-five thousand (32,255,000) Saudi riyals.
Price Payment Method	Payment will be in kind through the issuance of in-kind units to Al Mutlaq Real Estate Investment Company, one-person company.
Preconditions	
Some of the conditions that must be met to complete the acquisition process	- Obtaining the Authority's approval to offer the Fund and Tadawul's approval to list the units. - The Fund Manager (on behalf of the Fund) shall obtain credit facilities for the Fund in the amount of six hundred and five million (605,000,000) Saudi riyals. - Al-Mutlaq Furniture Company Limited, one-person company (in its capacity as the Seller), shall obtain the construction completion certificate related to the sixth real estate asset (Al-Mashael Warehouses). - Al-Mutlaq Real Estate Investment Company, one-person company, shall conclude a property management contract (in its capacity as Property Manager). - Other preconditions imposed by the Fund Manager to protect the interests of the Fund and unitholders.

(3) Guarantee Contract (Commercial Guarantee)

First Party (Guaranteed)	Alistithmar for Financial Securities and Brokerage Company (Alistithmar Capital) (on behalf of the Fund)
Second Party (Guarantor)	Al Mutlaq Real Estate Investment Company, One-Person Company.
Guaranteed Real Estate Asset	Citadines Hotel
Term of Guarantee	Five (5) years starting from the date of transfer of ownership of the real estate asset mentioned above.
Guarantee size	Al-Mutlaq Real Estate Investment Company, one-person company, shall guarantee to the Fund that the net operating income is not less than twenty million five hundred thousand (20,500,000) Saudi riyals for one year, and any decrease from that amount will create a contractual obligation on Al-Mutlaq Real Estate Investment Company, one-person company, to guarantee and pay that difference in any year during the guarantee period in which this decrease occurs.
Other Provisions	If this real estate asset (from the date of transfer of ownership of this property to the Fund) achieves net operating income and before the end of the guarantee period with a cumulative value equal to one hundred and two million five hundred thousand (102,500,000) Saudi riyals, the guarantee will be considered expired and the obligations of Al Mutlaq Real Estate Investment Company, one-person company, will expire with it in relation to this guarantee.



(4) The Covenant Related to Initial Real Estate Asset Certificates and Licenses

First Party (Covenanted)	Alistithmar for Financial Securities and Brokerage Company (Alistithmar Capital) (on behalf of the Fund)
Second Party (Covenanter)	Al Mutlaq Real Estate Investment Company, One-Person Company.
Scope of Covenant	Without prejudice to the protective provisions in favor of the Fund in the relevant Initial Real Estate Asset Purchase and Sale Agreement, Al Mutlaq Real Estate Investment Company, one-person company, pledged to issue or renew (as applicable) all building permits, construction completion certificates, civil defense certificates, commercial activity licenses, and other required documents (as applicable) which had previously been specified in the relevant Initial Real Estate Asset Purchase and Sale Agreement. Such issuance or renewal (as applicable) shall take place within a period not exceeding twelve (12) months from the date of listing the units.

(5) Covenant related to capital expenditures and the consequences of not registering some lease contracts

First Party (Covenanted)	Alistithmar for Financial Securities and Brokerage Company (Alistithmar Capital) (on behalf of the Fund)
Second Party (Covenanter)	Al Mutlaq Real Estate Investment Company, One-Person Company.
Scope of Covenant	- <u>Capital Expenditure</u>: Without prejudice to the above-mentioned Covenant and the protective provisions in favor of the Fund in the relevant Initial Real Estate Asset Purchase and Sale Agreement, Al-Mutlaq Real Estate Investment Company, one-person company, pledged (in accordance with certain terms and conditions) to pay any capital expenditure required to be paid or incurred by the Fund for the purposes of compliance with any regulatory requirements for issuing the licenses necessary for operation in relation to the Ericsson Building in Saudi Arabia, Office 103 and Office 104 of the Plaza Corniche real estate asset. This Covenant also extends to indemnifying the Fund against any actual actions, claims or losses arising in this regard. - <u>Registration of lease contracts</u>: Al-Mutlaq Real Estate Investment Company, one-person company, pledged (in accordance with certain terms and conditions) to compensate the Fund against any actions, claims or actual losses arising in connection with the non-registration of lease contracts for initial real estate assets.

(6) Covenant Submitted by the Fund Manager to the Fund

First Party (Covenanted)	The Fund
Second Party (Covenanter)	Fund Manager (Alistithmar for Financial Securities and Brokerage Company (Alistithmar Capital)).
Scope of Covenant	The Fund Manager pledged to compensate the Fund in the event that the Fund incurs capital expenditure for the purposes of issuing the necessary and legally required licenses in relation to the Ericsson Building in Saudi Arabia and Office No. 103 and 104 of the Corniche Plaza real estate asset. The Fund Manager also pledged to compensate the Fund for any losses or claims arising from failure to register lease contracts for initial real estate assets on the Ejar platform.

* Al Mutlaq Furniture Company Limited, one-person company, has completely waived its right to subscribe in kind to the Fund in favor of Al Mutlaq Real Estate Investment Company, one-person company, which will result in Al Mutlaq Real Estate Investment Company, one-person company, owning a percentage of (69.42%) of the units issued by the Fund.

5.8 Borrowing Authority and the Fund Manager's Policy in Exercising Borrowing Authorities

The Fund Manager has the authority to obtain, on behalf of the fund or the special purpose company through which it invests and owns its assets, directly or indirectly, any direct or indirect financing that is compatible with the provisions of Islamic Sharia, whether guaranteed or not in terms of the right to claim, at any time, to finance the Fund's operations, pay its expenses, finance investments, and refinance investments, provided that the total financing does not exceed 50% of the total value of the Fund's assets, according to the latest audited financial statements at the time of obtaining that financing. The unitholders agree and acknowledge that the Fund Manager may give the financiers all required guarantees, including but not limited to mortgaging the Fund's assets or transferring their ownership (by way of mortgage) to the financiers or any other disposition as the Fund Manager deems appropriate and in the interests of the unitholders in the short or long term, in accordance with applicable laws. When making borrowing arrangements, the Fund Manager will also take into account the feasibility of borrowing and its service to the interests of unitholders in the short and long term. The terms of any financing will be based on the absence of a right to recourse against the unitholders in the Fund that exceeds the value of the units they own. The Fund Manager may also enter into a hedging agreement if he decides to fix the SIBOR rate for the relevant credit facilities in accordance with the provisions and principles of Islamic Sharia. Note that the Fund Manager, on behalf of the Fund, shall obtain a credit facility compatible with the provisions of Islamic Sharia for the Fund during the offering period (obtaining financing is a precondition as explained in Clause "5.7" of these Terms and Conditions) for the purposes of fulfilling part of the value of the acquisition of the initial real estate assets and in fulfillment of one of the preconditions for the two agreements for the purchase and sale of initial real estate assets.

5.9 Methods of how to invest the cash available in the fund

The Fund Manager has the right, at his own discretion, to invest the available cash liquidity whenever it deems appropriate and in the interest of unitholders in the short or long term, provided that it is low-risk (in accordance with what is customary among professional capital market institutions) and compatible with Islamic Sharia, including for example, but not limited to, the investment channels mentioned in the table below, provided that they are be compatible with the provisions of Islamic Sharia.

S/N.	Investment Channel [*]	Its minimum percentage of the total value of the Fund's assets (according to the latest audited financial statements)	Percentage of its maximum limit of the total value of the Fund's assets (according to the latest audited financial statements)
1.	Money market funds offered publicly and licensed by the Capital Market Authority, including funds managed by the Fund Manager or in which the Fund Manager has ownership.	No Minimum	25%
2.	Murabaha transactions and short-term deposits in Saudi Riyals with banks licensed by the Central Bank of Saudi Arabia and operating in the Kingdom of Saudi Arabia.	No Minimum	25%
3.	Bank deposits in any form (compliant with Islamic Sharia) with banks licensed by the Central Bank of Saudi Arabia and operating in the Kingdom of Saudi Arabia.	No Minimum	25%
4.	Non-traded real estate fund units offered privately and licensed by the Authority and compatible with Sharia standards.	No Minimum	25%
5.	Traded debt instruments and offered publicly in the Saudi capital markets, licensed by the Authority and compatible with Sharia standards.	No Minimum	25%

^{*} Banks shall be selected in the event of entering into an investment channel from the above by a decision of the Fund Manager. If the investment channel may or must be carried out through a bank or capital market institution, the Fund Manager shall not be bound by any specific credit rating given to those banks and/or capital market institutions, as long as the relevant bank is licensed by the Saudi Central Bank and operating in the Kingdom of Saudi Arabia and/or that the capital market institution is licensed by the Capital Market Authority and operating in the Kingdom of Saudi Arabia.

5.10 Using offering proceeds

In addition to what is set forth in these Terms and Conditions regarding the in-kind subscription that will be for the benefit of Al Mutlaq Real Estate Investment Company, one-person company, the proceeds of the offering shall be used to pay part of the acquisition of the initial real estate assets, as shown in the table below and in accordance with the terms of the Initial Real Estate Assets Purchase and Sale Agreements mentioned in Clause “5.7” of these Terms and Conditions. The table below shows the method of using the proceeds of the offering, which is intended to be an amount not less than one hundred and eighty-five million (185,000,000) Saudi riyals.

S/N.	Description	Amount (in SAR)	Its Percentage of the Item
1.	The value of the offering proceeds will be used to pay part of the acquisition value of the initial real estate assets*	185,000,000	17.15%
Total		185,000,000	17.15%

* The initial real estate asset acquisition value is 1,078,370,000 Saudi riyals.

The table below shows the targeted full structure of the Fund with its various financing sources:

S/N.	Description	Amount (in SAR)
Source:		
1.	Net Asset Value of the Fund	605,000,000
2.	Credit Facilities*	605,000,000
Use		
1.	Purchase of Initial Real Estate Assets	1,078,370,000
2.	Real Estate Disposition Tax	53,918,500
3.	Brokerage Amount	0.00
4.	Transaction Fees for Fund Manager	5,391,850
5.	Debt Arrangement Fees for Fund Manager	3,025,000
6.	Charges of Technical Examination	236,445
7.	Charges of Feasibility Study Advisor	245,000
8.	Other offering and acquisition expenses (budget)**	5,480,000
9.	Value Added Tax	2,156,744
10.	Cash in Hand***	61,176,461
Fund Assets Total Value		1,210,000,000

* Bank financing plays an important role in creating opportunities to maximize benefits and increase expected returns for unitholders. Financing was obtained with a variable profit rate (SAIBOR), compatible with Sharia controls and on competitive terms that are compatible with the Fund's investment objectives. Note that the increase or decrease in financing cost rates would directly affect the Fund's performance.

** Other offering and acquisition expenses are the fees related to the offering, such as the fees of the legal advisor and real estate valuers. They also include fees related to registering and listing the fund's units, as well as the expenses of the Receiving Entity's, the expenses of establishing the special purpose vehicle (SPV), and debt arrangement fees paid to the financing bank. Other offerings and acquisition expenses shall not be paid to any related parties. The amount is considered a budget for these costs. If this budget is not spent, it will be added to the allocation of cash available for investment according to the means available for investing the cash available in the Fund described in clause “5.9” of these Terms and Conditions.

*** The cash will be used for any expenses that the Fund may need in the future. The cash may be used by adding some improvements to current properties that are likely to contribute to increasing rental returns. This shall be disclosed in the quarterly reports when the cash is used. In the event that the cash is not used, the Fund Manager shall invest the cash liquidity in light of the means available for investing the cash available in the Fund described in clause “5.9” of these Terms and Conditions. Profits shall not be distributed to investors through the cash available in the fund at the time of incorporation. The Fund Manager shall also acknowledge its commitment to Article Forty-six, Paragraph (B) of the Real Estate Investment Funds Regulations, which stipulates that the percentage of profits distributed to unitholders shall not be less than 90% annually of the net profits of the Fund.

5.11 Unitholders and the Percentage of In-Kind and Cash Subscriptions to the Fund

The net asset value of the Fund is six hundred and five million (605,000,000) Saudi riyals divided into sixty million five hundred thousand (60,500,000) units with a nominal value of ten (10) Saudi riyals per unit. The total asset value of the Fund is one billion two hundred and ten million (1,210,000,000) Saudi riyals. The table below shows the percentages of in-kind and cash subscriptions to the Fund in relation to the net asset value of the Fund and the total asset value of the Fund.

S/N.	Subscribers	Number of units	Value of Units (SAR)	Percentage of the Fund's net asset value (number of units issued by the Fund)	Percentage of the total value of the Fund's assets	Subscription Method
1.	Al Mutlaq Real Estate Investment Company One-person Company	42,000,000	420,000,000	69,42%*	34,71%*	In-Kind
2.	The Public	18,500,000	185,000,000	30.58%	15.29%	Cash
Total		60,500,000	605,000,000	100%	50%**	-

* This percentage includes the equivalent of the sixth real estate asset (Al-Mashael Warehouses) owned by Al-Mutlaq Furniture Company Limited, one-person company, which in turn waived in full its right to subscribe in-kind to the Fund to Al-Mutlaq Real Estate Investment Company, one-person company.

** This percentage is based on the assumption that the Fund Manager, on behalf of the Fund, shall obtain credit facility. Accordingly, the ownership of the unitholders collectively constitutes (50%) of the total value of the Fund's assets due to the existence of a credit facility. Note that the financing bank shall not hold units or have direct ownership of the assets of the Fund.

6. Key Risks of Investing in the Fund

Investment in the Fund is classified as high risk. The investment in the Fund involves many risks. It is suitable only for investors who fully understand and perceive the investment risks and can bear those risks. Therefore, the Fund Manager has set the key risks as mentioned below to the best of its knowledge and belief and as at the date of these Terms and Conditions. Potential investors must read and evaluate them carefully when making a decision. The Fund Manager does not guarantee that other risks will not arise that have been overlooked or have arisen. There may be other risks and matters that are uncertain or not known to the Fund Manager currently, or that the Fund Manager may consider them insignificant currently while having a negative impact on the Fund and the sustainability of its performance or work. No guarantee can be given that the Fund will be able to achieve its investment objectives or that investors will receive a return on their invested capital or even be able to refund their invested capital.

Investing in the Fund does not include any guarantee that the investment will be profitable or that the investor will not incur any partial or total losses. Therefore, each potential investor shall consider each of the key risk factors listed below before subscribing to the units or buying them later. Each investor shall be fully liable for any financial losses resulting from investing in the Fund unless such loss is due to the intentional fraud, negligence or misconduct of the Fund Manager. Note that the risks mentioned below cannot be interpreted as covering all possible circumstances and events, but only the key risks that the Fund Manager deems important at the time of the issuance of these Terms and Conditions have been mentioned. The impact of each risk may reach and materially and negatively affect the Fund, its operations, operating results, cash flows and unitholders (as applicable).

6.1 Summary of the Fund's Key Risks

A. Risks related to the Fund

- Limited Experience Risks**

Given that the Fund Manager has never managed a REIT and therefore how to apply the regulatory requirements issued by CMA and Tadawul remains untested by the Fund Manager. Accordingly, the Fund Manager may have to spend considerable time and effort in ensuring that the Fund complies with the regulatory requirements issued by CMA and Tadawul. Consequently, the Fund Manager's failure

to apply those regulatory requirements as required may result in a negative impact on the Fund's operations, financial condition and unit returns.

- **Risks of lack of operational history of the Fund**

The fund is newly established without an operational history that enables potential investors to predict the future performance of the fund. The past results of similar funds or the past performance of initial real estate assets (or any assets that the Fund will acquire in the future) are not necessarily indicative of the Fund's future performance, as unitholders will rely heavily on the decisions and efforts of the Fund Manager in managing the Fund's strategy and affairs and increasing the volume of returns on invested capital. Thus, the newness of the establishment of the Fund may adversely affect the expectations of the Fund Manager and thus the returns or value of the units.

- **Risks of relying on key personnel of the Fund Manager**

The Fund will depend on the management and consultancy services provided by the Fund Manager's personnel. It can be difficult to replace some key personnel, especially in the senior management of a Fund Manager. In the event that one of these employees leaves the job and the Fund Manager is unable to find a suitable replacement for him/her, the performance of the Fund's business may be adversely affected and therefore reflected negatively on the returns of the units.

- **Risk of changes in unit price**

The traded price of units may not reflect the real and market value of the Fund's investments and assets or even their book value. The unit trading price depends on a number of factors that negatively affect the market price of the units, including the general movement in local and global stock markets, real estate markets, prevailing and expected economic conditions, interest rates, investor trends, and general economic conditions. The unit market may be subject to sharp fluctuations. Lack of liquidity may have a negative impact on the market value of the units, which in turn may have a material and negative impact on unitholders.

- **Risks of trading below the offering price**

Units may be traded at a price below the value of the offering or below its fair value for several reasons, including unfavorable market conditions, weak investor expectations about the feasibility of the Fund's investment strategy and policy, and increased supply volumes of units (for any reason), which in turn may materially and negatively affect the unit price and may result in the inability to recover part or all of the investment value.

- **Risks of trading below the market value**

Unit trading may be exposed to factors that lead to sharp fluctuations in its price, including factors that may adversely affect local and global capital markets, prevailing and expected economic conditions, interest rates, investor trends, general economic conditions, large unit sales, and the availability of alternative investment opportunities. Therefore, the purchase of units is suitable only for investors who can bear the risks associated with these investments, especially since these factors may make it difficult or impossible for the investor to exit the Fund or exit at a value lower than the market value of the Fund's assets.

- **Liquidity risks**

Investors typically maintain their investments and rely on accrued returns on invested capital. But in other cases, some investors want to liquidate their investments depending on many factors, including the income and value of the Fund's assets and the overall performance of the Fund and the market for similar investment instruments. Since the liquidity volume of units of REITs is lower than that of ETFs (as a result of the relative novelty of ETFs), it is likely that the investor in the units will have difficulty exiting and liquidating its units in the Fund at a price higher or even lower than the original purchase price or the price offered by that investor, which may result in the investor exiting the Fund (if it is able to do so) with a value lower than the market value of the Fund's assets and/or less than the value of its investment.

- **Risks of increasing the total value of the Fund's assets**

In the event that the Fund Manager decides (after obtaining the necessary approvals) to increase the total value of the Fund's assets through the issuance of new units, the issuance of these new units will result in a reduction in the ownership ratios of the unitholders at the time, unless the unitholders at the time exercise their rights to participate in increasing the total value of the Fund's assets. The increase in the total value of the Fund's assets may negatively affect the value of the units, which negatively affects the investments of unitholders who are not involved in increasing the total value of the Fund's assets.

- **Risks of restrictions related to fundraising for future acquisitions**

Dividend requirements and financing restrictions under the Real Estate Investment Funds Regulations may limit the Fund's flexibility and ability to grow (or even maintain meaningful returns) by acquiring new real estate assets. As a result, the Fund has a limited ability to improve its indicators or achieve growth through the acquisition of additional assets, which consequently has impact on the performance and profitability of the Fund and its reflection on unitholders.

- **Risks of not achieving returns on investment**

There will be no guarantee that the operating business of the Fund's assets will be profitable, or that the Fund will succeed in avoiding losses, nor will the Fund generally have any source of funds from which to pay dividends to unitholders other than rental returns (or other investments mentioned in these Terms and Conditions) and capital returns that may come from the operation of the Fund's assets or the sale of some or all of its assets. Thus, there is no guarantee that the Fund will achieve returns on the investments of unitholders in the Fund. In addition, it is possible for investors in the Fund to lose all or some of their capital invested in the Fund. All the figures and statistics mentioned in these Terms and Conditions are forecasts and for illustrative purposes only (except for what is stated as historical data). Actual returns can not be expected, which may differ from the data contained in these Terms and Conditions, which in turn may affect the profitability of the Fund and will reflect negatively on unitholders and on unit returns.

- **Risk of fluctuating cash distributions**

Although the Fund is required, under the Real Estate Investment Funds Regulations, to distribute at least 90% of the Fund's net profits to unitholders, there are no guarantees regarding the amounts of future distributions. The Fund may be unable to make any distribution due to unforeseen events that lead to an increase in costs or a decrease in revenues. The Fund's inability to make semi-annual distributions to unitholders will affect the unit returns and thus their value and market price.

- **Risks of not participating in management**

Except as stated in these Terms and Conditions, unitholders will not have the right or authority to participate in the management of the Fund or influence any of the Fund's investment decisions. The right to make these decisions rests with the Fund Manager alone, which in turn may have a negative impact on unitholders due to their inability to influence the investment direction of the fund in line with their investment aspirations.

- **Risks of units being delisted or suspended from trading**

There is a risk that the Capital Market Authority may delist the units or suspend their trading at any time if the Authority deems this necessary to protect investors or maintain market regulation or if it considers that the Custodian or market maker (as the case may be) has materially failed to perform its responsibilities. The Authority may also cancel or suspend the listing if the Fund fails to meet the liquidity standards as stipulated in the executive regulations issued by the Capital Market Authority and Tadawul, which in turn may have a material and negative impact on unitholders due to a significant decrease in liquidity and the Fund's reputation being negatively affected.

- **Technology risks**

The Fund Manager depends on the use of technology to manage the Fund. However, its information systems may be exposed to hacking, viruses, or partial or complete disruption, which limit (or prevent)

the Fund Manager's ability to manage the Fund's investments effectively, which may negatively affect the performance of the Fund and consequently have a negative impact on the unitholders.

- **Risks of Fund Termination**

If the Fund is terminated, the Fund Manager shall initiate liquidation procedures. This may result in the Fund's investments being sold at times that may not be ideal, or at a price that may not reflect fair market value, or in a manner that may not be the best way to sell them. All of these matters have a material and negative impact on the fund's returns as well as the final return that the unitholders will receive.

- **Risks of conflict of interest**

The Fund Manager engages in a range of activities that include investment management and advisory services. These services may result in situations in which the Fund Manager's interests conflict with the Fund's interests. Any conflict of interest may limit the Fund Manager's ability to objectively perform its duties in relation to the fund, which may negatively affect the fund, its returns, and its cash distributions to unitholders.

B. Risks related to the Fund's assets

- **Risks of concentration in the real estate sector**

The Fund will initially invest in initial real estate assets. The Fund's investments will generally be concentrated in the real estate sector. The lack of diversification of the Fund's investment portfolio and its concentration in the real estate sector will lead to the exposure of the Fund's investment portfolio to all the risks of the diversified real estate market, some of which are mentioned in this Article "6" which may result in a partial or complete loss of the capital invested in the Fund by unitholders or to the loss of profit on unitholders resulting from their failure to invest in other sectors through investment channels other than the Fund and with the same risks but with higher investment returns. In addition, the Fund's investments are concentrated in terms of their value in certain areas or sectors. This may expose the Fund to the risks of economic recession (or any other factor) in a way that exceeds what if the Fund's investment portfolio includes assets distributed over a larger number of sectors and geographical areas. As a result, this economic recession (or any other factor) may have a material and negative impact on the Fund's business, financial condition, operating results, and the sustainability or achievement of cash distributions to unitholders.

- **General risks of real estate investment**

The return on real estate investments is subject to many interrelated factors, including negative changes in local, regional or international economic conditions, negative conditions in the local market, financial conditions of real estate tenants, buyers and sellers, changes in operating expenses, environmental laws and regulations, zoning laws and other government laws and financial policies, energy prices, changes in the extent of demand for various types and locations of real estate, risks resulting from reliance on cash flows and operating problems and risks arising from the unavailability of some construction materials or their high prices, in addition to force majeure, uninsurable losses and other factors beyond the control of the Fund Manager. Any of these factors may contribute to material risks that adversely affect the value of the Fund's assets and the Fund's ability to generate any returns on its investments.

- **Risks of fluctuations in the value of real estate and lack of liquidity**

Real estate is considered a relatively illiquid asset class. Its degree of liquidity fluctuates according to demand, general economic conditions and the desire for this type of investment. If the Fund needs to liquidate its real estate investments at an inappropriate time, the Fund's returns from this may be less than the book and/or market value of the relevant asset. Therefore, any delay or difficulty that the Fund may have in disposing of its assets may adversely and significantly affect the final return (if any) received by unitholders.

- **Risks of the possibility of challenging the Fund's ownership of real estate assets**

As of the date of these Terms and Conditions, there are no effective and binding central real estate records in a comprehensive and conclusive manner in the cities where the initial real estate assets are located, which show the descriptions of each property, its location, its legal status, its rights and obligations, and the amendments that occur to it successively. In addition, the title deeds do not necessarily represent the full rights of disposal of ownership of the property and may be subject to appeal as the Saudi Courts do not usually recognize the buyer's "good faith" defense against real estate claims. Moreover, the existence of a contract between two persons cannot necessarily be one in demanding the other to repossess the real estate asset under contract. Accordingly, the real estate assets acquired by the Fund at this stage or in the future may be subject to any legal disputes related to the ownership of those assets, which in turn may impair the ability of the Fund to dispose of or transfer the real estate assets free of mortgage and restrictions or affect the financial condition of the Fund in a material and negative way as a result of the allocation of certain provisions to meet those claims and potential liabilities arising therefrom. This may cause in some cases the Fund to lose ownership of the real estate assets it believed that they were legally acquired. Furthermore, such disputes and disagreements over ownership may materially affect the value of the Fund's assets and materially and negatively affect the unitholders.

- **Risk of acquisition of initial real estate assets**

The Fund Manager expects to complete the acquisition of the initial real estate assets (including the Usufruct contract for the first real estate asset) within sixty (60) business days from the date of expiry of the offering period. Despite the legal binding of the purchase and sale agreements detailed in clause "5.7" of these Terms and Conditions, in the event that any of the parties to the Initial Real Estate Assets Purchase and Sale Agreements does not comply with the implementation of their obligations thereunder, the acquisition may not take place within sixty (60) business days from the date of expiry of the offering period or at any time at all. In the event that this does not take place, the Fund Manager will terminate the Fund and perform the procedures referred to in Article "10" of these Terms and Conditions and in accordance with the applicable regulations.

- **Some of the initial real estate assets are mortgaged in favor of one of the financing entities**

As indicated in Article "5.4" of these Terms and Conditions, there are a number of initial real estate assets mortgaged in favor of a number of licensed banks operating in the Kingdom of Saudi Arabia in order to guarantee the obligations of Al-Mutlaq Real Estate Investment Company, one-person company under several credit facility agreements. Although the initial non-objection was obtained from these banks for the transfer of the relevant initial real estate assets, it cannot be certain that this will be done in the appropriate form and time, which may have a material and negative impact on the Fund.

- **Risk that most of the Fund's investments are concentrated in the commercial and hotel sector**

The commercial sector and the hotel sector constitute the largest percentage of the size of the initial investment portfolio. This concentration may expose the Fund to double and increase the negativity of events or situations that may result in weak demand for these two sectors and a decrease in their rental market value, which in turn may have a negative and material impact on the Fund and unitholders, more than if the Fund's investments included many assets in different sectors. Because their rental periods are relatively short, the nature of the visitors and tenants of hotel rooms may have a negative impact on the cash flows of the Fund, which will be subject to unpredictable fluctuations. The foregoing may have a material and negative impact on the Fund, operating results, cash flows and the general situation of the Fund.

- **Risks of E-commerce changing the competitive position of traditional commerce business**

In some initial real estate assets, store tenants rely mainly on traditional sales operations through existing outlets in commercial markets. These traditional businesses may be negatively affected due to the increase in the number and operations of e-stores that use the Internet as their platform, which has been met with a high demand from consumers and retailers. This may lead to a decline in the customer base of traditional stores and visitors to commercial centers, which may have a material and negative impact on the Fund's business, financial condition and operating results.

- **Risks of tenants' inability to meet their obligations**

The real estate assets owned by the Fund are leased by several tenants. Therefore, the Fund will be exposed to the risk of significant default of these tenants, in the event that one or all of the tenants fail to fulfill their obligations. In the event that one or all of the tenants fail to make the due payments for one or more real estate assets owned by the Fund, this may limit the ability of the Fund Manager to re-lease or lease the property on satisfactory terms. This would reduce the rental income from the related property. Furthermore, the Fund may be forced to undertake substantial renovations to properties in order to attract new tenants in the future on the best possible terms, which may temporarily or continuously affect the returns distributed to unitholders.

- **Risks of lack of guarantees for making rental payments by tenants**

Leases related to real estate assets do not include any guarantees for making rental payments, which may affect the Fund negatively in the event that one or all tenants fail to fulfill their contractual obligations. Accordingly, the cash flows resulting from the Fund's assets may be materially and negatively affected, which in turn may affect the Fund's returns and its ability to distribute profits to unitholders and their sustainability or realization.

- **Risks that the future rental income of the Fund will depend on its ability to attract and retain suitable tenants and its effective management of real estate assets**

The bulk of the fund's income is from rental income. There is no guarantee that the Fund will be able to attract and retain suitable tenants on the terms and conditions it seeks. Furthermore, the financial stability of tenants of initial real estate assets may affect the financial performance of the Fund. In addition, the financial stability of tenants may also change over time as a result of factors directly related to tenants, macroeconomics of Saudi Arabia or force majeure such as pandemics, wars, and unrest in general, which may affect their ability to pay rents. In addition, the Fund may incur costs associated with retaining existing tenants and attracting new tenants, as well as costs and time involved in enforcing the rights set out in the lease with the defaulting tenant, including evacuation and leaseback costs, which may be significant. Failure to attract or retain suitable tenants may have a material and negative effect on the Fund's business, financial condition, cash flows, operating results, sustainability or achievement of cash distributions to unitholders, and may adversely affect the value of real estate assets.

- **Risks of the main tenant**

Part of The Roof property is leased by Lulu Hypermarket. This contract represents 13.16% of the net income of the initial real estate assets. Therefore, in the event of the inability of the tenant, Lulu Hypermarket (or another large tenant mentioned in Clause "5.4" of these Terms and Conditions) to fulfill its obligations as one of the largest lessees of the initial real estate assets, this may have a material and adverse impact on the Fund's business, financial condition and operating results, which may consequentially affect the cash available and its volume for distribution to unitholders.

- **Risks that the Fund may be subject to some fixed costs that will not decrease as revenues decline**

Rents and operating income to be reimbursed to the Fund may decrease as a result of various adverse changes affecting real estate assets owned by the Fund or leased from the Fund. It should be noted that some of the Fund's major expenses including the Fund's management fees and the operating costs of the Fund's real estate assets will not decrease as revenues decline. Therefore, if rents and operating income decrease while costs remain the same, the Fund's revenue and cash available for distribution to unitholders may decrease.

- **Risks of not ensuring rental rates are maintained at prevailing market rates**

Rental rates for the real estate assets owned by the Fund depend on several factors, including, but not limited to, prevailing supply and demand conditions and the quality and designs of real estate assets. There is no guarantee that the Fund Manager will be able to secure new leases or renew those existing at the prevailing lease rates or those targeted by the Fund Manager. Therefore, inability of the Fund Manager to secure this may have a material and negative impact on the Fund's business, financial condition and operating results and thus on the sustainability or achievement of cash distributions to unitholders.

- **The negative impact of the lack of or non-compliance with regulatory approvals and licensing requirements on the real estate assets owned by the Fund**

All necessary regulatory approvals, licenses and certificates shall be obtained as part of the operation of the real estate assets owned by the Fund. It is not possible to ensure that all regulatory approvals, licenses and certificates relevant to the real estate assets owned by the Fund are obtained or renewed in a timely manner. Furthermore, violation of the terms of any such regulatory approvals, licenses or certificates may result in their revocation or withdrawal, suspension or the imposition of fines by the relevant competent authorities. In addition, any amendments to existing laws, regulations and requirements may lead to the imposition of unforeseen and more costly requirements so that the Fund's compliance with these laws or regulations (if it is able to comply with them) results in incurring significant capital expenditures or other obligations or responsibilities. It should also be noted that there are a number of regulatory approvals, licenses and certificates that have not yet been issued with regard to initial real estate assets, which may have a material and negative impact on the Fund's business, financial condition, cash flows and operating results and thus affect the sustainability or achievement of cash distributions to unitholders.

- **Risks of not registering leases**

With reference to the relatively recent legislative changes that imposed the registration of leases on the Ejar platform and the non-recognition of leases not registered on the Ejar platform as valid contracts producing their administrative and legal effects, it should be noted that part of the leases related to the initial real estate assets are not registered on the Ejar platform. Although the Fund Manager (on behalf of the Fund) in cooperation with Al-Mutlaq Real Estate Investment Company, one-person company is working to register all such contracts on the Ejar platform and the existence of this requirement as one of the prerequisites for the Initial Real Estate Assets Purchase and Sale Agreements, the Fund Manager (on behalf of the Fund) cannot guarantee the completion of the registration of all leases before or on the date of listing or ensure in the future its ability to register new leases on the Ejar platform. Therefore, unregistered leases may become subject to be considered as unproductive contracts for their administrative and legal effects, which may result in a material and negative impact on the Fund's business, financial condition and cash flows.

- **Risks of some leases losing their executive capacity**

With reference to the recent legislative changes that imposed the registration of lease contracts and the non-recognition of lease contracts not registered on the Ejar platform as valid contracts productive for their administrative and legal effects, in addition to the mandatory registration of contracts on the relevant platform, the aforementioned legislation has stipulated that the lease contract must be registered on the relevant platform and without any addition to the unified contract available on that platform. Given there are a number of lease contracts that have additions and amendments, these amended contracts will lose the title of the executive bond. Therefore this may result in a material and negative impact on the work of the Fund, the financial condition and cash flows.

- **Risk of inability to execute some contracts to which the Fund will be a party**

There are some contracts to which the Fund has become or will become a party, which may be classified by some Sharia specialists that some or all of its clauses are contrary to the provisions of the Islamic Sharia. Among those contracts is the guarantee contract concluded between the Fund Manager on behalf of the Fund and Al-Mutlaq Real Estate Investment Company, one-person company, which is described in Clause "5.7" of these Terms and Conditions. Therefore, this adaptation, if adopted by the court or the competent authority that will decide on the dispute arising from that contract, may result in the possibility of not taking or implementing the violating part of that contract or the entire contract. Therefore, this may result in a material and negative impact on the Fund's business, financial condition, cash flows and unitholders.

- **Risk of inability to issue some building completion certificates and operating licenses**

Absence of building completion certificates and operating licenses for some real estate assets owned by the Fund or the inability to issue them or their nullity in the future for any reason whatsoever may expose the Fund to the risk of not benefiting from that real estate asset or the inability to rent or sell it. It should also be noted that some initial real estate assets have not yet been issued with a building completion certificate and/or operating licenses. Therefore, any of the above may have a material and

negative impact on the work of the Fund, the financial condition and cash flows and thus will have a negative impact on the sustainability or achievement of cash distributions to unitholders.

- **Risks of the other party's failure to comply financially or contractually**

The Fund may be exposed to credit or contractual risks related to the parties with whom the Fund contracts to conduct business with or through them. The Fund may also bear the risk of default or commitment to contracts. In addition, in certain circumstances, the Fund may be exposed to the risk of default by the other party regarding financial or contractual obligations such as property managers, tenants, contractors, and/or financing banks and/or banks through which the cash available with the Fund is invested or any third party with whom the Fund deals. Failure by any contracted third party to meet obligations or pay any contractual dues to the Fund may result in a decrease in the income of the Fund and thus negatively affect the sustainability or realization of cash distributions to unitholders.

- **Risk of inability to renew the lease or re-lease the leased space upon expiry of the contract term or termination of the contract before its expiry**

The Fund will derive most of its income from the rental amounts paid by the tenants of the properties owned by the Fund. Accordingly, the financial condition of the Fund, the results of operations and cash flow, as well as the ability of the Fund to distribute cash to the unitholders may be negatively affected if the Fund is unable to re-lease the properties immediately or renew the lease contracts or if the rental value at renewal or re-lease is much lower than expected and targeted by the Fund Manager. Upon the expiration or termination of any lease contract by the tenant for any reason whatsoever, there is no guarantee that the contract will be renewed or that an alternative tenant will be found, noting that there are a number of existing leases associated with the initial real estate assets in which the tenants are authorized to object to the transfer of ownership of the property or the usufruct contract (as applicable) to the ownership of the Fund, which will result in the expiration of the relevant lease. The terms of any subsequent lease may have lower returns for the Fund than the lease contract that preceded it. In addition, the ability of the Fund to lease the rental space and its rental value are affected by factors including, but not limited to, levels of demand by tenants, the number of competing properties in that area and other economic factors.

- **Risks of not occupying the property for long periods**

When any of the real estate units held by the Fund becomes vacant for long periods as a result of the expiration of the lease contract without renewing it, or the tenant disavows the completion of the lease contract, whether legally or illegally, or the tenant declares bankruptcy, or the cancellation or non-renewal of the contract or other reasons, the Fund may suffer a decrease in returns, and thus a decrease in cash distributions to the unitholders. Moreover, because the value of the property depends heavily on the lease contracts of that property, the value that may be collected from the sale of those properties may decrease because they have remained not leased either partially or completely for relatively long periods. Therefore, the returns of cash distributions that can be achieved for unitholders may decrease, which may negatively affect the Fund's investments and returns and the sustainability or achievement of cash distributions to the unitholders.

- **Risks of Property Valuation**

For the purposes of estimating the value of properties owned by the Fund, valuation of these assets shall be required from two independent valuers licensed by the Saudi Authority for Accredited Valuers (Taqeem). The valuations carried out by the Fund Manager are solely for the purpose of estimating the value of the properties and not an accurate measure of the value that can be obtained when selling that property. The final verification of the market value of the property depends largely on negotiations between the seller and the buyer, which may be affected by economic conditions, and other circumstances beyond the control of the Fund and the Fund Manager, including, but not limited to, market conditions in general and the appetite of investors to buy real estate. If the Fund decides to liquidate its assets for any reason, the realized value may be less than the value of the estimated valuations of these assets, which affects the final return of the unitholders.

- **Risks that real estate assets may be subject to material damage due to natural disasters and other causes beyond the control of the Fund Manager for which insurance (if any) may not be sufficient**

Real estate assets owned by the Fund may be subject to physical or moral (reputational) damage caused by fires, storms, earthquakes or other natural disasters, or for other reasons such as political unrest and the like or whatever resulting therefrom. In the event of any such event, the Fund may lose all capital invested in those assets that have been damaged, as well as the revenue expected to be derived from them. In addition, no guarantee can be given that the resulting losses (including loss of rental income) may be fully compensated under insurance coverage (if any). There are also certain types of risks and losses (including, but not limited to, losses resulting from political unrest, acts of war or certain natural disasters) that may not be insured, and even if they are included in the insurance policy (if any), the procedures for obtaining such compensation from the relevant insurance company may take a very long time and are procedurally costly to the Fund. In the event of any of these events, this may have a material and negative impact on the Fund's business, financial condition, cash flows and operating results, affecting the sustainability or achievement of cash distributions to the unitholders.

- **Risks of not having insurance on initial real estate assets**

As at the date of these Terms and Conditions, none of the initial real estate assets have been insured. In the event of any event that adversely affects the initial real estate assets (including but not limited to fires) and can be insured against, this event may expose the Fund to the risk of incurring all costs or losses resulting from that event instead of being borne by the insurer in the event of insurance, which in turn may have a material and negative impact on the Fund's business, financial condition, cash flows and operating results.

- **Risk of expropriation of real estate assets**

The government of the Kingdom of Saudi Arabia or its representative has the right to compulsorily seize real estate for public benefit (for example, but not limited to, building roads and public facilities). In the event of expropriation, the property is compulsorily acquired in accordance with applicable laws. Although there is a possibility that the amount of compensation related to expropriation will be paid, there is a risk that the amount of compensation will be insufficient compared to the size of the investment, the lost profit, or the increase in the value of the investment expected in the long term, or that there will be a delay in disbursing the compensation for any reason. If expropriation is achieved, the value of cash distributions (if made) to unitholders and the value and trading price of the units may decrease. In addition, the unitholders may lose all or part of their invested capital.

- **Risk of expiry or termination of the Usufruct contract**

As indicated in these Terms and Conditions, there is a usufruct contract concluded with the Royal Commission for Jubail and Yanbu (among the initial real estate assets). When the preconditions of the Initial Real Estate Assets Purchase and Sale Agreement (with the exception of the sixth real estate asset (Al-Masha'el Warehouses)) related to the transfer of the usufruct right to the Fund are met, a risk may arise that cannot be remedied or repaired by the Fund Manager, which is that the Royal Commission for Jubail and Yanbu terminates the contract in accordance with its provisions and transfers all assets built on that land to the ownership of the Royal Commission for Jubail and Yanbu. This may cause a negative and material impact on the assets of the Fund due to its inability to achieve rental income from that asset, and the transfer of ownership of what was built on that land free of any consideration to the Royal Commission for Jubail and Yanbu in accordance with the provisions of the contract. In addition, even if the Fund is able to complete the term of the contract until its scheduled term, the transfer of everything built on that land for the benefit of the Royal Commission for Jubail and Yanbu may result in affecting the solvency of the Fund and its ability to diversify its assets in the future at the end of the contract period, because there is no cash flow resulting from the lease or even a money consideration paid by the Royal Commission for Jubail and Yanbu for what was built on that land, which in turn may have a negative and material impact on the Fund and the unitholders.

- **Risks of investing in properties outside the Kingdom of Saudi Arabia**

Although properties outside the Kingdom of Saudi Arabia will not be among the initial real estate assets, in the event that a property is purchased outside the Kingdom of Saudi Arabia, the value of these investments will not exceed 25% of the total value of the Fund's assets at that time. If the Fund Manager

invests in properties outside the Kingdom of Saudi Arabia, these investments may entail high risks, including, but not limited to, the Fund Manager's lack of experience with those global markets and their laws, the risks of fluctuations in the relevant currency exchange rate, which may affect the returns from those investments, political risks in those geographical areas in which the Fund may invest, imposition of financial restrictions on foreign investments in those geographical areas, interruption of diplomatic relations between the government of the Kingdom of Saudi Arabia and that investee country, which in turn may have a material and negative impact on the Fund's business, financial condition, operating results or sustainability of and achieving cash distributions to unitholders.

- **Risks of future investments**

With the exception of the initial real estate assets specified in the table mentioned in item "5.4" of these Terms and Conditions, the Fund Manager has not specified certain future investments planned to be made. In the event that the Fund Manager does so, the unitholders will not have any opportunity to assess the economic, financial and other relevant information related to the investments that the Fund Manager may make for the benefit of the Fund in the future. In addition, no guarantee can be given that the Fund Manager will be able to find future investments in line with the Fund's objectives because identifying and capturing investment opportunities is competitive and unsecured. The Fund Manager's inability to find suitable future investment opportunities may have a material and negative impact on the Fund's business, sustainability, financial condition, operating results, and the sustainability or achievement of cash distributions to unitholders.

- **Risks of government policies**

The government of the Kingdom of Saudi Arabia has imposed fees on white lands in Saudi Arabia, known as "White Land Fees." These fees aim to stimulate the development of unexploited lands, and as a result, they may also lead to an increase in the levels of competition in the real estate sector market by increasing the volume of developed lands, which may enter into the circle of competition for real estate owned by the Fund. In addition, any future increase or reduction of subsidies on electricity and water in the Kingdom of Saudi Arabia, and tax changes may increase the Fund's liabilities, reduce disposable income and may reduce levels of demand for real estate assets owned by the Fund. Moreover, any increase in rental limits or values by the government may have a negative impact on the revenues of real estate assets owned by the Fund and thus materially and negatively affect the sustainability or achievement of cash distributions to unitholders.

- **Risks of real estate development**

Although real estate development will not be a major objective of the Fund, and in the event of its occurrence, it will not exceed (25%) of the total value of the Fund's assets at that time. However, if the Fund invests in a real estate development project, this investment involves several risks, including, but not limited to, delay in completing the works in a timely manner, exceeding the specified costs, poor business quality, inability to achieve sales, strong competition and force majeure. Starting a new real estate development project also involves other risks, including the delay in obtaining the necessary government approvals and permits for the development and other required government approvals and permits. Since the investment in the units is an indirect investment in all the assets of the Fund (current or future), any project that the Fund enters into in relation to real estate development (if any) and fails to achieve its objectives will have a direct and significant impact on the value of the units and on the sustainability or achievement of cash distributions to the unitholders.

- **Risks of finance**

The Fund will be financed through a credit facility, which may have an adverse effect on the income generated by the Fund, adversely affect the net profits of the Fund, or result in a loss of principal and consequently a decrease in the market value of the units. Increases and decreases in the value of the Fund's real estate assets maximize when the Fund resorts to financing. For example, financing may cause random changes in the Fund's net asset value or expose it to a loss in excess of its investment amount. Use of financing creates an opportunity for an increase in returns but at the same time involves a high degree of financial risk and may expose the Fund and its investments to other factors such as the high cost of financing and the Fund's incurring additional unpredictable costs. Moreover, the Fund's assets can be mortgaged in favor of the relevant financier as stipulated in the relevant financing documents, which gives the right to the relevant financier to claim execution on the mortgaged assets

in its favor in the event that the Fund defaults on repayment of the receivable from financing, which in turn may have a material and negative impact on the Fund's business, financial condition, operating results, sustainability or achievement of cash distributions to unitholders.

- **Risks of investing in other investment channels**

The Fund may invest in different investment channels in accordance with Clause "5.9" of these Terms and Conditions. The value of these investments may decrease or may be totally lost for economic reasons and other factors beyond the control of the Fund, which in turn may have a material and negative impact on the Fund's business, financial condition, operating results, sustainability or achievement of cash distributions to unitholders.

- **Risks of actions by competitors**

The Fund competes with other owners, operators and real estate developers in the Kingdom of Saudi Arabia, some of whom may own properties similar to those owned by the Fund and in the same spatial or sectoral scope. If the Fund's competitors lease their properties that are substantially similar to the properties owned by the Fund or sell assets similar to these properties owned by the Fund at a value lower than the Fund's valuation of comparable assets, the Fund may not succeed in renting the leasable space at appropriate prices or conditions or may not succeed at all. Consequently, the Fund may incur additional costs and expenses for the purposes of holding the properties and may suffer a loss of potential income as a result of not renting or exploiting those properties in accordance with its prior expectations. Therefore, it may have a material and negative impact on the Fund's business, financial condition, operating results, and the sustainability or achievement of cash distributions to unitholders.

- **Risks related to hotel re-classification**

Due to the exposure of the Fund to the hotel sector, hospitality and tourism accommodation by virtue of the fact that two of the initial real estate assets fall under the hotel sector, there are no guarantees that these two real estate assets will not be subject to reclassification to a category less than their current category by the Ministry of Tourism or any other relevant authority, which in turn may adversely affect the Fund's business, financial condition, operating results and sustainability or achieve cash distributions to unitholders.

C. Other Risks

- **Risks of the Fund's dependence on the economy of the Kingdom of Saudi Arabia and its position in the global market**

The Fund's results and financial condition will be affected by the state of the economy in the Kingdom of Saudi Arabia and the global economic conditions that affect the economy of the Kingdom of Saudi Arabia. Despite its growth in other sectors and the recent increase in non-oil revenues, the Saudi economy is still heavily dependent on global oil prices. Therefore, the decrease in oil prices may slow or disrupt the Saudi economy, and the resulting impact on the liquidity circulating in the Saudi economy may negatively affect demand in the real estate sector. In addition, any negative change in one or more macroeconomic factors, such as exchange rate, interest rates, cost of deposits, inflation, wage levels, unemployment, foreign investment and international trade, may have a negative and material impact on the Fund's business, financial condition, operating results and sustainability or realization of cash distributions to unitholders.

- **Political and Sovereign Risks**

The value of the Fund's assets and investments may be adversely affected by political and diplomatic developments, the absence of stability or destabilization at the Kingdom of Saudi Arabia periphery or at the global level, changes in government policies and other political developments, which in turn may have a material and negative impact on the Fund's business, financial condition, operating results and the sustainability or achievement of cash distributions to unitholders.

- **Risks of the Fund's dependence on operational support from the Property Manager**

It is intended that the initial real estate assets will be managed by Al-Mutlaq Real Estate Investment Company, one-person company, in accordance with the Initial Real Estate Assets Contract, which will be signed by the Fund Manager (on behalf of the Fund) when the ownership of the initial real estate assets of the Fund is transferred. Delay or failure of the Property Manager to meet its contractual obligations may have a material adverse effect on the Fund's business and operating results and the sustainability or achievement of cash distributions to unitholders.

- **Risks for both hotel operators**

The Fund Manager will depend on the expertise of the operators of the two contracted hotels to operate two of the initial real estate assets. Therefore, the failure or default of the relevant operator to perform its contractual obligations under the relevant contract may have a material and negative effect on the Fund's business, operating results and the sustainability or achievement of cash distributions to unitholders.

- **The political, economic and legal environments continue to undergo constant change**

The political, economic and legal environments in the Kingdom of Saudi Arabia are subject to continuous and steady developments. Adverse social, economic and political developments in the Kingdom of Saudi Arabia, neighboring countries or other countries in the region may have a negative and material impact on the Fund's business, financial condition, cash flows, operating results and the sustainability or achievement of cash distributions to unitholders.

- **Legislative Risks**

These are changes in the regulatory environment, legislation and laws in force, which may negatively affect the Fund Manager's ability to manage the Fund or may lead to a decrease in the value of the Fund's assets, and thus have a negative impact on the fund and unitholders.

- **Legal, regulatory and tax risks**

The information contained in these Terms and Conditions is based on the regulations in force at the time of issuance of these Terms and Conditions. Legal, tax, regulatory, Zakat, or other changes may occur in the investment environment in the Kingdom of Saudi Arabia during the term of the Fund, which could have a negative impact on the Fund or its investments or the unitholders. However, there is no guarantee that the current laws and regulations related to Zakat and taxes in force within the Kingdom of Saudi Arabia will not change. Therefore, the Fund Manager and the Fund shall adhere to any changes in the tax, Zakat, or other laws in the Kingdom of Saudi Arabia and shall bear responsibility for implementing these changes. Accordingly, this may have a negative and material impact on the Fund's business, financial condition, operating results, and the sustainability or achievement of cash distributions to unitholders.

- **Risks of in-kind distributions**

The Fund may make in-kind distributions in the form of real estate or shares in other companies upon termination of the Fund in accordance with applicable laws. In the case of an in-kind distribution, unitholders will receive equities or shares (as the case may be) in a company or real estate that may be difficult to dispose of or liquidate. In-kind distribution may create costs and administrative burdens that investors would not have incurred if the Fund had made distributions in cash rather than in-kind.

- **Risks of litigation with third parties**

The nature of the Fund's activities and operations may expose it to the risks of engaging in legal disputes with third parties. The Fund shall bear defense fees against third party claims and settlement amounts or judgments that may be issued against it, that would reduce the Fund's net asset value and/or available cash, which would reflect negatively on the Fund's performance, the unit price, and the sustainability or achievement of cash distributions to unitholders.

- **Risks of energy price fluctuations**

These are the risks related to fluctuations in energy prices of all types, or the decline in global dependence on it driven by the transition to green energy, which may result in a significant decrease in demand for traditional energy and a permanent decrease in its prices. Fluctuation of traditional energy prices or decline in demand for it globally may have a negative impact on the public treasury of the Kingdom of Saudi Arabia and the volume of government spending, which in turn may affect the liquidity and the purchasing power in the Kingdom of Saudi Arabia in general. This may negatively affect demand in the real estate sector and negatively and materially affect the Fund's business and operations, financial condition, cash flows, operating results, and the sustainability or achievement of cash distributions to unitholders.

- **Credit Risks**

These are the risks related to the possibility of failure by the contracted entity or entities to fulfill their contractual obligations with the Fund Manager in accordance with the contracts or agreements concluded between them. These risks apply to the Fund in the event of investing in Murabaha funds or money market funds (and other funds and investment products) that conclude Murabaha deals or their equivalent (including deals with a low credit rating) with other parties, which will have a negative impact (if they fail) on the Fund's investments and the unit's market and/or book price.

- **Saudization Risks**

The relevant authorities in the Kingdom of Saudi Arabia may stipulate additional or new requirements to employ a certain percentage of Saudi citizens in the real estate sector. It is not possible to predict the extent to which the Fund will be required to implement these Saudization policies or the extent to which these policies may affect the Fund and its results. The implementation of Saudization by the Fund's will require hiring additional employees or providing additional training to them. These requirements may create additional costs and may cause operating costs to be higher than those originally expected, which in turn will be reflected in the Fund's financial condition, its operational results, and the sustainability or achievement of cash distributions to the unitholders.

- **Custodian Risks**

When the custodian is exposed to insolvency or bankruptcy or fails to perform its duties as required, this may result in a material and negative impact on the fund's assets, which in turn may have a material and negative impact on the fund and the unitholders.

- **Risks of income tax and Zakat**

Although there is no official and announced trend or decision that exempts REITs from Zakat and taxes, until the date of these Terms and Conditions, the Zakat, Tax and Customs Authority has not imposed income tax or Zakat on REITs or on unitholders directly. While the Zakat, Tax and Customs Authority has not pursued the collection of income tax and Zakat obligations from REITs, this does not mean that the Zakat, Tax and Customs Authority will not change its approach. The Zakat, Tax and Customs Authority may decide to impose taxes and Zakat on REITs in the future and retroactively, which leads to the imposition of penalties for late payment of income tax/Zakat or for it to be marred by some inaccuracy and issued in an inaccurate estimate by the Zakat, Tax and Customs Authority. If the Fund incurs any of these taxes or Zakat (and the penalties associated with them), it will have a material and negative impact on the Fund's financial condition, its operating results, and the sustainability or achievement of cash distributions to unitholders.

- **Tax Risks**

Investment in the Fund involves various tax risks that are not currently clearly known. The Fund being subject to tax payments will reduce the amounts of cash available for the Fund's operations as well as cash distributions to unitholders (if any). Taxes incurred by unitholders will reduce the returns associated with investing in the Fund. Potential investors shall consult their tax advisors regarding the taxes resulting from investing in, owning and selling units.

• Risks of Real Estate Disposition Tax

As is known, the real estate disposition tax came into force on 17/02/1442H (corresponding to 04/10/2020G), according to what was announced by the Zakat, Tax and Customs Authority. It is imposed on all real estate disposition according to the percentage specified in accordance with the Executive Regulations for Real Estate Disposition Tax Law and any amendments thereto. It is paid obligatorily before or during emptying by the seller or what is agreed upon. In the event of a change in the rate of the real estate disposition tax, it may affect the fund's profit margins, its operational results, and the sustainability of cash distributions.

6.2 Suitability of investments

The units may not be a suitable investment for all investors. Each potential investor in the units must determine the suitability of such investment in light of its own circumstances and, in particular, each potential investor should have (at a minimum) the following:

- A. Sufficient knowledge and experience to make a true and accurate evaluation of the units and initial real estate assets, the benefits and risks of investing in the units and all information contained in these Terms and Conditions.
- B. Access to and knowledge of appropriate analytical tools to evaluate, in the context of its own financial condition, the investment in units and the impact of the units on its investment portfolio as a whole.
- C. It must have sufficient financial resources and liquidity to bear all the risks of investing in the units.
- D. Accurate understanding of the Terms and Conditions and knowledge of the nature of relevant financial indexes and markets.
- E. To be able to evaluate potential scenarios (either alone or by taking advice from a financial advisor licensed by the Capital Market Authority) of economic and other factors that may affect the investment, as well as its ability to bear the risks associated with its investment in the Fund.

6.3 Future Statements

- A. These Terms and Conditions have been prepared on the basis of certain assumptions that have been used by the Fund Manager based on his experience in the markets and sectors in which he operates, as well as publicly available market information. Future operating conditions may differ from the assumptions used and therefore there is no warranty or undertaking as to the accuracy or completeness of any such assumptions.
- B. Certain statements in these Terms and Conditions constitute or may be deemed to constitute "Future Statements". These future statements may be inferred by the use of certain future meaning words such as "intend", "estimate", "believe", "expect", "predict", "target", "targeted", "possible", "will be", "shall", "expected" or negative formulas for these words and other approximate or similar words in meaning. These future statements reflect the Fund Manager's current view regarding future events, but in no way constitute a guarantee of future performance. There are many factors that may lead to a significant difference from the actual results, performance or actual achievements of the Fund Manager from what is explicitly or implicitly expected. Article "6" of these Terms and Conditions contains more detailed description of some of the risks and factors that the Fund Manager deems to be key, to the best of its knowledge and belief, which could lead to such an impact. If one or more of these risks or uncertainties materializes or if any of the assumptions prove to be incorrect or inaccurate, the actual results of the Fund may differ materially from the results stated in these Terms and Conditions as estimated, believed, expected or planned. Accordingly, potential investors must examine all future statements in light of these clarifications, while not relying on future statements mainly.
- C. There is no guarantee to the unitholders that their investment in the Fund will bring them profits or be protected from losses, nor is there any guarantee that the Fund will achieve its investment objectives. In considering investing in the Fund, potential investors should carefully consider the risk factors associated with this type of investment and other information contained in these Terms and Conditions. The risks and uncertainties

described above are those that the Fund Manager believes at the time of the issuance of these Terms and Conditions may affect the Fund and any investment made by potential investors. However, the above risks do not include all risks associated with investing in units. Note that some additional risks and uncertainties that are not known to the Fund Manager or that are currently believed to be immaterial may materially or negatively affect the Fund's business, financial condition, operational results or future prospects, including the impairment of units, the Fund's failure to generate profits, or the loss of part or all of the unitholders' investments.

7. Subscription and Increase of the Total Value of the Fund's Assets

7.1 Subscription to units during the offering period

- A. The Fund Manager will offer sixty million five hundred thousand (60,500,000) units at a price of ten (10) Saudi riyals per unit. In addition, the Fund Manager aims to collect one billion two hundred and ten million (1,210,000,000) Saudi riyals during the offering period as a minimum, through:
 1. Offering forty-two million (42,000,000) units to Al-Mutlaq Real Estate Investment Company, one-person company as an in kind subscriber (these units include the waiver of Al-Mutlaq Furniture Company Limited, one-person company, of its right to subscribe in kind in the Fund in favor of Al-Mutlaq Real Estate Investment Company, one-person company), in exchange for part of the acquisition price of the initial real estate assets. The value of these in-kind units allocated to Al-Mutlaq Real Estate Investment Company, one-person company, is four hundred and twenty million (420,000,000) Saudi riyals.
 2. Offering eighteen million five hundred thousand (18,500,000) units to the public. The value of these units is one hundred and eighty-five million (185,000,000) Saudi riyals.
 3. Obtaining a credit facility of six hundred and five million (605,000,000) Saudi riyals.
- B. The offering period starts from the date of: 04/11/ 1445H corresponding to 12/05/ 2024G and shall continue until the date of 12/11 1445H corresponding to 20/05/ 2024G, which is seven (7) business days, extendable for ten (10) additional business days.

The proceeds of the cash offering shall be used to pay part of the acquisition price of the initial real estate assets according to the following table:

S/N.	Name of the Real Estate Asset	The value of the cash amount of the purchase price (in Saudi riyals)
1.	Initial Real Estate Assets	185,000,000
Total		185,000,000

* Taking into account that the proceeds of the cash offering shall be used as part of the value of the cash cash amount from the purchase price of the initial real estate assets, in addition to what will be obtained as a credit facility, the bulk of which will be used to pay the rest of the value of the initial real estate assets.

7.2 Information of property owners who will subscribe in-kind in the fund:

- A. Units will be allocated to Al-Mutlaq Real Estate Investment Company, one-person company in exchange for its in-kind subscribing to the Fund. The ownership of Al-Mutlaq Real Estate Investment Company, one-person company (taking into account the waiver by Al-Mutlaq Furniture Company Limited of its right to subscribe in-kind in the Fund in favor of Al-Mutlaq Real Estate Investment Company, one-person company), constitutes (69.42%) of the net asset value of the Fund (i.e. (69.42%) of the number of units issued by the Fund) as an in-kind subscription.
- B. The following table shows the targeted allocation of units in the Fund after the completion of the offering period and includes in-kind and cash subscribers:

S/N.	Subscribers	Number of units	Value of Units (SAR)	Percentage of the Fund's net asset value (or the number of units issued by the Fund)	Subscription Method
1.	Al Mutlaq Real Estate Investment Company One-person Company	42,000,000	420,000,000	69,42%*	In-Kind
	The Public	18,500,000	185,000,000	30.58%	Cash
Total		60,500,000	605,000,000	100%	-

* This percentage includes the equivalent of the sixth real estate asset (Al-Masha'el Warehouses) owned by Al-Mutlaq Furniture Company Limited, one-person company, which in turn waived in full its right to subscribe in-kind to the Fund to Al-Mutlaq Real Estate Investment Company, one-person company.

It should also be noted that there will be a period of prohibition on the trading of units held by Al-Mutlaq Real Estate Investment Company, one-person company, which constitutes (69,42%) of the net asset value of the Fund (or the number of units issued by the Fund) under the Real Estate Investment Funds Regulations. The prohibition period extends for a period of one year starting from the date of commencement of the trading of units. The Fund Manager will also comply with the Real Estate Investment Funds Regulations and Listing Rules with respect to the minimum number of public unitholders and their percentage of ownership of the number of units issued by the Fund.

7.3 The value of the Fund Manager's subscription during the Offering Period

- A. The Fund Manager and/or its affiliates may subscribe to the fund during or after the offering period, provided that the following conditions are adhered to:
 1. The conditions for the subscription of the Fund Manager and its affiliates in the units and the rights related to them shall not be better than the conditions and rights related to the units held by other unitholders of the same category.
 2. The Fund Manager or its affiliates (as applicable) shall not exercise the voting rights associated to the units they own.
 3. Disclosure by the Fund Manager of the details of its investments in the Fund or the investments of its affiliates in the Fund (as applicable) in accordance with the relevant provisions of the Real Estate Investment Funds Regulations.
- B. The Fund Manager also undertakes to abide by the Law of Ownership and Investment of REAL ESTATE by Non-Saudis.

7.4 Terms and Steps of Subscription

Without prejudice to the Law of Real Estate Ownership and Investment by Non-Saudis and the applicable laws, subscription to the units will be available to any Saudi person, any citizen of the Gulf Cooperation Council (GCC) countries, or other foreigners residing or not residing in the Kingdom of Saudi Arabia. The method of public subscription will be as follows:

A. Documents required according to investor category

From individuals (including sole proprietorships):

- A valid ID (or equivalent).
- Having an active investment portfolio with a capital market institution.
- Having a bank account number (IBAN) registered in the name of the subscriber who wishes to subscribe to the Fund (note that the bank account is the account from which the subscription amount will be deducted and the surplus amount (if any) will be deposited).
- Submitting all relevant documents that may be required by the authorities receiving the subscription, in accordance with the applicable laws.
- Signing the subscription application form.

From Companies:

- A copy of the commercial registration.
- A copy of the notarized articles of association and approved bylaws.
- A copy of the ID of the authorized signatory with the company's stamp and signed by the authorized signatory.
- List of company owners.
- Submitting all relevant documents that may be required by the authorities receiving the subscriptions, in accordance with the applicable laws.
- Signing the subscription application form.

From Investment Funds:

- A copy of the commercial registration the Fund Manager with the company's stamp.
- A copy of the notarized articles of association and approved bylaws of the Fund Manager with the company's stamp.
- A copy of the Fund Manager's license from the Financial Market Authority.
- A copy of the terms and conditions of the relevant fund.
- A copy of the Authority's approval to offer the fund or approval to establish it (as applicable).
- A copy of the ID of the authorized signatory with the company's stamp and signed by the authorized signatory.
- Submitting all relevant documents that may be required by the authorities receiving the subscriptions, in accordance with the applicable laws.
- Signing the subscription application form.

From investment portfolios managed by a capital market institution:

- A copy of portfolio owner's ID.
- A copy of the commercial registration the portfolio manager with the company's stamp.
- A copy of the notarized articles of association and approved bylaws of the portfolio manager with the company's stamp.
- A copy of the Portfolio Manager's license from the Financial Market Authority.
- A copy of portfolio management contract.
- A copy of the ID of the authorized signatory with the company's stamp and signed by the authorized signatory.

- Submitting all relevant documents that may be required by the authorities receiving the subscriptions, in accordance with the applicable laws.
- Signing the subscription application form.

B. Important Notes

- The minimum public subscription will be one hundred (100) units, and the maximum public subscription will be six million and fifty thousand (6,050,000) units, constituting 10% of the number of units issued by the Fund.
- The subscriber shall ensure that the registered data and documents submitted are correct. The authorities receiving subscriptions shall not be responsible for what may result from any errors in the documents or information provided to the Fund Manager.
- The subscriber shall commit to ensuring that the value of the subscription request matches the executed bank transfers. The Fund Manager has the right to reject the subscription request in the event of any discrepancy, increase or decrease.
- Any amount transferred from an account other than the account registered with the authority receiving the subscription when subscribing to the fund will be rejected or not accepted, or if the required documents are not complete/correct. The bank account shall be in the subscriber's name.

C. Subscription Steps

The steps mentioned below explain the steps that shall be followed by a potential investor when subscribing to the fund. It should be noted that the authority receiving subscriptions may request additional requirements in accordance with the applicable laws or according to what they deem appropriate.

The first step: Obtaining the Terms and Conditions

Subscribers wishing to subscribe to the fund are required to obtain a copy of the terms and conditions by visiting the Fund Manager's website [www.icap.com.sa], the Capital Market Authority's website, the Tadawul website, or by visiting the website of the party receiving the subscriptions.

The second step: Filling out the subscription application form

The subscriber shall fill out the subscription application form completely by visiting the website of one of the authorities receiving subscriptions. It is sufficient to fill out one subscription application form for each main subscriber for himself and for his family members registered in the family registry if the family members will subscribe to the same number of units as the main subscriber is applying for. This entails the following:

- All units allocated to the main subscriber and affiliated investors shall be registered in the name of the main subscriber.
- Surplus amounts resulting from unallocated units will be returned to the main subscriber and affiliated subscribers.
- The main subscriber shall receive all profits from the units distributed for the units allocated to the main subscriber and to affiliated subscribers (in the event that the units are not sold or their ownership is transferred).

The third step: Agreement to the Terms and Conditions

If subscription to the Fund is via electronic means from one of the authorities receiving the subscriptions, the Terms and Conditions shall be agreed on electronically, so that subscription to the Fund is considered an acknowledgment of having read them and agreeing to everything contained therein. If subscription is through the Fund Manager's headquarters, the Terms and Conditions shall be signed manually and submitted along with the subscription application form to the Fund Manager.

The fourth step: Transferring the subscription amount

A temporary bank account number (IBAN) for each subscriber subscribed electronically will be sent by the Fund Manager. Then the subscriber shall transfer the full subscription amount to be subscribed in addition to the subscription fee at a rate of (2%) of the subscription amount plus value-added tax. The deadline for transfer is no later than five (5) pm before the end of the offering period.

Illustrative example: If the subscriber wants to subscribe to the fund with one hundred (100) units, he shall transfer the full subscription amounts. The total amount shall be one thousand and twenty (1,020) Saudi riyals, which is the net subscription amounts, which are one thousand (1,000) Saudi riyals plus twenty (20) Saudi riyals, which is the subscription fee, plus value-added tax on the subscription fee. This amount shall be transferred to the IBAN that the Fund Manager will provide to him after filling out the subscription application form.

The fifth step: Confirming receipt of the subscription application

When the subscription application form is completed, the Fund Manager shall send confirmation of the fund subscription application to the client via text message to the mobile number or email specified in the subscription application form.

The sixth step Accepting subscription application

The subscription request will be reviewed within three (3) business days from the date of confirmation of receipt of the subscription application. If the subscription application is not fully completed or if there are any comments, the subscriber shall be notified via text message or email to complete the application within one (1) business day of notifying the subscriber. If the application is complete, the client will be notified that the subscription request has been accepted. The Fund Manager has the right to accept or reject the subscription application at its absolute discretion. If a subscriber's subscription amount is rejected, the relevant subscription amount shall be refunded to the subscriber's investment portfolio within ten (10) business days from the end of the offering period (less any bank fees, wire transfers or currency exchange fees incurred).

The seventh step: Allocation Notice

After the end of the offering period and acceptance of subscriptions, the units shall be allocated to subscribers according to the allocation mechanism specified in Clause "7.8" of these Terms and Conditions. The Capital Market Authority shall be notified of the results of the final offering and the allocation and announcement of units through the Fund Manager's website within ten (10) business days from the end date of the offering period.

The eighth step Surplus refund and listing

After announcing the final allocation, the surplus will be returned to subscribers without any deduction, after deducting the value of the allocated units, subscription fees, and value-added tax, provided that the allocated units are deposited in the subscribers' investment portfolios with the relevant financial market institution.

This shall be done within five (5) working days from the end of the offering period. This shall be completed within five (5) business days from the end of the offering period.

D. Subscribe to the Fund through one of the two authorities receiving subscriptions (other than the Fund Manager)

The investor may subscribe to the Fund provided that he has a bank account with the relevant Receiving Entity and an active investment portfolio with a capital market institution licensed by the Capital Market Authority. The investor will subscribe through the electronic channels of the relevant Receiving Entity after agreeing to the Terms and Conditions or through the bank's branches after submitting a signed copy of the Terms and Conditions.

- The existence of a current account in the name of the main subscriber with the relevant Receiving Entity (in the absence of an account, a current account shall be opened with the relevant Receiving Entity).
- Having an investment portfolio in the name of the main subscriber with any of the capital market institutions licensed by the Capital Market Authority.
- Reviewing and agreeing to the Terms and Conditions through the Receiving Entity's website.
- Submitting an application for subscription to the Fund (as of the subscription period), through the website of the relevant Receiving Entity through the "Alistithmar AREIC Diversified REIT Fund" subscription page and filling out the Fund's subscription form during the offering period.

- In the event that the subscription through the branches requires the attachment of the national ID of the individuals or the family book if the subscription includes the dependents.
- In the event that the subscription is via the website, it shall not be required to attach the national ID of individuals or the family book if the subscription includes dependents. The customer will not be able to amend the data contained in the subscription form after filling it out, but he can cancel the subscription by contacting the relevant Receiving Entity before the end of the offering period at the latest at 5 pm.

E. Requirements for dependents and minors

- Those under the age of eighteen (18) years by Hijri calendar may subscribe through their guardian or trustee.
- The incapacitated person may subscribe through the guardian or trustee provided that he has an investment portfolio with one of the capital market institutions.
- A divorced or widowed Saudi woman who has minor children from a non-Saudi husband may subscribe to the names of her children for her benefit, provided that she provides evidence that she is divorced or widowed and evidence of maternity for minor children.
- For a minor under the age of eighteen (18) Hijri years, a copy of the national identity or residence of the minor shall be provided along with the identity of the guardian or trustee.
- If the client is a Saudi national and under the age of fifteen (15) Hijri years, the family record in which the minor is added shall be submitted, along with the identity of the guardian or trustee.
- If the client is under the age of eighteen (18) Hijri years and under guardianship, a copy of the guardianship deed issued by the competent court shall be submitted.

7.5 Subscription Procedures

The procedures for subscription to the Fund shall be in accordance with the above in particular and in accordance with the provisions of this Article "7" in general.

7.6 Ownership of Units after Listing

Investors wishing to purchase units after the offering period and list the units are entitled to do so by purchasing the units through the Tadawul platform (the main market) during trading times on the Saudi Stock Exchange. Please refer to Article "8" of these Terms and Conditions for more information.

7.7 Subscription in kind

Al-Mutlaq Real Estate Investment Company, one-person company will subscribe in-kind to the Fund during the offering period in exchange for units issued in its favor only. (Al-Mutlaq Furniture Company Limited, one-person company, has fully waived its right to subscribe in-kind to Al-Mutlaq Real Estate Investment Company, one-person company) with a number of forty-two million (42,000,000) units and a nominal value equivalent to four hundred and twenty million (420,000,000) Saudi riyals, which represents (69,42%) of the net asset value of the Fund (or the number of units issued by the Fund) as part of the value of the initial real estate assets.

The table below shows the ownership structure of Al-Mutlaq Real Estate Investment Company, one-person company:

Partner Name	Ownership Percentage
Al Mutlaq Group Company	100%

The table below shows the ownership structure of Al-Mutlaq Furniture Company, one-person company:

Partner Name	Ownership Percentage
Al Mutlaq Group Company	100%

7.8 Unit allocation mechanism and minimum subscription

A. Unit allocation mechanism

Investors who have submitted applications to the Fund within five (5) business days from the date of expiry of the offering period will be notified of the acceptance or rejection of the application in whole or in part (i.e. the surplus part in the event that the application exceeds the allocated part). If the subscription is accepted, confirmations shall be sent to subscribers that include the approved subscription amount, which may be subject to change after the final allocation. In the event that the subscription is rejected in whole or in part, the unacceptable or surplus part of the subscription, subscription fees and the relevant value added tax will be refunded to the investor's bank account within fifteen (15) business days from the date of expiry of the offering period or any extension thereto (bank transfer fees or currency exchange fees shall be deducted). The Fund Manager shall notify the Authority of the results of the offering and the allocation of units within ten (10) business days from the date of expiry of the offering period and shall announce them on its website.

As explained in clause "7.7" of these Terms and Conditions, forty-two million (42,000,000) units, representing 69.42% of the number of units issued by the Fund, will be allocated to Al-Mutlaq Real Estate Investment Company, one-person company (this percentage includes the share of Al-Mutlaq Furniture Company Limited, one-person company, which waived its right to in-kind subscription in favor of Al-Mutlaq Real Estate Investment Company, one-person company) in exchange for its in-kind subscription to the Fund during the offering period, so that its subscription has priority over the subscriptions of public subscribers.

When the in-kind subscription requirements are completed, the Fund Manager shall deal with investors' cash subscription from the public as follows:

- A. In the event that the total net subscription amounts submitted by investors from the public are less than one hundred and eighty-five million (185,000,000) Saudi riyals, the offering shall be canceled and all subscription amounts shall be refunded to investors (without any expenses, profits or interests except bank transfer fees or currency exchange fees, which shall be borne by the investor) within five (5) business days from the date of expiry of the offering period.
- B. In the event that the total net subscription amounts submitted by investors from the public are equivalent to one hundred and eighty-five million (185,000,000) Saudi riyals, the units shall be allocated to the public as follows:
 4. **Institutional investors:** (80%) of the units offered to the public will be allocated to institutional investors (such as companies, investment funds, commercial entities and the like). The allocation of units to institutional investors shall be based on several factors, including the subscription amount, the type of subscriber, the total net subscription amounts, and the percentage of coverage of the subscription of individual investors.
 5. **Individual Investors:** A maximum of (20%) of the units offered for subscription shall be allocated to individual subscribers. The units shall be allocated as a percentage of the subscribed amount with a minimum number of units to be distributed to all subscribers.
 6. In the event that individual investors do not cover the percentage allocated to them, the percentage shall be added to the allocation of institutional investors.
- C. In the event that the total net subscription amounts submitted by investors from the public exceed one hundred and eighty-five million (185,000,000) Saudi riyals, the units shall be allocated to the public on a pro rata basis for the subscription amounts.

B. Minimum Subscription

The minimum subscription is one hundred (100) units at a subscription price of ten (10) Saudi riyals per unit and shall not be less than one thousand (1,000) Saudi riyals excluding subscription fees and value added tax. It is also possible to allocate an amount less than the minimum subscription amount if the total net subscription amounts subscribed by the public exceed one hundred and eighty-five million (185,000,000) Saudi riyals. In this case, units less than the minimum subscription shall be allocated on

a pro rata basis to each subscriber in proportion to the value of his initial subscription, without prejudice to the subscription fees that are deducted based on the value of the actual subscription. The minimum subscription shall not apply to the in-kind subscription. Therefore, the Fund Manager shall not guarantee that the minimum subscription will be allocated to investors.

C. Maximum Subscription

The maximum subscription limit is six million fifty thousand (6,050,000) units at a subscription price of ten (10) Saudi riyals per unit and shall not be less than sixty million five hundred (60,500,000) Saudi riyals excluding subscription fees and value added tax. It is also possible to allocate an amount less than the maximum subscription if the total net subscription amounts subscribed by the public exceed one hundred and eighty-five million (185,000,000) Saudi riyals. In this case, units less than the maximum subscription shall be allocated on a pro rata basis for each subscriber in proportion to the value of his initial subscription, without prejudice to the subscription fees that are deducted based on the value of the actual subscription. The maximum subscription shall not apply to the in-kind subscription.

7.9 Timeline of Expected Durations of the Offering

Procedure	Expected Duration
Offering Period	Seven (7) business days
Extension of the offering period (if the extension is made after obtaining the approval of the Capital Market Authority)	Ten (10) business days
Issuing a statement of the results of the offering to the Capital Market Authority and on the website of the Fund Manager	Ten (10) business days from the expiry of the offering period or any extension thereto
Announcing the status of allocation of units to subscribers and refunding surplus amounts	Fifteen (15) business days from the expiry of the offering period or any extension thereto
Refunding surplus, rejected subscriptions and subscriber amounts if the required minimum is not collected	Five (5) business days from the end of the offering period
Transfer of ownership of the Fund's initial real estate assets (through the Custodian) after collecting the minimum cash consideration (and other preconditions described in Clause "5.7" of these Terms and Conditions) to complete the acquisition of the initial real estate assets.	Sixty (60) business days after the end of the offering period
Start of trading Fund Units in Tadawul	During Q1-2024G

7.10 Increasing the total value of the Fund's assets

In the event that the Fund Manager decides to increase the total value of the Fund's assets, the mechanism shall be as stipulated in the executive regulations issued by the Capital Market Authority and its instructions.

7.11 Allocation to Institutional Investors

The Fund Manager shall allocate at least (80%) of the entire cash offering to institutional investors. If it is not covered by them, it will be allocated to the rest of the individual subscribers.

8. Fund Units Trading

8.1 Fund Units Trading Method

The units shall be dealt via a trading system through an integrated mechanism that covers the entire trading process from the execution of the deal to its settlement. Units shall be dealt via a trading system upon listing, in the same manner as shares of listed companies and units of real estate investment funds are traded in Tadawul. Therefore unitholders and investors may trade during the normal trading hours announced by the capital market directly. The potential investor's subscription to the Fund or its purchase of units after the offering is an acknowledgment of his knowledge and acceptance of these Terms and Conditions.

8.2 Cases in which Fund units are suspended from trading and/or de-listed

- A. The Fund Manager may, after the approval of the Capital Market Authority, request the temporary suspension of the Fund's units or request the cancellation of units listing, provided that it submits the specific reasons for the request for suspension or cancellation in accordance with the Capital Market Law and the executive regulations issued by the Capital Market Authority and Tadawul.
- B. The Authority may suspend the trading of units or cancel their listing at any time and as it deems appropriate, in accordance with the Capital Market Law, the executive regulations issued by the Capital Market Authority and the listing rules, including, but not limited to:
 1. If it deems it necessary to protect investors or to maintain a regular market.
 2. If the authority deems that the fund, its business, the level of its operations, or its assets are no longer suitable for the continued listing of its units in Tadawul.
 3. If the Authority considers that the Custodian or market maker (where applicable) has failed to comply with the Capital Market Law and/or the executive regulations issued by the Authority and/or the market rules.
 4. at the end of the fund.
 5. If the liquidity requirements set out in the listing rules are not met.

9. Dividend Policy

The Fund shall distribute at least 90% of the Fund's annual net profits (if any) to unitholders on a semi-annual basis in September and March. Capital gains (if any) may also be reinvested in other assets resulting from the sale of real estate assets or other investments of the Fund, as described in Clauses "5.1" and "5.9" of these Terms and Conditions, without prejudice to the provisions of the Real Estate Investment Funds Regulations. In the absence of investment opportunities within a year consistent with the criteria mentioned in Clause "5.1" of these Terms and Conditions from the date of receipt of the amount of sale or expropriation of the relevant assets, the Fund Manager shall distribute those amounts with the nearest dividends.

10. Termination and liquidation of the Fund

Without prejudice to the provisions of the Real Estate Investment Funds Regulations and related laws, the Fund may be terminated in any of the following cases (including but not limited to):

- A. Upon the expiry of the specified term of the Fund.
- B. In the event that all its assets are disposed of and all proceeds from these disposals are distributed to the unitholders.
- C. In the event of any change in the laws, regulations, rules or statutory requirements (or their equivalent) or the occurrence of material changes to the market conditions in the Kingdom of Saudi Arabia, the Fund Manager considered it as a justifiable reason for the termination of the Fund.

- D. If it is necessary to terminate the Fund in accordance with a decision issued by the Capital Market Authority or under its regulations.
- E. In the event that the initial real estate asset purchase process is not completed within sixty (60) business days after the successful completion of the offering period. The Fund Manager will close the Fund and carry out the procedures referred to in these Terms and Conditions and other procedures related to refunding the subscription amounts stipulated in these Terms and Conditions. The Fund Manager will notify the Authority and announce this on the Fund Manager's website, the Tadawul website, or any other website available to the public according to controls determined by the Authority.
- F. If the amount is collected but the initial real estate assets are not acquired, or if the initial real estate assets are acquired and the units are not listed in Tadawul, the Fund Manager shall terminate the fund and carry out the procedures referred to in this Article "10".
- G. Any other case stipulated in the Real Estate Investment Funds Regulations.

The procedures for terminating the Fund shall be as follows:

- A. The Fund Manager shall complete the stage of selling the Fund's assets and distribute the unitholders' dues to them before the end of the Fund's term (if the Fund's term is not extended).
- B. The Fund Manager may extend the duration of the fund in order to complete the phase of selling the fund's assets in accordance with the relevant provisions of the Real Estate Investment Funds Regulations.
- C. The Fund Manager shall prepare a plan and procedures for terminating the fund in the interest of unitholders. It must obtain the approval of the Fund's Board of Directors to this plan before taking any action in this regard.
- D. The Fund Manager shall announce the details of the plan and procedures for terminating the Fund on the Fund Manager's website, the Tadawul website, or any other website available to the public, in accordance with the controls determined by the Authority, no less than twenty-one (21) days before the date on which the Fund is intended to be terminated, and without prejudice to these Terms and Conditions.
- E. The Fund Manager shall adhere to the Fund termination plan and procedures approved by the Fund Board of Directors.
- F. The Fund Manager shall announce the termination of the Fund on the Fund Manager's website, the Tadawul website, or any other website available to the public, in accordance with the controls determined by the Authority, within ten (10) days of the end of the Fund's termination.
- G. The Fund Manager shall provide unitholders with a Fund termination report within a period not exceeding seventy (70) days from the date of completion of the termination or liquidation (as applicable) of the Fund, including the final audited financial statements of the Fund for the period following the last audited annual financial statements.
- H. Without prejudice to what is set forth in these Terms and Conditions and the possibility of making an in-kind distribution, if the Fund's term expires and the Fund Manager does not complete the phase of selling the Fund's assets during its term, the Fund Manager shall liquidate the Fund's assets and distribute the unitholders' dues to them within a period not exceeding six (6) months from the expiration date of the fund term.

The procedures for liquidating the Fund shall be as follows:

- A. In accordance with the Real Estate Investment Funds Regulations, the Fund Manager shall obtain the approval of the Fund's Board of Directors to the plan and procedures for liquidating the Fund before taking any action in this regard.
- B. The Fund Manager shall adhere to the Fund liquidation plan and procedures approved by the Fund Board of Directors.
- C. The Fund Manager shall announce the liquidation of the Fund on the Fund Manager's website, the Tadawul website, or any other website available to the public, in accordance with the controls determined by the Authority, within ten (10) days of the end of the Fund's liquidation.

- D. The Fund Manager shall contribute the unitholders' dues to them immediately upon completion of the Fund's liquidation and in a manner that does not conflict with the interest of the unitholders and the terms and conditions of the fund.
- E. The Fund Manager shall provide unitholders with a Fund liquidation report within a period not exceeding seventy (70) days from the date of completion of the liquidation of the Fund, including the final audited financial statements of the Fund for the period following the last audited annual financial statements.
- F. The Fund Manager shall immediately announce on the Fund Manager's website, the Tadawul website, or any other website available to the public in accordance with the controls determined by the Authority, of any material events or developments during the Fund's liquidation period, which include, for example, the dismissal of the Fund Manager and the appointment of an alternative liquidator pursuant to a decision from the Authority.
- G. In the event that the Fund is terminated for any reason mentioned in this Article "10", the Fund Manager shall immediately initiate procedures for liquidating the Fund and request the cancellation of the listing of its units, without prejudice to the Real Estate Investment Funds Regulations and these Terms and Conditions. The Fund Manager shall carry out liquidation tasks. It shall work to terminate the fund and distribute its assets in cash or in-kind (as the case may be) to the unitholders, taking into account achieving the best interest of the unitholders. The Authority may also dismiss the Fund Manager from the liquidation process if a special decision is issued for the Fund, provided that the alternative liquidator is appointed at the same meeting in which the Fund Manager is dismissed. If the Fund Manager is dismissed from the liquidation process, the Fund Manager shall abide by the provisions of the Real Estate Investment Funds Regulations.. In any event, the Fund Manager shall treat Unitholders fairly during the Fund Termination or Liquidation process.

11. Fees, service fees, commissions and management fees

11.1 Disclosure Fees, Service Fees, Commissions and Management Fees

All fees, charges and fees set out below shall be borne by the Fund (except as otherwise stated) as follows:

Fees, Commissions and Remunerations	
1. Fees paid and borne by unitholders when subscribing to the Fund	
Subscription Fee:	The subscription fees shall be deducted from the net subscription amounts upon subscription to the Fund and at the rate of (2%) of the net subscription amounts, which shall be paid to the Fund Manager upon subscription. These fees shall be finally due upon allocation of units. The Fund Manager will waive all subscription fees related to Al-Mutlaq Real Estate Investment Company, one-person company (which subscribes in kind), as stated in Clause "7.7" of these Terms and Conditions. The Fund Manager shall also be entitled to a subscription fee of (2%) of the net subscription amounts in the event of any future offerings to increase the total value of the Fund's assets.
2. Remunerations and fees to be charged to the Fund	
Fund Management Fee:	Annual fees equivalent to (0.5%) of the total value of the Fund's assets, calculated and paid on a semi-annual basis.
Transaction Fees:	The Fund Manager shall receive (0.5%) of the special selling price for each real estate asset sold by the Fund. It shall also receive (0.5%) of the special purchase price for each real estate asset purchased by the Fund in return for the Fund Manager conducting the necessary investigation, negotiating the terms of purchase or sale, and completing the process. Dealing fees shall be due after the completion of the purchase or sale of each real estate asset. Note that the transaction fees will be applied to the purchase of the initial real estate assets, which will be calculated on the basis of the acquisition price of the initial real estate assets.
Performance Fee:	Without prejudice to the Dividend Policy mentioned in Article "9" of these Terms and Conditions, in the event that the Fund is able to pay annual cash dividends exceeding (10%) of the Fund's net asset value, incentive fees of (20%) of any amount exceeding (10%) of the Fund's net asset value shall be paid from the Fund's assets to the Fund Manager.



Fees, Commissions and Remunerations	
Brokerage Commission (Fees):	In the event that the Fund is the buyer, the Fund may bear a brokerage commission at a maximum rate of (2.5%) of the price of each deal, and shall be paid by the Fund (in its capacity as buyer) to the broker in the relevant deal after emptying. Such commission (if any) will be disclosed in the summary of the financial disclosure at the end of each year. Note that the brokerage commission will not be applied to the purchase of initial real estate assets.
Finance Costs:	The Fund shall bear all financing costs, fees, expenses and expenses related to arranging and structuring the Fund's financing and all that is directly or indirectly related to the financing, such as hedging agreements (if any) that are paid to the financing entity at the prevailing market price. The Fund's financing shall not exceed (50%) of the total value of the Fund's assets at the time of concluding the relevant financing contract, according to the latest audited financial statements.
Debt Arrangement Fees:	In addition to the financing costs, the Fund shall bear an arrangement fee equivalent to (0.5%) of the value of the financing to be obtained by the Fund, which shall be paid to the Fund Manager in return for arranging financing loans for the Fund to be used to cover the costs of acquisition, development and operation of the Fund. The arrangement fee shall apply to the financing to be obtained for the benefit of the Fund referred to in these Terms and Conditions. In any case, the arrangement fee shall not exceed three million five hundred thousand (3,500,000) Saudi riyals.
Property Manager Fees:	Annual fees paid to the Property Manager in the amount of two million six hundred thousand (2,600,000) Saudi riyals, and paid as an advance and semi-annually to the Property Manager. The Property Manager will also be entitled after the end of the third year of the property management contract to an increase in the annual fees equivalent to (2.5%) of the fees paid for the previous year (the third year). In addition to the aforementioned annual fees, the Property Manager will be entitled to receive amounts of money that will not totally exceed four hundred thousand (400,000) Saudi riyals in the event that the performance indicators that will be agreed upon later with the Property Manager are achieved, which will include, but are not limited to, the occupancy rates of real estate assets under management, the payment of tenants for relevant rental payments, and the average timetables for processing related tenants' requests. The Fund Manager is also entitled to deduct from the annual Property Manager's fees a value that does not totally exceed four hundred thousand (400,000) Saudi riyals in the event that he fails to achieve the performance indicators that will be agreed upon. The Fund will also bear all expenses, fees and costs of the service providers contracted by the Property Manager for the purposes of servicing the properties managed by it, which are (as at the date of these Terms and Conditions) the initial real estate assets.
Development Fees:	In the event that the Fund invests in real estate development projects, the developer will receive its fees for supervising/working on the development of the project in the form of a percentage of the costs of constructing the project and according to the prevailing market price.
Custody Fees:	- (0.02%) shall be paid semi-annually as a percentage of the net asset value of the Fund. In all cases, the fees shall not be less than one hundred and fifty thousand (150,000) Saudi riyals. - Thirty-five thousand (35,000) Saudi riyals shall be paid to the Custodian to establish the first SPV, and an amount of twenty-five thousand (25,000) Saudi riyals for SPVs to be established in addition to the first vehicle (if any). - Any legal expenses or fees incurred by the Custodian related to its work as a Custodian. - A fee of twenty-five thousand (25,000) Saudi riyals for the transfer of ownership of the Fund's assets.



Fees, Commissions and Remunerations

Hotels Operating Fee:	The specific and scope fees that the Fund will bear for the operation of the Somerset Hotel and the Citadines Hotel in accordance with the relevant operating contracts (which have been indicated that their referral to the Fund is a prerequisite for the initial real estate asset purchase and sale agreement (excluding the sixth real estate asset (Al-Mashael Warehouses)) as in Clause “5.7” of these Terms and Conditions), and are calculated for each hotel as follows: Fixed fees equivalent to 2% of the total income for the relevant month plus a percentage of the adjusted gross operating profit (AGOP). This percentage shall be one of the percentages mentioned below (as applicable and based on performance) and shall be paid on a monthly basis. <table border="1"> <thead> <tr> <th>Adjusted Gross Operating Profit (AGOP) Margin Ratio</th><th>Accrued Percentage of Adjusted Gross Operating Profit (AGOP)</th></tr> </thead> <tbody> <tr> <td>If it is less than 35%</td><td>0%</td></tr> <tr> <td>If it is more than or equal to 35% but less than 45%</td><td>4%</td></tr> <tr> <td>If it is more than or equal to 45% but less than 55%</td><td>6%</td></tr> <tr> <td>If it is more than or equal to 55%</td><td>8%</td></tr> </tbody> </table> Note that the method of calculating the components of the fees is fully agreed with the operator. It should also be noted that the Uniform System of Accounts for the Lodging Industry, 10th Revised Edition will be used for some items related to the above fees only for the purposes of calculating the components of these fees. The Fund shall also bear the additional costs of the common services provided by the Operator: A. 131 Saudi riyals per month per room. B. 2% of room income as brand fees. C. Training and education costs included in the annual work plan, which are agreed upon between the parties on an annual basis. D. Prevailing charges at the relevant time for the Global Reservations Service. E. Part of the cost of marketing and other administrative services.	Adjusted Gross Operating Profit (AGOP) Margin Ratio	Accrued Percentage of Adjusted Gross Operating Profit (AGOP)	If it is less than 35%	0%	If it is more than or equal to 35% but less than 45%	4%	If it is more than or equal to 45% but less than 55%	6%	If it is more than or equal to 55%	8%
Adjusted Gross Operating Profit (AGOP) Margin Ratio	Accrued Percentage of Adjusted Gross Operating Profit (AGOP)										
If it is less than 35%	0%										
If it is more than or equal to 35% but less than 45%	4%										
If it is more than or equal to 45% but less than 55%	6%										
If it is more than or equal to 55%	8%										
Costs of Operating and Maintaining the Fund's assets:	The Fund shall bear all the costs of operating and maintaining the Fund's assets at the prevailing market rate. In all cases, only the actual expenses and fees will be deducted in the future.										
Insurance Fees and Costs:	In the event that the Fund Manager insures any of the Fund's assets, the Fund will bear all the fees and costs of the relevant insurance policy according to the prevailing market rate at the time.										
Auditor's fees:	The Fund shall pay the auditor an annual fee of forty-five thousand (45,000) Saudi riyals, half of which shall be paid immediately upon signing the relevant contract and the rest of which shall be paid upon the issuance of the relevant draft financial statements. These fees may change frequently, and such change will be disclosed in the reports submitted to the Unitholders in accordance with Article “22” of these Terms and Conditions.										
Sharia/Legal Supervision Committee Fees:	Annual fees of twenty thousand (20,000) Saudi riyals to be paid semi-annually, which may change from time to time, and such change will be disclosed in the reports submitted to the unitholders in accordance with Article “22” of these Terms and Conditions if it occurs. This is with the exception of the first year, in which half of the fees will be paid immediately after the signing of the contract and the second payment immediately after the issuance of the Sharia approval certificate.										
Real Estate Independent Valuers Fees:	The Fund shall bear all the costs of real estate valuers at the prevailing market rate. In all cases, only the actual expenses and fees will be deducted in the future.										
Engineering and Consulting Services' Fees:	The Fund shall bear the actual expenses related to the technical and engineering services that the Fund Manager may need to ascertain the work of the Property Manager/Developer/or any of their contractors, including but not limited to: Ensure the progress of the project, the quality of the implementation of the works, claims and other related services. In all cases, only the actual fees and expenses shall be deducted.										
Remuneration of the Board of Directors Members:	The Fund will grant the independent members of the Board of Directors of the Fund a financial remuneration of ten thousand (10,000) Saudi riyals per meeting, up to a maximum of twenty thousand (20,000) Saudi riyals per independent member annually, to be paid twice a year after each meeting of the Board of Directors of the Fund. The Fund shall also bear all actual travel and accommodation costs incurred by each member of the Board of Directors of the Fund in order to attend the meetings of the Board of Directors of the Fund (regardless of whether he is a member of the Board of Directors of an independent fund or otherwise).										



Fees, Commissions and Remunerations	
3. Listing, registration and other administrative services fees	
Listing and Registration Fees:	The Fund will incur fees for the services provided by Tadawul and the Depository Center as changed and updated from time to time. These fees are as follows: A. Registration Fees - <u>Unitholders Register Creation Service</u>: An amount of fifty thousand (50,000) Saudi riyals in addition to two (2) Saudi riyals for each investor up to a maximum amount of five hundred thousand (500,000) Saudi riyals. - <u>Unitholders Register Management Service Annual Fee</u>: An amount of four hundred thousand (400,000) Saudi riyals annually. This fee may change from time to time according to the net asset value of the Fund. B. Listing Fees - <u>Initial Listing Service for Fund Units</u>: Fifty thousand (50,000) Saudi riyals. - <u>Annual Fee for the Service of Listing the Units of the Fund</u>: (0.03%) of the market value of the Fund, with a minimum of fifty thousand (50,000) Saudi riyals and a maximum of three hundred thousand (300,000) Saudi riyals.
Supervisory Fees Paid to the Capital Market Authority:	The Fund will bear a lump sum of seven thousand five hundred (7,500) Saudi riyals annually. These fees will be prorated for the number of days of the year, and the due fees will be paid every twelve (12) months.
Fees for Publishing Information on the Tadawul Website:	The Fund will bear a lump sum of five thousand (5,000) Saudi riyals annually for the publication of information on the Tadawul website. These fees will be prorated for the number of days of the year, and the due fees will be paid every twelve (12) months.
Offering Expenses:	The Fund shall bear all the costs of the offering and all the expenses and fees incurred by the Fund Manager related to the offering.
4. Other fees paid by unitholders or deducted from the Fund's assets	
Other Expenses:	Without prejudice to the fees, charges and costs expressly mentioned in these Terms and Conditions, the Fund shall bear all fees, expenditures and expenses related to the activities and investments of the Fund. It shall also bear the expenses and fees resulting from transactions and services provided by third parties or related parties that are needed by the Fund Manager, such as legal and advisory services, real estate consultants and any other professional, technical, technological, administrative, advisory or government services, including expenses related to transfer fees between bank or investment accounts or their replacements, in addition to any fees (if any). Such costs shall not exceed (0.6%) of the total value of the Fund's assets annually. In all cases, only actual expenses and fees shall be deducted.
Zakat:	The Fund Manager will register with the Zakat, Tax and Customs Authority for the purposes of Zakat in accordance with the rules for the collection of Zakat from investors in investment funds (the "Rules") issued by Ministerial Resolution No. (29791) dated 9 Jumada Al-Awwal 1444H, and the Executive Regulations for the Collection of Zakat issued by Ministerial Resolution No. (2216) dated 7 Rajab 1440H, as amended by His Excellency the Minister of Finance Resolution No. (58705) dated 21/09/1444H. Based on what is set forth in the Rules, the conditions of deduction will be applied to the taxpayers who own the units of the investment fund according to the mechanism, conditions and controls of calculating Zakat of these detailed investments, in order to qualify the taxpayers subject to the provisions of the Regulations to record their investment units held in this Fund as deductions from the components of the Zakat base in their Zakat returns. This occurs if the deduction conditions mentioned in the Regulations and other controls mentioned in the rules apply, noting that these rules are a mechanism for regulating the collection of Zakat from investors in investment funds only if the taxpayer subject to the rules chooses to record these investments within the deductions from the Zakat base in its return. The Fund Manager undertakes to provide the Zakat, Tax and Customs Authority with all reports and requirements regarding Zakat returns and the information requested by the Zakat, Tax and Customs Authority for the purposes of examining and reviewing the Fund Manager's returns. The Fund Manager shall also provide the subjected unitholder with Zakat returns upon request in accordance with the rules for collecting zakat from investment in investment funds issued by the Zakat, Tax and Customs Authority. Investors subject to the provisions of these rules who hold investment units in the Fund are required to calculate and pay Zakat on these investments. The rules for the collection of Zakat from investing in investment funds issued by the Zakat, Tax and Customs Authority can also be found on the website: (https://zatca.gov.sa/ar/Pages/default.aspx).



Fees, Commissions and Remunerations

Government Fees/ Taxes:

The said fees, commissions and expenses due to the Fund Manager or other parties do not include government fees/taxes. The Fund will bear the government fees/taxes separately, whether due to the Fund Manager or resulting from its normal operating business, in accordance with the relevant legislation and executive regulations, including, for example, VAT.

5. Early Redemption Fees

N/A

6. Ratio of Fund Costs to Total Fund Asset Value *

The ratio of the recurring costs of the Fund to the total value of the Fund's assets is equivalent to (4.02%).

* Note that the percentage of the Fund's non-recurring costs and the percentage of the Fund's annual recurring costs is equivalent to 9.84% of the total value of the Fund's assets.

The aforementioned fees, commissions and expenses due to the Fund Manager or other parties do not include the value added tax or any tax imposed in the future. The relevant tax will be charged separately in accordance with what is stipulated in the Value Added Tax Law and its executive regulations and/or the relevant law and executive regulations. The Fund Manager also acknowledges that the fees mentioned in the above table in clause "11.1" of these Terms and Conditions are all fees imposed and calculated on the Fund during the term of the Fund without exception. The Fund Manager shall be responsible for calculating any other fees that differ from those mentioned in the aforementioned table. The Fund Manager may, without being obligated to do so, waive or deduct from any fees due to it mentioned in the aforementioned table.

11.2 Fees, their percentages, method of calculation and frequency of payment

The table below shows the types of fees, the percentage imposed, the amount imposed, the method of calculation and the frequency of payment of the fee:

Fee Type	Imposed Percentage	Imposed Amount (In Saudi Riyal)	Calculation method	Frequency of payment of fees
Subscription Fee	2%	-	Subscription fees shall be deducted from the net subscription amounts and paid to the Fund Manager (Net subscription amounts (due after allocation of units) x percentage)	One-time payment upon subscription
Fund Management Fee	0.5%	-	Calculated on a semi-annual basis from the total value of the Fund's assets (total value of the Fund's assets x percentage)	Biannual
Transaction Fees	0.5%	-	Dealing fees are calculated when selling or buying any real estate asset (total purchase or sale price of each real estate asset x percentage)	It is paid once for each purchase or sale (note that it shall apply to initial real estate assets)
Performance Fee	If the Fund distributes annual dividends exceeding 10% of the Fund's net asset value, the Fund Manager shall be entitled to 20% of any amount exceeding 10% of the Fund's net asset value.	-	If the Fund distributes annual dividends exceeding 10% of the Fund's net asset value, the Fund Manager shall be entitled to 20% of any amount exceeding 10% of the Fund's net asset value.	It is paid when the aforementioned condition related to the size of the annual dividends is met
Brokerage Commission	2.5%	-	The brokerage commission (seeking) shall be calculated if any real estate asset is purchased by the Fund (total purchase price of the real estate asset x percentage) Note that the brokerage commission shall not be applied to the purchase of initial real estate assets	One-time payment upon purchase
Debt Arrangement fees	0.5%	-	Debt arrangement fees shall be calculated when the Fund obtains financing (total financing value x percentage) The debt arrangement fees shall not exceed 3,500,000 Saudi riyals	It is paid once upon obtaining the financing (this includes the financing intended to be obtained for the Fund and described in these Terms and Conditions)

Fee Type	Imposed Percentage	Imposed Amount (In Saudi Riyal)	Calculation method	Frequency of payment of fees
Custody Fees	0.02%	In no case shall it be less than 150,000	A percentage of the Fund's net asset value (net asset value of the fund x percentage), by dividing the fees proportionally by the number of days in the year	Biannual
Costs of Operating and Maintaining the Fund's assets	-	According to the actual costs of the service provided (if any)	According to the provisions of the contract that will be concluded to provide the relevant service (if any)	According to the provisions of the contract that will be concluded to provide the relevant service (if any)
Insurance Fees and Costs	-	According to the actual cost at the time of obtaining the insurance policy (if insured)	According to the provisions of the relevant insurance policy (if insured)	According to the provisions of the relevant insurance policy (if insured)
Auditor's fees	-	45,000	Half of the fees shall be paid in advance upon signing the contract, and the remainder shall be paid when the relevant draft financial statements are issued	Biannual
Shari'a Supervisory Committee Fees	-	20,000	To be paid biannually	Biannual
Real Estate Valuers Fees	The Fund shall bear all the costs of real estate valuers at the prevailing market rate. In all cases, only the actual expenses and fees will be deducted in the future. These fees shall be disclosed in the financial disclosure summary at the end of the year.			
Fees for Engineering and Consulting Services	The Fund shall bear the actual expenses related to the technical and engineering services that the Fund Manager may need to ascertain the work of the Property Manager/Developer/or any of their contractors, including but not limited to: Ensure the progress of the project, the quality of the implementation of the works, claims and other related services. In all cases, only the actual fees and expenses shall be deducted.			
Remuneration of the Board of Directors Members	The Fund will grant the independent members of the Board of Directors of the Fund a financial remuneration of ten thousand (10,000) Saudi riyals per meeting, up to a maximum of twenty thousand (20,000) Saudi riyals per independent member annually, to be paid twice a year after each meeting of the Board of Directors of the Fund. The Fund shall also bear all actual travel and accommodation costs incurred by each member of the Board of Directors of the Fund in order to attend the meetings of the Board of Directors of the Fund (regardless of whether he is a member of the Board of Directors of an independent fund or otherwise).			
Offering Expenses	The Fund shall bear all costs of the offering and all expenses and fees incurred by the Fund Manager related to the offering. These fees and rewards shall be disclosed in the financial disclosure summary at the end of the year.			



Fee Type	Imposed Percentage	Imposed Amount (In Saudi Riyal)	Calculation method	Frequency of payment of fees
Hotels Operating Fees	The specific and scope fees that the Fund will bear for the operation of the Somerset Hotel and the Citadines Hotel in accordance with the relevant operating contracts (which have been indicated that their referral to the Fund is a prerequisite for the initial real estate asset purchase and sale agreement (excluding the sixth real estate asset (Al-Mashael Warehouses)) as in Clause “5.7” of these Terms and Conditions), and are calculated for each hotel as follows: Fixed fees equivalent to 2% of the total income for the relevant month plus a percentage of the adjusted gross operating profit (AGOP). This percentage shall be one of the percentages mentioned below (as applicable and based on performance) and shall be paid on a monthly basis.			
	Adjusted Gross Operating Profit (AGOP) Margin Ratio		Accrued Percentage of Adjusted Gross Operating Profit (AGOP)	
	If it is less than 35%		0%	
	If it is more than or equal to 35% but less than 45%		4%	
	If it is more than or equal to 45% but less than 55%		6%	
	If it is more than or equal to 55%		8%	
	Note that the method of calculating the components of the fees is fully agreed with the operator. It should also be noted that the Uniform System of Accounts for the Lodging Industry, 10th Revised Edition will be used for some items related to the above fees only for the purposes of calculating the components of these fees. The Fund shall also bear the additional costs of the common services provided by the Operator: A. 131 Saudi riyals per month per room. B. 2% of room income as brand fees. C. Training and education costs included in the annual work plan, which are agreed upon between the parties on an annual basis. D. Prevailing charges at the relevant time for the Global Reservations Service. E. Part of the cost of marketing and other administrative services.			
Finance Costs	These charges will be disclosed in the financial disclosure summary at the end of the year.			
Registration Fees	-	400,000	It is calculated on a daily basis, by dividing the fees proportionally by the number of days in the year	Annual
Registration Fees upon Establishment	-	50000 – 500000	To be paid in advance and incurred by the Fund	One-time payment upon establishment
Listing Fees	0.03%	-	Fund market value x percentage	Annual
Listing Fees upon Establishment	-	50,000	To be paid in advance and incurred by the Fund	One-time payment upon establishment
Supervisory Fees Paid to the Capital Market Authority	-	7,500	It is calculated on a daily basis, by dividing the fees proportionally by the number of days in the year	Annual
Fees for Publishing Information on the Tadawul Website	-	5,000	It is calculated on a daily basis, by dividing the fees proportionally by the number of days in the year	Annual

Fee Type	Imposed Percentage	Imposed Amount (In Saudi Riyal)	Calculation method	Frequency of payment of fees
Property Manager Fees	In addition to the annual fees, after the end of the third year of the Property Management Contract, the Property Manager shall be entitled to an increase of 2.5% of the fees paid in the third year.	2,600,000 In addition to the annual fees and the right to increase in the third year, the Property Manager shall be entitled to performance incentives not exceeding 400,000, and the Fund Manager shall have the right to deduct from its fees an amount not exceeding 400,000 (the incentives and the right to deduct are on an annual basis).	To be paid in advance and biannually	Biannual
Development Fees	These fees will be disclosed in the financial disclosure summary at the end of the year (if any).			
Government Fees/Taxes	These fees will be disclosed in the financial disclosure summary at the end of the year.			
Zakat	These charges will be disclosed in the financial disclosure summary at the end of the year.			
Other Expenses	These charges will be disclosed in the financial disclosure summary at the end of the year.			

The Fund Manager shall also acknowledge that the fees mentioned in the above two tables are all fees imposed and calculated on the Fund during the term of the Fund without exception. The Fund Manager shall be fully responsible for calculating any other fees that differ from those mentioned in the aforementioned two tables.

11.3 Example of a hypothetical unitholder investment*

Assuming that the subscription amount is one million (1,000,000) Saudi riyals, and the size of the Fund is one billion two hundred and ten million (1,210,000,000) Saudi riyals, and assuming that the total value of real estate rentals is ninety-three million eight hundred and eighty-three thousand two hundred and seventy-nine (93,883,279) Saudi riyals, the return on the unit after deducting all expenses shall be as follows:

Fees	Fees applied to the fund (in Saudi riyals)	The amount charged to the Fund and its reflection on the unitholder (in Saudi riyals)
Remuneration and recurring expenses		
Custody Fees	150,000	150
Auditor's fees	45,000	45
Remuneration of the Board of Directors Members	40,000	40
Real Estate Valuers Fees	150,000	150
Listing and Registration Fees	400,000	400
Supervisory Fees Paid to the Supervisory Authorities	7,500	7.50
Fees for Publishing Information on the Tadawul Website	5,000	5
Annual Fee for the Service of Listing the Units of the Fund	300,000	300

Fees	Fees applied to the fund (in Saudi riyals)	The amount charged to the Fund and its reflection on the unitholder (in Saudi riyals)
Remuneration and recurring expenses		
Property Manager Fees	2,600,000	2,600
Sharia Supervision Committee Fees	20,000	20
Fund Management Fee	0.5%	6,050
Value Added Tax	15%	1,465
Zakat Expense	208,499	208.50
Finance Costs	37,207,500	37,207.5
Total annual recurring fees and expenses	48,648,624	48,648.62
The percentage of recurring annual fees and expenses out of the total value of the Fund's assets		4.02%
Total Property Rents		93,883,279
Fund's expected net income	45,234,656	45,236.65
Percentage of expected net unit income (of the Fund's net assets)		7.5%
Expected net value of hypothetical distributions for one year (net investment amount)		74,768
Details of non-recurring capital expenditures (paid from the Fund's total assets).^{***}		
Items of capital expenditures	Fees applied to the Fund	The amount charged to the Fund and its reflection on the unitholder (in Saudi riyals)
Real Estate Disposition Tax	53,918,500	53,919
Brokerage Amount	0.00	0.00
Transaction Fees	5,391,850	5,392
Debt Arrangement fees	3,025,000	3,025
Expenses of Technical Examination	236,445	236
Expenses of Feasibility Study Advisor	245,000	245
Other offering and acquisition expenses	5,480,000	5,480
Value Added Tax	2,156,744	2,157
Total non-recurring fees and expenses	70,453,539	70,454
The percentage of non-recurring fees and expenses out of the total value of the Fund's assets ^{**}		5.82%
[*] The above table is an example, and should not be relied upon when making an investment decision. The above table does not include all the expenses stipulated in these Terms and Conditions. This example was provided for the purpose of clarification and convenience only.		
^{**} Note that the percentage of the Fund's non-recurring costs and the percentage of the Fund's annual recurring costs is equivalent to 9.84%.		
^{***} The total return to the total value of the Fund's assets is 7.8%, and the net return to the total value of the Fund's assets is 3.7%.		

12. Insurance

As of the date of these Terms and Conditions, none of the initial real estate assets have been insured.

13. Fund Assets

13.1 Mechanism for registering the Fund's assets

Taking into account any financing that the Fund may obtain in the future or that is already in place, which may include arranging any mortgages or any mortgage assignments that the Fund creates on its initial real estate assets or the real estate assets that it will own in the future (if any), the Fund's real estate assets shall be registered in the name of a company (or more) special vehicle (SPV) which shall be owned by the custodian.

13.2 Data related to asset valuation

The Fund Manager will appoint real estate valuers accredited by the Saudi Authority for Accredited Valuers for the purpose of valuating the Fund's real estate assets. The Fund Manager may at any time replace these two valuers with other real estate valuers with the same conditions applied to their predecessors after the approval of the Fund's Board of Directors and without the need to obtain approval from the unitholders or notify them, taking into account their interest. The Fund Manager will also be committed to changing the real estate valuers every five (5) years as maximum.

A. Names of accredited valuers of the Fund's assets

The Fund Manager shall value the Fund's real estate assets based on the valuation prepared by (at least) two independent real estate valuers accredited by the Saudi Authority for Accredited Valuers (Taqeem) and according to the arrangements in place at the date of these Terms and Conditions. The following companies evaluated the initial real estate assets and they are as follows:

S/N.	Valuer Name	Valuation	Valuation Date
1.	Barcode Company	1,219,310,000	26/03/2024G
2.	Qaim Real Estate Valuation Company	1,179,329,000	25/03/2024G

The Fund Manager shall also acknowledge that the two real estate valuers are licensed by the Saudi Authority for Accredited Valuers (Taqeem) and accredited in accordance with the Accredited Valuers Law and that no valuer who is not licensed by the Saudi Authority for Accredited Valuers (Taqeem) will be dealt with. An acknowledgment shall also be obtained from the accredited valuers stating their compliance with the valuation standards approved by the Saudi Authority for Accredited Valuers (Taqeem) and the Code of Ethics and Conduct of the Valuation Profession issued by it.

The competent valuers shall be provided with any information related to the Fund's real estate assets to be valued, enabling them to perform their duties properly and to prepare the report in clearly and accurately.

B. How to value the Fund's assets

The Fund's net asset value shall be calculated by subtracting the Fund's total liabilities from the Fund's total asset value. The Fund's total liabilities represent any liabilities arising from the Fund's financing (if any) or any other amounts owed to the Fund and unpaid during the maturity period. The lump sum amounts shall be deducted first and shall be followed by variable liabilities based on the net asset value of the Fund. The total value of the Fund's assets represents the total of all the Fund's liabilities, real estate assets, cash amounts, and accumulated profits, as well as all receivables and the market value of all investments, in addition to the current value of any other assets owned by the fund. Note that the investment fund units invested in (if any) shall be valued according to the latest price announced by the relevant Fund Manager for investment unit prior to the Fund's valuation day. The Fund Manager shall exercise its reasonable and good faith discretion in determining the value of assets and liabilities.

C. How to value the real estate assets

The Fund's real estate assets shall be valued by obtaining an average valuation prepared by real estate valuers accredited by the Saudi Authority for Accredited Valuers (Taqeem) at least once every six (6) months, and each valuer's report shall include a minimum of the following:

- The evaluation technique, its method, and the assumptions on which it is based.
- Analysis of variables related to the real estate market, such as supply, demand, and market trend.
- Property details and descriptions.
- Risks related to the property subject of valuation.

The valuation of the initial real estate assets was concluded in accordance with the valuation standards approved by the Saudi Authority for Accredited Valuers (Taqeem), the relevant regulations and instructions, and these Terms and Conditions.

A. Valuation value of each initial real estate asset and the cost of purchasing it:

S/N.	Name of the Real Estate Asset	Barcode Valuation	Barcode Valuation Date	Qaim Real Estate Valuation Company	Valuation Date of Qaim Real Estate Valuation Company	Average (In Saudi Riyal)	Purchase Price According to the Initial Real Estate Asset Purchase and Sale Agreements (in Saudi riyals)
1.	Galleria Mall	311,000,000	26/03/2024G	296,945,000	25/03/2024G	303,972,500	254,940,000
2.	Citadines Hotel	258,500,000	26/03/2024G	244,183,000	25/03/2024G	251,341,500	234,285,000
3.	Somerset Hotel	270,750,000	26/03/2024G	255,134,000	25/03/2024G	262,942,000	223,530,000
4.	The Roof	224,500,000	26/03/2024G	223,981,000	25/03/2024G	224,240,500	213,970,000
5.	Plaza Corniche	104,200,000	26/03/2024G	109,378,000	25/03/2024G	106,789,000	104,098,000
6.	Al-Masha'el Warehouses	34,750,000	26/03/2024G	33,474,000	25/03/2024G	34,112,000	32,255,000
7.	Ericsson Building in Saudi Arabia	15,610,000	26/03/2024G	16,234,000	25/03/2024G	15,922,000	15,292,000
Total		1,219,310,000	-	1,179,329,000	-	1,199,319,500	1,078,370,000

B. Number of times and timing of valuation

The valuation shall take place at least twice a year, specifically at the end of June and the end of December of each calendar year, by two independent real estate valuers accredited by the Saudi Authority for Accredited Valuers (Taqeem). If there is a difference between the valuations presented in the valuation reports, the average value of the valuations provided shall be taken into account. However, if there is a material difference between the valuations presented in the valuation reports, a third valuer accredited by the Saudi Authority for Accredited Valuers (Taqeem) shall be appointed and the average value of the three valuations provided shall be taken into account.

C. Announcement of Net Asset Value per Unit

The Fund Manager shall announce the net asset value of the unit within a maximum of fifteen (15) business days from the date the Fund Manager approves the evaluation. This shall be announced on the Tadawul website and the Fund Manager's website. The reports presented to unitholders in accordance with Article "22" of these Terms and Conditions shall also contain the net asset value of the unit. The unit price announced by the Fund Manager on the Tadawul website is an indicative price for the net asset value and does not reflect the trading price of the units in Tadawul because the trading price is related to the supply and demand for the units in Tadawul.

D. Fund asset evaluation policy and standards

The criteria and policy for evaluating the Fund's assets shall be as follows:

- A. **Market comparison standard:** This method provides indicators of value by comparing the asset being valued with identical or similar assets for which information is available according to this method. The first step is to study the transaction prices of identical or similar assets that have recently taken place in the market, even if the transactions that have taken place are few. It is also better to study the prices of identical or similar assets listed or offered for sale, provided that this information is clear and has been objectively analyzed.
- B. **Cost comparison:** This method provides indicators of value using the economic principle, which states that the buyer does not pay more for purchasing an asset than the cost of obtaining an asset that has the same benefit, whether through purchase or creation. This method is based on the principle that the price that the buyer pays in the market for the asset subject of evaluation will not be more than the cost of purchasing or creating an equivalent asset unless there are factors such as inappropriate timing, unsuitability, risk or other factors.
- C. **Income comparison standard (capitalization):** This method provides indicators of value by converting future cash flows into a single current capital value. This method deals with the income that the asset generates during its useful life and the value is estimated through the capitalization process. Capitalization means converting the income into a capital amount using an appropriate discount rate. Income flows are generated under contracts or non-contractual arrangements, such as the expected profit from using or retaining the asset. Methods that fall under the income method include capitalization by applying a risk factor or total capitalization to one usual income period.

14. Fund's Board of Directors

14.1 Formation of the Board of Directors and their qualifications

The Fund's Board of Directors consists of six (6) members, two (2) of whom are independent. The Fund Manager shall notify unitholders of any change in the Fund's Board of Directors. The composition of the Fund's Board of Directors shall be as follows:

- **Khaled bin Abdulaziz Alrayes (Chairman of the Fund's Board of Directors - Non-Independent Member)**
Mr. Khaled Alrayes is the CEO of Alistithmar Capital. He joined Alistithmar Capital in April 2018G and has nearly 20 years of career experience, including Investment Management, Investment Banking, Direct Investments and Private Equity. Prior to joining Alistithmar Capital, he was the Chief Investment Officer of Aseer Company, a multi-investment publicly traded company, managing a diversified portfolio of investments including: Direct Investments, Private Equity, Public Equity, and Real Estate. Mr. Khaled holds an MBA and MS in Finance from the University of Denver, Colorado, and he is a CFA charter-holder.
- **Mohammed bin Maatouq Al-Jamed (Non-Independent Member)**
Mr. Mohammad Al-Jamed has been the Head of Real Estate Investment Operations at Alistithmar for Financial Securities and Brokerage Company (Alistithmar Capital) since January 2019G. Before that, he held the duties of Director of Investment Operations in several investment companies operating in the Kingdom of Saudi Arabia and licensed by the Capital Market Authority. During his period of work exceeding twenty (20) years, Mr. Muhammad worked in the field of operations and support related to many investment products in the Kingdom of Saudi Arabia and the Middle East, most notably stock and bond brokerage, initial offerings, priority rights, private portfolio management, listed equity funds, private equity funds, and real estate investment funds of all types, real estate investment traded funds, in addition to alternative investment products. Mr. Muhammad holds a diploma in banking operations from the Institute of Public Administration in Riyadh, Kingdom of Saudi Arabia, in addition to attending many training courses and workshops related to accounting, financial sciences and real estate investments.

- **Fahad Adnan Almansour (Non-Independent Member)**

Mr. Fahad Al Mansour is a Board Member and the Managing Director of Almutlaq Real Estate Investment Company (AREIC) since May 2025. Before joining AREIC he was appointed as the Chief Executive Officer of Zajil Holding Company after occupying leading positions in several companies. Furthermore, Mr. AlMansour is Board & Committee Member in other several companies. Mr. AlMansour holds Executive MBA from London Business School, London, UK and Bachelor Degree in Accounting from California State University, San Bernardino, USA.

- **Saleh Omar Mubarak bin Haydara (Non-Independent Member)**

Mr. Saleh bin Haydara is the CFO of Al-Mutlaq Real Estate Investment Company, one-person company. He joined Al-Mutlaq Real Estate Investment Company, one-person company, in April 2023G. He has a career spanning more than fifteen (15) years in management in the real estate sector. Prior to joining Al-Mutlaq Real Estate Investment Company, one-person company, he worked at Al-Andalus Real Estate Company as a financial manager. Mr. Saleh holds a master's degree in accounting from the Amman Arab University in Jordan, in addition to obtaining many professional courses and certificates in accounting and financial management.

- **Abdullah bin Abdul Rahman Al-Mazrou (Independent Member)**

Mr. Abdullah Al Mazrou is the CEO of Risk Management at Saudi Digital Bank. He joined Saudi Digital Bank in December 2021G. He has a career spanning more than seventeen (17) years in risk management and corporate banking management in the banking sector. Prior to joining Saudi Digital Bank, he worked at Saudi British Bank. He also worked at Alawwal Bank formerly known as Saudi Hollandi Bank. Mr. Abdullah holds a bachelor's degree in Computer Engineering from King Saud University, in addition to obtaining many professional courses and certificates in the banking sector.

- **Waheeb bin Mohammed Bajhumum (Independent Member)**

Mr. Waheeb Bajhumum is the Head of Investments for Naif Al Rajhi Investment Company. He joined Naif Al Rajhi Investment Company in August 2014. He has a career spanning more than fourteen (14) years in investment management. Prior to joining Nayef Al Rajhi Investment Company, he worked in Al Arabi Investment Company. Mr. Waheeb holds a bachelor's degree in financial management from Prince Sultan University, in addition to obtaining many courses and certificates related to investment and financial analysis.

14.2 Total rewards expected to be paid to independent board members during the term of the fund

Taking into account what is stipulated in these Terms and Conditions, the independent members of the Fund's Board of Directors shall receive an amount of ten thousand (10,000) Saudi riyals per meeting for each independent member, with a maximum of twenty thousand (20,000) Saudi riyals for each independent member annually. This amount shall be paid twice annually after each meeting of the Board of Directors. Board members who are employees of the Fund Manager shall not receive any allowances or rewards for their membership in the Fund's Board of Directors.

14.3 Nature of services provided by members of the Fund's Board of Directors

The services and responsibilities of the members of the Fund's Board of Directors include, but are not limited to, the following:

- Approval of all contracts, decisions, and essential reports to which the Fund is a party, including, but not limited to, approval of contracts for providing management services to the Fund and contracts for providing custody services. This does not include contracts concluded in accordance with investment decisions regarding any investments that the Fund has made or will make in the future.
- Reviewing the report that includes an evaluation of the performance and quality of the provided services related to providing essential services in order to ensure that the Fund Manager is carrying out its responsibilities in a way that achieves the interest of the unitholders in accordance with these Terms and Conditions.

- C. Adopting a written policy regarding voting rights related to the fund's assets.
- D. Supervising, approving and certifying (as applicable) any conflicts of interest disclosed by the Fund.
- E. Meeting at least twice annually with the Fund Manager's Compliance Committee or its and Compliance & AML Officer in order to review the Fund's compliance with all relevant laws and regulations, including the Fund Manager's commitment to implementing the provisions of the Real Estate Investment Funds Regulations.
- F. Approving all fundamental changes and/or non-fundamental changes before the Fund Manager obtains the approval of the unitholders and the Authority or notifies them (as applicable).
- G. Ensuring the completeness and accuracy of these Terms and Conditions and any other document related to them (whether a contract or otherwise) and include disclosures related to the Fund, the Fund Manager, and its management of the Fund, and making sure that the aforementioned is consistent with the provisions of the Real Estate Investment Funds Regulations.
- H. Ensuring that the Fund Manager carries out its responsibilities in the interest of unitholders in accordance with the provisions of the Real Estate Investment Funds Regulations, these Terms and Conditions, and the decisions of the Sharia Supervision Committee.
- I. Evaluating the Fund Manager's mechanism for dealing with risks related to the Fund's assets in accordance with the Fund Manager's policies and procedures regarding monitoring risks related to the Fund and how to deal with them.
- J. Working with integrity, good faith, care, skill, attention and diligence in the interest of the unitholders.
- K. Recording minutes of meetings that include all minutes of meetings and decisions taken by the Fund's Board of Directors.
- L. Reviewing the report containing all complaints and the actions taken regarding them in order to ensure that the Fund Manager is carrying out its responsibilities in a way that achieves the interest of unitholders in accordance with the provisions of the Real Estate Investment Funds Regulations and these Terms and Conditions.
- M. Other responsibilities specified by the Real Estate Investment Funds Regulations or directed by the Authority from time to time.

14.4 Other funds supervised by members of the Fund's Board of Directors

The members of the Fund's Board of Directors do not hold any membership in the board of directors of another fund, except for those mentioned in the table below:

S/N.	Member Name	Fund
1.	Khaled bin Abdulaziz Alrayes	Alistithmar Capital SAR Murabaha Fund
		Ajdan Rise Real Estate Development Fund by Alistithmar Capital
		Alistithmar Real Estate Income Fund 1
		Alistithmar Real Estate Income Fund 2
		Alistithmar Capital Saudi Equity Fund
		Alistithmar Capital Saudi Companies Fund
		Alistithmar Capital MENA Equity Fund
		Alistithmar Capital Investment Fund 48
		Kaden Alistithmar Fund
		Alistithmar Real Estate Fund 1
		Alistithmar Real Estate Fund 4
		Alistithmar Hospitality Fund
		Alistithmar Real Estate Fund 2
		Alistithmar Capital flexible Saudi Equity Fund
		Alistithmar Real Estate Income Fund 3
		Alistithmar Safa Riyadh Fund
		Alistithmar Osus Real Estate Fund
		Alistithmar Capital Quarterly Dividend Fund
2.	Abdullah bin Abdul Rahman Al Mazrou	Alistithmar Capital SAR Murabaha Fund
		Alistithmar Capital Saudi Equity Fund
		Alistithmar Capital Saudi Companies Fund
		Alistithmar Capital MENA Equity Fund
		Alistithmar Capital flexible Saudi Equity Fund
		Alistithmar Capital Quarterly Dividend Fund
3.	Wahib bin Muhammad Bajhmum	Alistithmar Capital SAR Murabaha Fund
		Alistithmar Capital Saudi Equity Fund
		Alistithmar Capital Saudi Companies Fund
		Alistithmar Capital MENA Equity Fund
		Alistithmar Capital flexible Saudi Equity Fund
		Alistithmar Capital Quarterly Dividend Fund
		Alistithmar Real Estate Income Fund 1
		Alistithmar Real Estate Income Fund 2
		Kaden Alistithmar Fund
		Alistithmar Real Estate Fund 1
		Alistithmar Safa Riyadh Fund
		Alistithmar Osus Real Estate Fund

14.5 Qualifications of the Members of the Fund's Board of Directors

The Fund Manager acknowledges that all members of the Fund's Board of Directors meet the following qualification requirements:

- A. They are not subject to any bankruptcy or insolvency claims or are insolvent.
- B. They have not previously committed an offense involving fraud, immoral behavior and breach of trust.
- C. They have the necessary skills and experience that qualify them to be members of the Fund's Board of Directors.

14.6 Independence of the members of the Fund's Board of Directors

The Fund Manager also acknowledges that everyone mentioned as an independent member conforms to the definition of "Independent Member of Fund Board of Directors" contained in the list of terms used in the regulations and rules of the Capital Market Authority, which has been clarified and defined in the list of terms used in these Terms and Conditions.

15. Fund Manager

15.1 Fund Manager Name and Address

Name	Alistithmar for Financial Securities and Brokerage Company (Alistithmar Capital)
Address	Kingdom of Saudi Arabia, Riyadh, King Fahd Road P.O.Box 6888, Riyadh Postal Code 11452, Tel: 0112547666 Fax: 0114896253
Website	www.alistithmarcapital.com

15.2 Fund Manager License

Alistithmar for Financial Securities and Brokerage Company (Alistithmar Capital) is a company licensed as a "Capital Market Institution" under the Capital Market Institutions Regulations under the license of the Capital Market Authority No. 37/1156, in order to carry out the following activities:

Financial Securities	Activity Type
Dealing	Dealing
Custody	Securities custody services
Management	Investing management and fund operation
Arrangement	Financial Advisor/Corporate Finance Business Advisor
Advising	Investment advisor

15.3 Fund Manager's letter regarding the professional diligence report

The Fund Manager has submitted a professional diligence report in a format substantially similar to that contained in Appendix 4 of these Terms and Conditions.

15.4 Functions, duties and responsibilities of the Fund Manager

- A. Without prejudice to the Real Estate Investment Funds Regulations, the duties and obligations of the Fund Manager shall be (without limitation) as follows:
1. Developing decision-making procedures to be followed to implement the technical and administrative aspects of the Fund's projects and business.
 2. Complying with all laws, regulations and instructions in force in the Kingdom of Saudi Arabia related to the business of the Fund.
 3. Applying the compliance monitoring program for each real estate investment fund managed by it (if any), and providing the Authority with the results of the application when requested.
 4. Developing policies and procedures to monitor the risks that affect the Fund's investments and ensuring that they are quickly dealt with, provided that these policies and procedures include conducting a risk assessment process at least annually.
 5. Cooperating with all persons concerned with the performance of the tasks of the Fund, including the Custodian and the Auditor, and provide them with all necessities (in a reasonable form) to perform their duties and tasks in accordance with the Real Estate Investment Funds Regulations.
 6. Preparing an annual report that includes an evaluation of the performance and quality of the services provided by the parties concerned with the provision of essential services to the Fund, including the services of the Custodian and the Property Manager. The Fund Manager shall submit this report to the Board of Directors of the Fund.
 7. Managing the assets of the Fund for the benefit of the unitholders in accordance with these Terms and Conditions.
 8. Ensuring the lawfulness and integrity of contracts concluded for the benefit of the Fund.
 9. Identifying the investment opportunities and carrying out sales and purchases of the Fund's assets in the interest of unitholders.
 10. Implementing the Fund's strategy described in these Terms and Conditions.
 11. Arranging, negotiating and signing on behalf of the Fund in relation to obtaining finance for the Fund.
 12. Appointment of other professional, technical or advisory service providers to the Fund including but not limited to legal advisor, auditor and feasibility study advisors.
 13. Preparing an annual report containing all complaints and actions taken thereon and submitting it to the Board of Directors of the Fund.
 14. Informing the Authority of any material facts or developments that may affect the Fund's business.
 15. Arranging the liquidation of the Fund and subsequent actions.
 16. Complying with the provisions of the Real Estate Investment Funds Regulations and the instructions for investment funds announcements.
- B. The Fund Manager shall appoint an investment portfolio manager from among its employees registered with the Capital Market Authority in accordance with the provisions of the Capital Market Institutions Regulations to manage the Fund.

15.5 Provisions for Dismissal or Replacement of Fund Manager

The authority may dismiss the Fund Manager and take the action it deems appropriate, in accordance with the Real Estate Investment Funds Regulations and in a manner that does not conflict with the general law and the right of the Fund Manager to recourse against the relevant parties for compensation in the event that it unreasonably suffers damage to its reputation or others in the following cases:

- A. The Fund Manager ceases to practice the activity of managing investments and operating funds without notifying the Authority of this in accordance with the Capital Market Institutions Regulations.
- B. Cancellation, withdrawal or suspension of the license of the Fund Manager in practicing the activity of managing investments and operating funds by the Authority.
- C. Submitting a request from the Fund Manager to the Authority to cancel its license in practicing the activity of managing investments and operating funds.
- D. If the Authority deems that the Fund Manager has materially violated compliance with the Capital Market Law and its executive regulations.
- E. Death, disability or resignation of the relevant investment portfolio manager who manages the Fund's assets, with no other person registered with the Fund Manager able to manage the Fund's assets.
- F. Issuance of a special decision for the Fund by the unitholders requesting the Authority to dismiss the Fund Manager.
- G. Any other cases which the Authority considers to be of substantial importance.

In the event of any of the above cases, the Fund Manager shall comply with the relevant provisions of the Real Estate Investment Funds Regulations, including, but not limited to, notifications to be submitted to the Authority, calling for a meeting of the unitholders, and other related requirements and steps.

15.6 Conflicts of interest of the Fund Manager or members of the Board of Directors with the interests of the Fund

Except as stated in Article "21" of these Terms and Conditions, no business activity or other important interest of the members of the Board of Directors of the Fund or the Fund Manager is likely to conflict with the interests of the Fund.

15.7 Substantial conflicts of interest

Except as set forth in these Terms and Conditions, and despite the existence of a potential conflict of interest arising in relation to the possibility of the in-kind subscriber, Al Mutlaq Real Estate Investment Company, one-person company, to manage the initial real estate assets and their membership in the Board of Directors of the Fund, the Fund Manager does not expect any material conflict of interest that would affect its performance and execution of its duties towards the Fund.

15.8 Assignment of third parties

The Fund Manager may appoint, change and reassign service providers (including its affiliates) to carry out any of its responsibilities and duties mentioned in these Terms and Conditions, including, but not limited to, the Property Manager, the Contractor, the Advisors, the Custodian, the Fund's Auditors and the Legal Advisor, for the benefit of the unitholders.

15.9 Investment of the Fund Manager in the Fund

The Fund Manager may invest in the Fund, whether by subscription during the offering period or buying units later after the offering. The Fund Manager shall disclose the same (if it occurs) at the end of each financial year in the relevant disclosure.

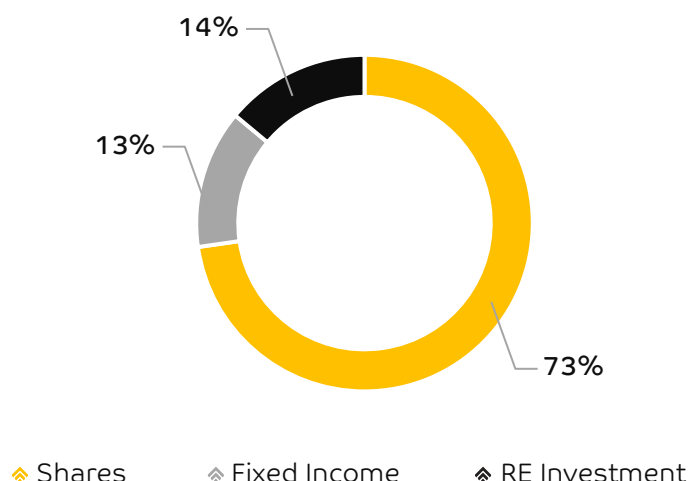
15.10 Brief on the Fund Manager:

The Fund Manager is Alistithmar for Financial Securities and Brokerage Company (Alistithmar Capital), a Saudi Closed Joint Stock Company, under Commercial Registration No. 1010235995 dated 08/07/1428H (corresponding to 22/07/2007G), having its address in the Kingdom of Saudi Arabia, Riyadh, and licensed as a "Capital Market Institution" to practice the activities of dealing, arranging, managing (managing investments and operating funds), providing advice and custody under the license of the Capital Market Authority No. 37/11156.

A. Assets Under Management

Alistithmar for Financial Securities and Brokerage Company (Alistithmar Capital) manages assets worth approximately twenty-nine billion (29,000,000,000) Saudi riyals as at 01/06/2023G. These assets are diversified into the following categories:

vv Company (Alistithmar Capital) are classified as follows:



B. Financial Brokerage

[The Brokerage Department of Alistithmar for Financial Securities and Brokerage Company (Alistithmar Capital) aims to provide clients with trading services in local and global markets by providing multiple easy-to-use trading channels that are designed to meet the multiple needs of clients].

C. Asset Management

Alistithmar for Financial Securities and Brokerage Company (Alistithmar Capital) provides asset management services through the following products:

- A. Special Department of the Portfolios.
- B. Investment Funds.

Asset Management has [ten (10)] employees.

D. Investment Banking

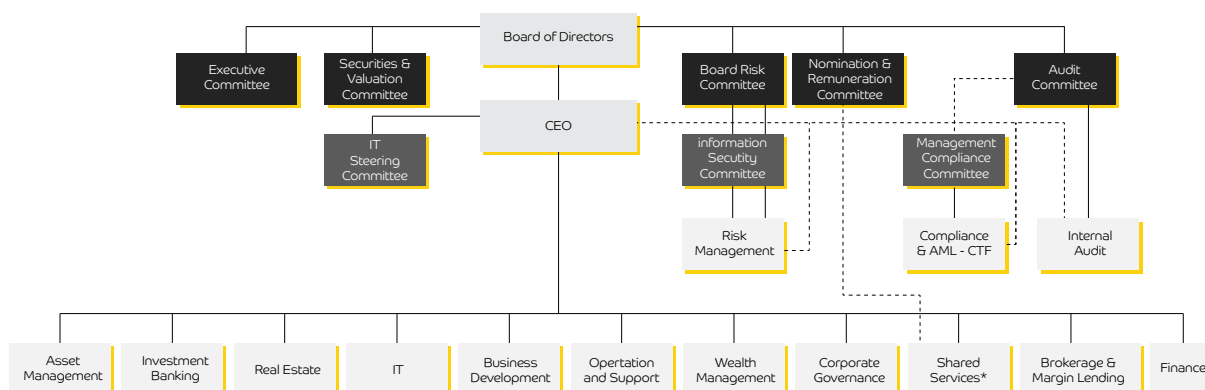
Alistithmar for Financial Securities and Brokerage Company (Alistithmar Capital) provides investment banking services to companies, including:

- A. Initial and secondary subscription and underwriting.
- B. Capital reductions.
- C. Merger and acquisition.
- D. Issuance of Sukuk and Bonds.

E. Real Estate Investment:

The Alistithmar for Financial Securities and Brokerage Company (Alistithmar Capital) manages approximately four billion (4,000,000,000) Saudi riyals of real estate assets, distributed over eight (8) closed-end real estate funds privately offered, noting that the Fund Manager until the date of these Terms and Conditions does not manage any real estate investment fund publicly offered.

Organizational Structure of the Fund Manager:



16. Legal Advisor

The Fund Manager has received a letter issued by the Legal Advisor in accordance with a wording substantially consistent with what is stated in Appendix “5” of these Terms and Conditions.

17. Custodian

17.1 Custodian Name and Address:

Name	Alinma Capital Company
Number of the license issued by the Authority	37/09134
Address	Kingdom of Saudi Arabia, Riyadh, King Fahd Road P.O.Box 55560, Riyadh Postal Code 11544, Tel: 0112185968
Website	www.alinmainvest.com

17.2 Functions, duties and responsibilities of the Custodian

Subject to the consequences of the effects of existing finances (if any) or to be entered into in the future in accordance with these Terms and Conditions, which may include the arrangement of any mortgages or any assignments by way of mortgage arising on the assets of the Fund for the benefit of the relevant financier, the assets of the Fund shall be registered in the name of one or more Special Purpose Vehicle (SPV) owned by the Custodian. The Custodian shall maintain records and accounts of real estate assets and documents related to the Fund, including, but not limited to, deeds of ownership of real estate owned by the Fund. A special purpose vehicle (SP) shall be established to own the assets of the Fund and shall be 100% owned by the Custodian. The Custodian will also segregate the assets of the Fund from any other assets independently. The creditors of the Fund Manager or the Custodian shall have no right to the assets of the Fund. The Custodian shall comply with all the provisions of the Real Estate Investment Funds Regulations and the regulations in force in order to perform its duties as custodian of the Fund.

17.3 Tasks assigned by the Custodian to a third party

The Custodian shall be responsible for his obligations contained in the Real Estate Investment Funds Regulations and these Terms and Conditions, whether it performs its responsibilities directly or assigns them to a third party under the provisions of the Real Estate Investment Funds Regulations or the Capital Market Institutions Regulations. The Custodian shall be liable to the Fund Manager and the unitholders for the losses of the Fund caused by its fraud, negligence, wilful misconduct or wilful default.

17.4 Dismissal or replacement of the Custodian by CMA

The Authority may dismiss the custodian appointed by the Fund Manager or take any measure it deems appropriate in any of the following cases:

- A. If the Custodian ceases to practice the Custodial activity without notifying the Authority under the Capital Market Institutions Regulations.
- B. Cancellation, withdrawal or suspension of the Custodian's license to practice its activity by the Authority.
- C. Submitting a request to the Authority by the custodian to cancel its license to practice the Custody activity.
- D. If the Authority deems that the Custodian has materially violated compliance with the Capital Market Law and its executive regulations.
- E. Any other cases which the Authority considers (reasonably) to be of substantial importance.

In the event that the Authority performs its authority in accordance with what is set forth in Clause "17.4" of these Terms and Conditions, the Fund Manager shall appoint an alternative custodian (in accordance with the instructions of the Authority). In accordance with the Regulations of the Real Estate Investment Funds, the Fund Manager and the dismissed custodian shall fully cooperate in order to help facilitate the smooth transfer of responsibilities to the alternative custodian within the first sixty (60) business days of the appointment of the alternative custodian.

17.5 Dismissal or replacement of the Custodian by the Fund Manager

The Fund Manager may dismiss the Custodian appointed by it by virtue of a written notice addressed to the Custodian and another to the Authority if it deems its dismissal to be in the interest of the unitholders. In the event of its dismissal of the Custodian, the Fund Manager shall appoint an alternative within thirty (30) business days of the Custodian's receipt of the aforementioned written notice. The dismissed Custodian shall fully cooperate with the Fund Manager to facilitate the smooth transfer of responsibilities to the alternative Custodian. The dismissed Custodian shall also transfer to the alternative Custodian all contracts related to the Fund (where necessary). The Fund Manager shall announce the dismissal and appointment through the Tadawul website and the Fund Manager website.

18. Companies that Manage Properties

18.1 Property Manager Name and Address

The Fund Manager (on behalf of the Fund) and Al-Mutlaq Real Estate Investment Company, one-person company, signed a memorandum of understanding regarding the property management contract to be signed by the parties with regard to the management of the initial real estate assets. The memorandum of understanding specified the main points to be adopted in the property management contract for the initial real estate assets. The Fund Manager (on behalf of the Fund) and Al-Mutlaq Real Estate Investment Company, one-person company, have reached a semi-final draft of the property management contract (some of the main clauses of this draft have been clarified in various places of these Terms and Conditions). The Fund Manager (on behalf of the Fund) will sign this contract immediately upon the transfer of ownership of the Fund's initial real estate assets.

Key information about the Property Manager:

Name	Al Mutlaq Real Estate Investment Company One-person Company
Address	Kingdom of Saudi Arabia, Riyadh, Salahuddin Al Ayoubi Road P.O.Box 1321, Riyadh Postal Code 11431, Tel: 966112917333
Website	www.areic.com.sa

The Fund Manager shall have the right to change the Property Manager from time to time in the interest of the unitholders. The Fund Manager shall also have the right to appoint a subsidiary to be the Property Manager for one or more of the Fund's assets. In addition, the Fund Manager shall have the right to appoint the tenant of a property to be the Property Manager.

18.2 Functions, duties and responsibilities of the Property Manager

Property Managers shall be responsible for the administrative affairs of real estate (after ensuring that they have the necessary approvals and licenses to carry out their work and activities from the relevant government authorities), including the development of management rules and policies, permanent follow-up of the relevant property and the affairs of its tenants, follow-up of the collection of rents, follow-up of periodic maintenance and exploitation of the property in an effective manner to achieve the best returns.

18.3 Investment of the Property Manager in the Fund

Al Mutlaq Real Estate Investment Company, one-person company (subscribing in-kind in the Fund) shall manage the initial real estate assets. Accordingly, the subscription of Al Mutlaq Real Estate Investment Company, one-person company, in the Fund shall be as described in these Terms and Conditions.

19. Auditor

19.1 Name and address of the Auditor

Name	PKF Ibrahim Ahmed Al-Bassam & Partners Chartered Accountants
Address	Kingdom of Saudi Arabia, Riyadh, Prince Mohammed Bin Abdulaziz Road P.O.Box 69658, Riyadh Postal Code 11557, Tel: 0112065333
Website	www.pkfalbassam.com

The Fund Manager may change the Auditor from time to time after the approval of the Fund's Board of Directors and the Authority shall be notified of the same. The unitholders shall be notified by announcing through the Tadawul website and the website of the Fund Manager.

19.2 Functions, duties and responsibilities of the Auditor

Without prejudice to the Real Estate Investment Funds Regulations, the Accounting and Auditing Profession Law and its Executive Regulations, the duties and responsibilities of the Auditor (including but not limited to) shall be as follows:

- Auditing the interim (semi-annual) financial statements of the Fund.
- Auditing the annual financial statements of the Fund.

20. Financial Statements

20.1 Financial Year of the Fund

The financial year of the Fund shall commence from one (1) January and shall end at the end of thirty-one (31) December of each year, with the exception of the first year of establishment of the Fund, in which the financial year shall commence from the date of listing and end at the end of one (31) December.

20.2 Dates and Method of Publishing the Financial Statements

The Fund Manager shall provide the interim (semi-annual) financial statements within a period not exceeding thirty (30) business days from the end of the relevant period. In addition, the Fund Manager shall provide the audited annual financial statements within a period not exceeding three (3) months from the end of the relevant financial year. The Fund Manager shall provide the aforesaid financial statements to the unitholders through the Tadawul website and the Fund Manager website without any charges.

21. Conflict of Interest

A conflict of interest may arise or occur from time to time between the Fund on the one hand and the Fund Manager or its subsidiaries and their respective directors, officers, employees and agents on the other hand, and other funds managed by the aforesaid or to be managed by them in the future. Note that in the event of a conflict of interest between the Fund Manager and the Fund, the Fund Manager shall disclose it to the Board of Directors of the Fund as soon as possible. The Fund Manager shall try to resolve any conflict of interest at its discretion and in good faith and based on its policies and procedures, which the unitholders have the right to request from the Fund Manager and obtain. The Fund may be subject to conflicts of interest because the Fund may receive funding from the Saudi Investment Bank (the Fund Manager is 100% owned by the Saudi Investment Bank). It is also expected that the in-kind subscriber, Al Mutlaq Real Estate Investment Company, one-person company, will manage the assets (Property Management) of the initial real estate and have a membership (or more) in the Board of Directors of the Fund. However, the Fund Manager does not expect a fundamental conflict of interest that would affect its performance and implementation of its duties towards the Fund.

At first, the Fund Manager has identified the following points of conflict of interest (as at the date of these Terms and Conditions):

21.1 Projects similar to those of the Fund Manager

Alistithmar for Financial Securities and Brokerage Company (Alistithmar Capital) manages its own accounts as well as investments and accounts with similar objectives to the Fund and is expected to continue to manage them. Among these investments are other collective investment programs that may be managed or sponsored by Alistithmar for Financial Securities and Brokerage Company (Alistithmar Capital), in which Alistithmar for Financial Securities and Brokerage Company (Alistithmar Capital) or one of its subsidiaries may own a share of the capital. In addition, subject to the restrictions set forth in these Terms and Conditions, Alistithmar for Financial Securities and Brokerage Company (Alistithmar Capital) and its future subsidiaries may act as fund manager, investment manager or general partner in other investment funds, and one or more of them may invest in projects similar to those owned, managed or developed by the Fund.

21.2 Conflict of interest in relation to transactions with the Fund Manager and its subsidiaries

The Fund may enter into transactions with the Fund Manager, its subsidiaries or companies that were previously affiliated with it, or with other entities in which Alistithmar for Financial Securities and Brokerage Company (Alistithmar Capital) has direct or indirect rights. For example, Alistithmar for Financial Securities and Brokerage Company (Alistithmar Capital) or some of its subsidiaries may provide certain services to the Fund. In particular, the Investment Banking Team of Alistithmar for Financial Securities and Brokerage Company (Alistithmar Capital) may provide advisory services on arranging finances for the Fund, and will receive fees due from the Fund upon the execution of any financing transaction, as stipulated in these

Terms and Conditions. All transactions between the Fund and the Fund Manager, its subsidiaries and entities in which Alistithmar for Financial Securities and Brokerage Company (Alistithmar Capital) has direct or indirect rights shall be disclosed to the Board of Directors of the Fund.

21.3 Related Party Transactions

The Fund may (from time to time) enter into deals with related parties provided that such deals are disclosed to the Fund's Board of Directors, the Capital Market Authority and the unitholders in accordance with the Real Estate Investment Funds Regulations and shall be made based on the prevailing market conditions. If one of the related parties (including any fund established by the Fund Manager) wishes to enter into a deal with the Fund, the Fund Manager shall obtain the approval of the Fund's Board of Directors and the purchase price paid or received shall be in accordance with the independent valuations.

21.4 Board of Directors of the Fund

Taking into account what is set forth in the Real Estate Investment Funds Regulations regarding the abstention of the member with direct or indirect special interest to vote on the resolution in which he has an interest, the Board of Directors of the Fund shall supervise the resolution and settlement of any conflict of interest of any of the members of the Board of Directors of the Fund, because any of the members of the Board of Directors of the Fund may have interests related to a wide range of real estate and other commercial activities, and these activities may conflict from time to time with the interests of the Fund.

22. Reporting to the Unitholders

22.1 Periodic reports to be published

A. Quarterly Reports

The Fund Manager shall publish a quarterly statement within a maximum period of ten (10) business days from the end of the quarter in question. This statement shall include, as a minimum, the following:

- A. The unit price at the end of the quarter according to the last valuation, which is both the market price of the unit (the closing price) and the net asset value of the unit.
- B. The rental income over the unit price (if any), which is the net income of the Fund from its investment in income-generating real estate assets only during the quarter in question to the market value.
- C. A table showing the total expenses and fees charged to the Fund and their percentage of the latest value of the total value of the Fund's assets, indicating the maximum of all expenses.
- D. The performance of the unit trading price in Tadawul (the closing price) during the quarter in question, in addition to the net asset value of the unit for the same period.
- E. A list of the names of all properties constituting the Fund's portfolio and the percentage of the value of each property out of the total value of the Fund's assets, in addition to the occupancy rate of each property as at the end of the concerned quarter.
- F. Fund Assets Total Value.
- G. The percentage of borrowing from the total value of the Fund's assets, the duration of their exposure and the date of their maturity.
- H. Net Asset Value per Unit.
- I. Ratio of Fund Costs to Total Fund Asset Value.
- J. Any essential or non-essential changes affecting the work of the Fund made during the quarter in question (if any).
- K. A statement of dividends (if any) distributed to unitholders and shall include:
 1. Total dividends distributed in the quarter in question.
 2. The number of existing units that were distributed during the quarter in question.
 3. The value of the profit distributed during the quarter in question for each unit.

4. The distribution percentage of the net asset value of the Fund.
5. Entitlement to cash dividends that were distributed during the quarter in question.
- L. Dividends of previous proceeds from sale or lease up to the same quarter of the previous year.
- M. All that is stipulated in the Real Estate Investment Funds Regulations or the Fund Manager has decided to add.

B. Annual Reports

The Fund Manager shall publish an annual statement within a maximum period of ten (10) business days from the end of the year in question. This statement shall include, as a minimum, the following:

- A. Assets in which the Fund invests
- B. Assets that the Fund aims to invest in (if any).
- C. The percentage of the value of leased properties and the percentage of the value of non-leased properties to the total value of owned properties (if any).
- D. The rental percentage of each of the Fund's assets out of the total rents of the Fund's assets.
- E. The percentage of uncollected revenues from total revenues and the percentage of non-cash expenses from the net profits of the Fund.
- F. A description of the indicative indicator of the Fund (where applicable), and the website of the service provider (if any).
- G. A comparison table covering the performance of the Fund during the last three (3) financial years (or since the establishment of the Fund) showing the following:
 1. The net asset value of the Fund at the end of each financial year.
 2. The net asset value of the unit at the end of each financial year.
 3. The highest and lowest net asset value per unit for each financial year.
 4. Number of units issued at the end of each fiscal year.
 5. Income distribution per unit (if any).
 6. The percentage of the costs incurred by the Fund from Fund asset total value.
 7. Results of comparing the performance of the indicative indicator (if any) of the Fund with the performance of the Fund.
 8. The percentage of borrowed assets out of the total value of the assets of the Fund, the period of their exposure and the date of their maturity.
- H. A performance record showing the following:
 1. Total return for one year, three (3) years and five (5) years (or since the establishment of the Fund).
 2. Annual total return for each of the last ten (10) years (or since the establishment of the Fund).
 3. A table showing the consideration for services, commissions and fees charged by the Fund to third parties throughout the year and the total percentage of expenses, and whether there are any circumstances in which the Fund Manager decides to exempt or reduce any fees.
- I. If essential or non-essential changes occurred during the period and affect the performance of the Fund.
- J. An annual report approved by the Board of Directors of the Fund, which includes, but is not limited to:
 1. The main topics discussed during that year (such as the performance of the Fund and the extent to which it achieved its objectives).
 2. Resolutions on those key topics.
- K. A statement about the special commissions obtained by the Fund Manager during that year, what they are and how to benefit from them.
- L. Risk Assessment Report.

22.2 How to Publish Reports

The Fund Manager shall publish all reports and statements referred to in Article “22” of these Terms and Conditions through the Tadawul website and the Fund Manager website.

23. Unitholders Meeting

23.1 Circumstances under which a Units Holders Meeting is called to be held

The circumstances in which a unitholder meeting is called (but not limited to) are as follows:

- A. When inviting the Fund Manager to hold a meeting of the unitholders on its own initiative.
- B. Within ten (10) business days of receipt of a written request from the Custodian to hold a unitholder meeting.
- C. Within ten (10) business days of receiving a written request from one or more unitholders who jointly or individually hold at least (25%) of the number of units issued by the Fund.

23.2 Procedures for calling for a meeting of unitholders and minimum attendance

- A. The call for the meeting of the unitholders shall be announced via the website of the Fund Manager and the Tadawul website at least ten (10) business days and not more than twenty-one (21) business days before the meeting and by giving written notice to the Custodian of the same aforementioned periods. The announcement to the unitholders and the notification to the Custodian shall specify the date, place, time, agenda and proposed decisions of the meeting. A copy of the announcement shall be sent to the Capital Market Authority.
- B. The meeting of unitholders shall not be valid unless attended by a number of unitholders who collectively hold at least (25%) of the number of units issued by the Fund.
- C. If the quorum described in paragraph (b) above is not met, the Fund Manager shall call for a second meeting by announcing the same on the website of the Fund Manager and any other website available to the public and as it deems appropriate at least five (5) business days before the date of the second meeting and by giving a written notice to the Custodian of the same aforementioned period. The second meeting shall be considered valid regardless of the percentage of ownership of the units represented at the meeting.

23.3 Method of voting by the unitholders and voting rights at the unitholder meeting

- A. Each unitholder may appoint a valid proxy to represent it at a meeting of unitholders.
- B. Every single unitholders shall cast one vote at the meeting of unitholders for each unit held by it at the time of the meeting.
- C. It is allowed to hold meetings of unitholders, participate in their deliberations and vote on their decisions by means of modern technology in accordance with the controls set by the Capital Market Authority.
- D. The decision shall be effective with the approval of unitholders representing more than (50%) (ordinary fund decision) or more than (75%) (special fund decision) (as applicable) of the total units present at the meeting of unitholders, whether in person, by proxy or by means of modern technology.

24. List of Unitholder Rights

Unitholders have the right to exercise all their rights stipulated in the Real Estate Investment Funds Regulations and these Terms and Conditions, including:

- A. Attending unitholder meetings and vote on resolutions therein.
- B. Voting in respect of any material change to the Fund, including:
 1. Significant change in the objectives, nature or category of the Fund.
 2. A change that has a material and adverse effect on the unitholders or on their rights in relation to the Fund.
 3. A change that has an impact on the risk degree to the Fund.
 4. Increase of the total value of the Fund's assets by accepting cash and/or in-kind subscriptions.
 5. Any other case stipulated in the Real Estate Investment Funds Regulations or directed by the Authority.
- C. Participating in increasing the total value of the Fund's assets.
- D. Receiving dividends in accordance with the provisions contained in these Terms and Conditions.
- E. Delegating third parties to attend the meeting of unitholders and vote on its decisions.
- F. Obtaining periodic reports and updates in accordance with these Terms and Conditions.

Except as provided in these Terms and Conditions, unitholders do not have any rights in relation to the management of the Fund.

25. Other Information

A. Important Contracts:

The Fund Manager has (or will) on behalf of the Fund sign a number of agreements and contracts, some of which may be summarized as follows:

- **Initial Real Estate Asset Purchase and Sale Agreements:** Two Initial Real Estate Assets Purchase and Sale Agreements were concluded with a total purchase price of one billion seventy-eight million three hundred and seventy thousand (1,078,370,000) Saudi riyals.
- **Guarantee Contract** A guarantee contract has been concluded between the Fund Manager for the benefit of the Fund (in its capacity as the Insured) with Al-Mutlaq Real Estate Investment Company, one-person company (in its capacity as the Insurer), in order to guarantee the net operating income of the third real estate asset (Citadines Hotel), as described and explained in Clause "5.7" of these Terms and Conditions.
- **Hotels Operating Agreements:** The rights and obligations relating to the operation of the two hotels (Somerset and Citadine) will be transferred to the Fund as described and explained in Clause "5.7" of these Terms and Conditions. The operating fees and charges for the two hotels shall be as described in Article of "11" these Terms and Conditions.
- **Property Management Contract:** The Fund Manager will conclude an initial real estate asset management contract with Al-Mutlaq Real Estate Investment Company, one-person company. The fees and costs of that contract are set out in Article "11" of these Terms and Conditions.
- **Custodian Agreement:** The Fund Manager (on behalf of the Fund) has appointed Alinma Capital Company as the Custodian of the Fund, under the Agreement for the Custody of the Fund's Assets through special purpose vehicles (SPVs). The fees and costs of this contract are set out in Article "11" of these Terms and Conditions.
- **Chartered Accountant Agreement:** The Fund Manager (on behalf of the Fund) has appointed PKF Ibrahim Ahmed Al-Bassam & Partners Chartered Accountants to examine the financial statements of the Fund on a semi-annual basis (unaudited statements) and to review the annual financial

statements (audited statements) in accordance with the standards of the Saudi Organization for Certified Public Accountants and in the fees described in Article "11" of these Terms and Conditions.

- **Independent Members of the Board of Directors Agreement:** The Fund Manager has signed the contracts of the Independent Members of the Board of Directors of the Fund, Abdullah bin Abdul Rahman Al-Mazrou and Wahib bin Muhammad Bajhmum, in order to carry out the work of the independent member as is customary and with the fees and compensation described in Article "11" of these Terms and Conditions.
- **Shariyah Review Agreement:** The Fund has appointed the Shariyah Review Bureau as the Fund's Sharia advisor, which in turn will review the Sharia standards followed by the Fund mentioned in Appendix "2" of these Terms and Conditions and at the fees specified in Article "11" of these Terms and Conditions.
- **Financing Agreements:** The Fund or the Special Purpose Vehicle may enter into a financing agreement compatible with Sharia standards and controls with the Saudi Investment Bank or any other bank, in accordance with what is described in these Terms and Conditions.

B. Other Service Providers

The Fund Manager may from time to time engage additional advisors and other external service providers in connection with one or all of the assets, including, but not limited to, developers, facility managers, project managers, contractors, architects, designers, legal advisors, etc. Any third party shall be used under an agreement negotiated on a purely commercial and independent basis.

26. Disclosures

- A. The Fund Manager shall notify the Authority and make the disclosure to unitholders immediately upon the occurrence of any of the following cases:
 1. Any material developments that fall within the framework of its activity and whose knowledge is not available to the general public, and which may affect the Fund's assets and liabilities, its financial condition, the general course of its business or any change that has an impact on the Fund's position or leads to the voluntary withdrawal of the Fund Manager from the position of Fund Manager, and which may reasonably lead to a change in the unit price or significantly affect the Fund's fulfillment of its obligations related to debt instruments (if any).
 2. Any deal to buy, sell, mortgage or lease an asset at a price equal to or greater than (10%) of the fund's net asset value according to the latest examined abridged financial statements or audited annual financial statements (whichever is more recent).
 3. Any losses equal to or exceeding (10%) of the fund's net asset value according to the most recently examined abridged financial statements or audited annual financial statements (whichever is more recent).
 4. Any dispute, including any lawsuit, arbitration or mediation if the amount of the dispute or claim equals or exceeds (5%) of the Fund's net asset value according to the most recent reviewed abridged financial statements or audited annual financial statements (whichever is more recent).
 5. An increase or decrease in the fund's net asset value equal to or greater than (10%) according to the most recently examined abridged financial statements or audited annual financial statements (whichever is more recent).
 6. An increase or decrease in the fund's net profit equal to or greater than (10%) according to the audited annual financial statements.
 7. Any deal between the Fund and a related party or any arrangement under which both the Fund and a related party invest in or provide financing for any project or asset if this deal or arrangement is equal to or greater than (1%) of the Fund's total revenues according to the latest audited annual financial statements.
 8. Any interruption in any of the Fund's main activities equals or exceeds (5%) of the Fund's total revenues, according to the latest audited annual financial statements.

9. The issuance of a ruling, decision, declaration or order from a court or judicial body, whether at the first instance or appellate stage, and it may negatively affect the Fund's exploitation of any part of its assets whose total value exceeds (5%) of the Fund's net asset value according to the most recently examined abridged financial statements or audited annual financial statements (whichever is more recent).
 10. Any proposed change in the total value of the Fund's assets (taking into account the commercial and confidentiality aspects of such proposed change).
- B. The method of disclosure to unitholders regarding the above cases shall be through the Tadawul website and the Fund Manager's website.

27. Complaint Processing Procedures

When there are any complaints related to the Fund, the complainant unitholder may send them to the Fund Manager at the email Complaints@icap.com.sa and the Fund Manager shall make the full complaints handling procedures available to the Unitholders upon request.

The subscriber may file his complaint with the Capital Market Authority - Investor Protection Department. The subscriber may also file his complaint with the Securities Disputes Settlement Committee after (90) business days from the date of filing the complaint with the Authority, unless the Authority notifies the complainant that it may be filed with the Committee before Expiry of this period.

28. Sharia/Legal Supervision Committee

The Shariyah Review Bureau was appointed as a Sharia advisor to supervise and provide advice on the Fund's compliance with Sharia controls and standards and its approval. The Shariyah Review Bureau is based in the Middle East as the headquarters of its operations and has a network of thirty-five (35) Sharia advisors around the world to cover the markets in which Sharia-compliant activities are concentrated such as: Malaysia, Saudi Arabia, Algeria, Egypt, UAE, Sudan and Bahrain. The Shariyah Review Bureau is licensed by the Central Bank of Bahrain in order to provide Sharia audit, structuring, review and approval (Fatwa) services. The Shariyah Review Bureau has appointed Sheikh Dr. Salah Al-Shalhoub and Sheikh Dr. Sulaiman Al-Juwaiser for the purpose of reviewing the Fund's Sharia standards and its documents to ensure the Fund's compliance with Sharia standards. The Sharia Supervision Committee shall supervise Sharia control and conduct the annual Sharia audit of the Fund's operations and agreements to confirm to the Board of Directors that the Fund's operations and investments are compatible with Sharia controls according to the Sharia standards set forth in Appendix "2" of these Terms and Conditions.

28.1 Names of members of the Sharia Supervision Committee and their qualifications

Sheikh Dr. Salah bin Fahd Al-Shalhoub and Sheikh Dr. Sulaiman bin Muhammad Al-Juwaiser shall be the members of the Sharia Supervision Committee:

Sheikh Salah holds a PhD in Islamic Finance from the University of Edinburgh in the United Kingdom and a Master's degree from Imam Muhammad bin Saud University in the Kingdom of Saudi Arabia. He participated in reviewing and approving a number of products in the United States of America, Europe, and the GCC countries, with a focus on investment banking products and real estate transactions. His experience extends to sukuk products, leasing, SME financing and asset management. He currently works as a faculty member at the Saudi Electronic University in Riyadh.

Sheikh Sulaiman holds a PhD and a master's degree in Sharia policy from Imam Muhammad bin Saud University in the Kingdom of Saudi Arabia. He participated in many Islamic financial seminars and presented a number of innovative products in Islamic finance.

He currently works as General Manager of the Sharia Compliance Department at Al Rajhi Takaful Insurance Company and Secretary of its Sharia Committee.

28.2 The duties and responsibilities of the Sharia Supervision Committee

The Sharia Supervision Committee shall monitor the Fund's activities from a Sharia perspective in order to ensure compliance with the provisions of Islamic Sharia. These responsibilities include, but are not limited to, the following:

- A. Verifying the Fund's compliance with Sharia controls and standards by periodically reviewing them.
- B. Reviewing the agreements and contracts related to the Fund's transactions from a Sharia perspective before implementing them.
- C. Following up on the Fund's operations and reviewing its activities from a Sharia perspective.
- D. Reporting to the Fund's Board of Directors in the event of a Sharia violation or potential Sharia violation.
- E. Preparing and following up on the necessary disinfection amounts (if any).

28.3 Details of the fees of members of the Sharia Supervision Committee

Annual fees of twenty thousand (20,000) Saudi riyals shall be calculated and paid semi-annually from the Fund's assets in exchange for the services of the Sharia Supervision Committee.

29. Unit Properties

All issued Fund units are of one class.

30. Amending the Terms and Conditions of the Fund

The Fund Manager shall amend these Terms and Conditions if needed, after the approval of the Fund's Board of Directors and the Capital Market Authority (if such approvals are needed), provided that the approval of the unitholders is obtained if the change is considered one of the material changes that requires their approval, in accordance with Article "23" of these Terms and Conditions. The Fund Manager shall submit the amended version to the Capital Market Authority within a period of not less than ten (10) days from the date of making the change and submit it to the Custodian immediately after it is amended. The Fund Manager shall also announce the updated terms and conditions within ten (10) business days from the date of making the change through the Tadawul website and the Fund Manager's website.

31. Fund Manager Acknowledgments

The Fund Manager submits its acknowledgments relating to the Fund as shown in Appendix 3 of these Terms and Conditions.

32. Applicable Law

The Fund and the Fund Manager are subject to the Capital Market Law and its executive regulations and other laws and regulations in force in the Kingdom of Saudi Arabia. These Terms and Conditions also constitute a binding contract between the Fund Manager and each unitholder. Subscription to the Fund or subsequent purchase of its units constitutes an acknowledgment of reading them and agreeing to everything contained herein. The Fund Manager and each investor shall seek to amicably resolve any dispute arising out of or in connection with these Terms and Conditions. In the event of a dispute for which an amicable solution cannot be reached, either party may refer such dispute to the Committee for Resolution of Securities Disputes.

Appendix (1) Summary of Financial Disclosure

The fund is newly established. Accordingly, the fees and expenses expected to be paid by the Fund and borne by unitholders, whether directly or indirectly, have been set out. This appendix will be updated with the actual numbers of expenses and fees that were paid after the issuance of the audited financial statements of the Fund through subsequent disclosures that will be made by the Fund Manager in accordance with the provisions herein contained.

Fund Management Fee:	Annual fees equivalent to (0.5%) of the total value of the Fund's assets, calculated and paid on a semi-annual basis.
Custody Fees:	Annual fees equivalent to (0.02%) of the net asset value of the Fund, to be paid semi-annually. In any case, regardless of the value of the net assets of the Fund, the annual fee shall not be less than the amount of one hundred and fifty thousand (150,000) Saudi riyals, in addition to the fees stipulated in the disclosure in clause "11.1" of these Terms and Conditions related to the Custodian.
Subscription Fee:	The subscription fees shall be deducted from the net subscription amounts upon subscription to the Fund and at the rate of (2%) of the net subscription amounts, which shall be paid to the Fund Manager upon subscription. These fees shall be finally due upon allocation of units. The Fund Manager will waive all subscription fees related to Al-Mutlaq Real Estate Investment Company, one-person company (which subscribes in kind), as stated in Clause "7.7" of these Terms and Conditions. The Fund Manager shall also be entitled to a subscription fee of (2%) of the net subscription amounts in the event of any future offerings to increase the total value of the Fund's assets.
Development Fees:	In the event that the Fund invests in real estate development projects, the developer will receive its fees for supervising/working on the development of the project in the form of a percentage of the costs of constructing the project and according to the prevailing market price.
Property Manager Fees:	Annual fees paid to the Property Manager in the amount of two million six hundred thousand (2,600,000) Saudi riyals, and paid as an advance and semi-annually to the Property Manager. The Property Manager will also be entitled after the end of the third year of the property management contract to an increase in the annual fees equivalent to (2.5%) of the fees paid for the previous year (the third year). In addition to the aforementioned annual fees, the Property Manager will be entitled to receive amounts of money that will not totally exceed four hundred thousand (400,000) Saudi riyals in the event that the performance indicators that will be agreed upon later with the Property Manager are achieved, which will include, but are not limited to, the occupancy rates of real estate assets under management, the payment of tenants for relevant rental payments, and the average timetables for processing related tenants' requests. The Fund Manager is also entitled to deduct from the annual Property Manager's fees a value that does not totally exceed four hundred thousand (400,000) Saudi riyals in the event that he fails to achieve the performance indicators that will be agreed upon. The Fund will also bear all expenses, fees and costs of the service providers contracted by the Property Manager for the purposes of servicing the properties managed by it, which are (as at the date of these Terms and Conditions) the initial real estate assets.



Hotels Operating Fees:	The specific and scope fees that the Fund will bear for the operation of the Somerset Hotel and the Citadines Hotel in accordance with the relevant operating contracts (which have been indicated that their referral to the Fund is a prerequisite for the initial real estate asset purchase and sale agreement (excluding the sixth real estate asset (Al-Mashael Warehouses)) as in Clause "5.7" of these Terms and Conditions), and are calculated for each hotel as follows: - Fixed fees equivalent to 2% of the total income for the relevant month plus a percentage of the adjusted gross operating profit (AGOP). This percentage shall be one of the percentages mentioned below (as applicable and based on performance) and shall be paid on a monthly basis.	
	Adjusted Gross Operating Profit (AGOP) Margin Ratio	Accrued Percentage of Adjusted Gross Operating Profit (AGOP)
	If it is less than 35%	0%
	If it is more than or equal to 35% but less than 45%	4%
	If it is more than or equal to 45% but less than 55%	6%
	If it is more than or equal to 55%	8%
	Note that the method of calculating the components of the fees is fully agreed with the operator. It should also be noted that the Uniform System of Accounts for the Lodging Industry, 10th Revised Edition will be used for some items related to the above fees only for the purposes of calculating the components of these fees. The Fund shall also bear the additional costs of the common services provided by the Operator: A. 131 Saudi riyals per month per room. B. 2% of room income as brand fees. C. Training and education costs included in the annual work plan, which is agreed upon between the parties on an annual basis. D. Prevailing charges at the relevant time for the Global Reservations Service. E. Part of the cost of marketing and other administrative services.	
Costs of Operating and Maintaining the Fund's assets:	The Fund shall bear all the costs of operating and maintaining the Fund's assets at the prevailing market rate. In all cases, only the actual expenses and fees will be deducted in the future.	
Insurance Fees and Costs:	In the event that the Fund Manager insures any of the Fund's assets, the Fund will bear all the fees and costs of the relevant insurance policy according to the prevailing market rate at the time.	
Auditor's fees:	The Fund shall pay the auditor an annual fee of forty-five thousand (45,000) Saudi riyals, half of which shall be paid immediately upon signing the relevant contract and the rest of which shall be paid upon the issuance of the relevant draft financial statements. These fees may change frequently, and such change will be disclosed in the reports submitted to the Unitholders in accordance with Article 22 " of these Terms and Conditions.	
Sharia Supervision Committee Fees:	Annual fees of twenty thousand (20,000) Saudi riyals to be paid semi-annually, which may change from time to time, and such change will be disclosed in the reports submitted to the unitholders in accordance with Article 22 " of these Terms and Conditions if it occurs. This is with the exception of the first year, in which half of the fees will be paid immediately after the signing of the contract and the second payment immediately after the issuance of the Sharia approval certificate.	
Finance Costs:	The Fund shall bear all financing costs, fees, expenses and expenses related to arranging and structuring the Fund's financing and all that is directly or indirectly related to the financing, such as hedging agreements (if any) that are paid to the financing entity at the prevailing market price. The Fund's financing shall not exceed (50%) of the total value of the Fund's assets at the time of concluding the relevant financing contract, according to the latest audited financial statements.	
Debt Arrangement fees:	In addition to the financing costs, the Fund shall bear an arrangement fee equivalent to (0.5%) of the value of the financing to be obtained by the Fund, which shall be paid to the Fund Manager in return for arranging financing loans for the Fund to be used to cover the costs of acquisition, development and operation of the Fund. The arrangement fee shall apply to the financing to be obtained for the benefit of the Fund referred to in these Terms and Conditions. In any case, the arrangement fee shall not exceed three million five hundred thousand (3,500,000) Saudi riyals.	



Performance Fee:	Without prejudice to the Dividend Policy mentioned in Article “9” of these Terms and Conditions, in the event that the Fund is able to pay annual cash dividends exceeding (10%) of the Fund’s net asset value, incentive fees of (20%) of any amount exceeding (10%) of the Fund’s net asset value shall be paid from the Fund’s assets to the Fund Manager.
Remuneration of the Board of Directors Members:	The Fund will grant the independent members of the Board of Directors of the Fund a financial remuneration of ten thousand (10,000) Saudi riyals per meeting, up to a maximum of twenty thousand (20,000) Saudi riyals per independent member annually, to be paid twice a year after each meeting of the Board of Directors of the Fund. The Fund shall also bear all actual travel and accommodation costs incurred by each member of the Board of Directors of the Fund in order to attend the meetings of the Board of Directors of the Fund (regardless of whether he is a member of the Board of Directors of an independent fund or otherwise).
Real Estate Valuers Fees:	The Fund shall bear all the costs of real estate valuers at the prevailing market rate. In all cases, only the actual expenses and fees will be deducted in the future.
Offering Expenses:	The Fund shall bear all the costs of the offering and all the expenses and fees incurred by the Fund Manager related to the offering.
Fees for Engineering and Consulting Services:	The Fund shall bear the actual expenses related to the technical and engineering services that the Fund Manager may need to ascertain the work of the Property Manager/Developer/or any of their contractors, including but not limited to: Ensure the progress of the project, the quality of the implementation of the works, claims and other related services. In all cases, only the actual fees and expenses shall be deducted.
Listing and Registration Fees:	The Fund will incur fees for the services provided by Tadawul and the Depository Center as changed and updated from time to time. These fees are as follows: A. Registration Fees - Unitholders Register Creation Service: An amount of fifty thousand (50,000) Saudi riyals in addition to two (2) Saudi riyals for each investor up to a maximum amount of five hundred thousand (500,000) Saudi riyals. - Unitholders Register Management Service Annual Fee: An amount of four hundred thousand (400,000) Saudi riyals annually. This fee may change from time to time according to the net asset value of the Fund. B. Listing Fees - Initial Listing Service for Fund Units: Fifty thousand (50,000) Saudi riyals. - Annual Fee for the Service of Listing the Units of the Fund: (0.03%) of the market value of the Fund, with a minimum of fifty thousand (50,000) Saudi riyals and a maximum of three hundred thousand (300,000) Saudi riyals.
Supervisory Fees Paid to the Capital Market Authority:	The Fund will bear a lump sum of seven thousand five hundred (7,500) Saudi riyals annually. These fees will be prorated for the number of days of the year, and the due fees will be paid every twelve (12) months.
Fees for Publishing Information on the Tadawul Website:	The Fund will bear a lump sum of five thousand (5,000) Saudi riyals annually for the publication of information on the Tadawul website. These fees will be prorated for the number of days of the year, and the due fees will be paid every twelve (12) months.
Other Expenses:	Without prejudice to the fees, charges and costs expressly mentioned in these Terms and Conditions, the Fund shall bear all fees, expenditures and expenses related to the activities and investments of the Fund. It shall also bear the expenses and fees resulting from transactions and services provided by third parties or related parties that are needed by the Fund Manager, such as legal and advisory services, real estate consultants and any other professional, technical, technological, administrative, advisory or government services, including expenses related to transfer fees between bank or investment accounts or their replacements, in addition to any fees (if any). Such costs shall not exceed (0.6%) of the total value of the Fund’s assets annually. In all cases, only actual expenses and fees shall be deducted.
Transaction Fees:	The Fund Manager shall receive (0.5%) of the special selling price for each real estate asset sold by the Fund. It shall also receive (0.5%) of the special purchase price for each real estate asset purchased by the Fund in return for the Fund Manager conducting the necessary investigation, negotiating the terms of purchase or sale, and completing the process. Transaction fees shall be due after the completion of the purchase or sale of each real estate asset. Note that the transaction fees will be applied to the purchase of the initial real estate assets, which will be calculated on the basis of the acquisition price of the initial real estate assets.
Brokerage Commission:	In the event that the Fund is the buyer, the Fund may bear a brokerage commission at a maximum rate of (2.5%) of the price of each deal, and shall be paid by the Fund (in its capacity as buyer) to the broker in the relevant deal after emptying. Such commission (if any) will be disclosed in the summary of the financial disclosure at the end of each year. Note that the brokerage commission will not be applied to the purchase of initial real estate assets.



Zakat:	The Fund Manager will register with the Zakat, Tax and Customs Authority for the purposes of Zakat in accordance with the rules for the collection of Zakat from investors in investment funds (the “Rules”) issued by Ministerial Resolution No. (29791) dated 9 Jumada Al-Awwal 1444H, and the Executive Regulations for the Collection of Zakat issued by Ministerial Resolution No. (2216) dated 7 Rajab 1440H, as amended by His Excellency the Minister of Finance Resolution No. (58705) dated 21/09/1444H. Based on what is set forth in the Rules, the conditions of deduction will be applied to the taxpayers who own the units of the investment fund according to the mechanism, conditions and controls of calculating Zakat of these detailed investments, in order to qualify the taxpayers subject to the provisions of the Regulations to record their investment units held in this Fund as deductions from the components of the Zakat base in their Zakat returns. This occurs if the deduction conditions mentioned in the Regulations and other controls mentioned in the rules apply, noting that these rules are a mechanism for regulating the collection of Zakat from investors in investment funds only if the taxpayer subject to the rules chooses to record these investments within the deductions from the Zakat base in its return. The Fund Manager undertakes to provide the Zakat, Tax and Customs Authority with all reports and requirements regarding Zakat returns and the information requested by the Zakat, Tax and Customs Authority for the purposes of examining and reviewing the Fund Manager’s returns. The Fund Manager shall also provide the subjected unitholder with Zakat returns upon request in accordance with the rules for collecting zakat from investment in investment funds issued by the Zakat, Tax and Customs Authority. Investors subject to the provisions of these rules who hold investment units in the Fund are required to calculate and pay Zakat on these investments. The rules for the collection of Zakat from investing in investment funds issued by the Zakat, Tax and Customs Authority can also be found on the website: (https://zatca.gov.sa/ar/Pages/default.aspx).
Government Fees/ Taxes:	The said fees, commissions and expenses due to the Fund Manager or other parties do not include government fees/taxes. The Fund will bear the government fees/taxes separately, whether due to the Fund Manager or resulting from its normal operating business, in accordance with the relevant legislation and executive regulations, including, for example, VAT.

Appendix (2) Sharia/Legal Standards

A. Sharia Standards for Fund Manager Remuneration

1. The Fund Manager may receive remuneration from the investor in exchange for its subscription because it is compensation for legitimate benefits, whether this remuneration is a lump sum or a discounted percentage of the value of the purchased unit, provided that these remuneration are stipulated in the Terms and Conditions of the Fund.
2. The Fund Manager may deduct performance incentives, which are additional fees required by the Fund Manager to the investor in the event that the level of profits exceeds a certain agreed upon limit because it is part of the remuneration that is known and does not lead to dispute, provided that the percentage is specified and known to the investor in the Terms and Conditions of the Fund.

B. Sharia Standards for Fund Management and Marketing

1. The Fund Manager shall exert its effort and energy to invest the Fund's money in an optimal and best way for the benefit of investors.
2. The Fund Manager shall invest the Fund's money in the purpose for which the Fund was established. It may not invest in anything not stipulated in the Terms and Conditions of the Fund except after notifying the investors.
3. The Fund Manager may stipulate the expected profit percentage from subscription to the fund based on a market study, provided that this is a matter of approximation and expectation.
4. The Fund Manager shall fully disclose all expenses charged to the fund.
5. All documents dealt with in the Fund including contracts and other forms shall not violate the provisions, controls and Sharia standards.
6. All agreements related to the Fund shall be presented to the Sharia Board for review and approval before proceeding with signing them with other parties.
7. The Fund Manager shall not enter into any contract that results in the payment or entitlement to usurious interest, and he may take judicial measures to obtain its dues.

C. Sharia Standards for Leasing and Selling the Fund's Assets

1. The Fund invests its money in real estate projects that are permissible according to Sharia and are not linked to usurious interest.
2. The Fund may not calculate any usurious interest in the event that any party is late in paying its obligations, and it may take appropriate judicial measures to obtain its dues.
3. The Fund Manager may rent real estate on the condition that it does not rent it to anyone who engages in an activity prohibited by Islamic Sharia, such as leasing from usurious banks.
4. The Fund Manager may not invest in real estate in which the tenants' activities are focused on the following prohibited activities:
 - Gambling.
 - Alcohol sale and production.
 - Tobacco production
 - Weapon making.
 - Prostitution.
 - Drugs.
 - Commercial insurance and usurious financing institutions.
 - Any other non-compliant activities determined by the Sharia Board.



5. The Fund Manager may invest in real estate leased to companies or persons that do not comply with the standards described above, including banks, insurance companies, gambling, alcohol... etc. provided that the rent collected from these parties represents 5% or less of the total rents collected from the property, taking into account the following conditions:
- The revenue collected from these entities shall be donated to charitable organizations after obtaining the approval of the Sharia Board.
 - If the Fund Manager can replace the tenant whose activity is not compatible with a tenant whose activity is compatible with Sharia controls and provisions without causing harm to the Fund from a financial or legal standpoint, it shall proceed with replacing the tenant after giving it a written warning of 3 months.
 - If the above-mentioned procedure causes financial or legal damages to the Fund, in this case the tenant will be left until the lease period expires and the contract shall not be renewed.
 - If the Fund Manager invests in a property in which there are no tenants, or if all of the tenants' activities comply with the Sharia provisions and controls, the Fund Manager may not lease the property to a tenant whose activity does not comply with the Sharia provisions and controls, even if the income from this tenant is less than 5% of the total rents collected.

Appendix (3) Fund Manager Acknowledgments

To: Capital Market Authority

- A. The Fund Manager acknowledges that the terms and conditions of Alistithmar AREIC Diversified REIT Fund have been prepared in accordance with the Real Estate Investment Funds Regulations issued by the Saudi Capital Market Authority.
- B. Except for what has been disclosed in these Terms and Conditions, the Fund Manager acknowledges, having conducted all reasonable investigations and to the best of its knowledge and belief, that there are no other facts whose failure to include in this document would render any statement contained herein misleading. The Saudi Capital Market Authority and the Saudi Capital Market Company do not bear any responsibility for the content of the Terms and Conditions.
- C. The Fund Manager acknowledges, after conducting all reasonable investigations, to the best of its knowledge and belief, and with the exception of what has been disclosed in these Terms and Conditions, that the initial real estate assets are free of any regulatory violations that prevent or may cause the initial real estate assets to not be benefited from or operated, as well as to the safety of the initial real estate assets and being technically free from any defects or major engineering defects that may prevent or may cause the initial real estate asset buildings not to be benefited from or operated, or may in turn cause costly major repairs and changes.
- D. Except for what was disclosed in these Terms and Conditions, the Fund Manager acknowledges (to the best of its knowledge) that there is no direct or indirect conflict of interest between any of the following:
 1. The Fund Manager.
 2. Manager(s) of properties associated with the Fund.
 3. Owner(s) of properties associated with the Fund.
 4. Tenant(s) of real estate assets whose returns constitute 10% or more of the Fund's annual rental returns.
6. The accredited valuer.
- E. The Fund Manager acknowledges that it has exercised due diligence to ensure that there is no direct or indirect conflict of interest between the seller of the Fund's initial real estate assets and the accredited valuers.
- F. The Fund Manager acknowledges that all members of the Fund's Board of Directors have not been subject to any bankruptcy or insolvency claims, bankruptcy or liquidation proceedings, and have not previously committed any acts of fraud, immoral behavior or breach of trust, nor have they ever committed any violation involving fraud, immoral behavior or breach of trust, and they have the necessary skills and experience that qualify them to be members of the Fund's Board of Directors.
- G. The Fund Manager acknowledges that the Independent Members meet the definition of "Independent Fund Board Member" contained in the list of terms used in the Capital Market Authority Regulations and Rules. The same shall apply to any independent member appointed by the Fund Manager during the term of the Fund.
- H. Except for what has been disclosed in these Terms and Conditions, the Fund Manager acknowledges that there are no business activities or other important interests of the members of the Board of Directors of the Fund Manager "Alistithmar for Financial Securities and Brokerage Company (Alistithmar Capital)" that could potentially conflict with the interests of the Fund.
- I. Except for what is disclosed in these Terms and Conditions, the Fund Manager acknowledges that there are no conflicts of interest that would affect the Fund Manager's performance of his duties towards the Fund.
- J. The Fund Manager acknowledges that there are no fees other than the fees mentioned in the Schedule of Fees and Remunerations mentioned in Clause "11.1" of these Terms and Conditions.
- K. The Fund Manager acknowledges that the Fund shall not be listed until the process of transferring ownership of the initial real estate assets in favor of the Fund or transferring its benefit is completed. If this is not completed after the completion of the offering period described in Article "7" of these Terms and Conditions, the full subscription amounts shall be refunded to the subscribers.

- L. The Fund Manager acknowledges that no member of the Board of Directors may have a direct or indirect interest in the business and contracts conducted on behalf of the Fund, unless they are in accordance with the provisions of the Real Estate Investment Funds Regulations and the Executive Regulations issued by the Capital Market Authority.
- M. The Fund Manager acknowledges that it has disclosed all contracts and agreements that are related to the Fund and that may affect investors' decisions to subscribe or trade in the Fund as of the date of the Terms and Conditions, and that there are no contracts and agreements other than what is mentioned in these Terms and Conditions.
- N. The Fund Manager acknowledges that the unitholders have the right to vote on matters presented to them at unitholder meetings. In addition, the approval of the majority of unitholders who own more than (50%) or more than (75%) (as applicable) of the total number of units their holders are attendant with regard to making any essential change to the fund. The essential change includes the following:
 - 1. Significant change in the objectives, nature or category of the Fund.
 - 2. A change that has a material and adverse effect on the unitholders or on their rights in relation to the Fund.
 - 3. A change that has an impact on the risk degree to the Fund.
 - 4. Voluntary withdrawal of the Fund Manager from the position of Fund Manager.
 - 5. Any change usually leads unitholders to reconsider their subscription to the Fund.
 - 6. Change that materially increases the total payments made from the Fund's assets.
 - 7. Change in the maturity or termination date of the Fund.
 - 8. Increase of the total value of the Fund's assets by accepting cash and/or in-kind subscriptions.
 - 9. Any other cases decided by the Authority from time to time and reported to the Fund Manager.
- O. The Fund Manager acknowledges that it shall take all necessary steps for the benefit of the unitholders, as per its knowledge and belief, with due and reasonable diligence. The Fund Manager, its directors, officers, employees, agents and advisors, its subsidiaries, the custodian, the Sharia Supervision Committee and the Fund's Board of Directors shall work to exert diligence and reasonable effort and act in good faith in order to achieve the interests of the unitholders. However, the Fund may be exposed to loss in any form due to any unintentional behavior issued by any of the aforementioned parties in relation to their management of the Fund's affairs. In such a case, these parties shall not bear responsibility for that loss, provided that they acted in good faith (good faith is proven if there is no action, decision, or correspondence indicating prior knowledge of the negative consequences of such action) and in a manner believed to best serve the interests of the Fund, and that the action does not involve gross negligence, fraud, or intentional misconduct.
- P. The Fund Manager acknowledges that it has indicated to the accredited valuer that the scope of work on the valuation reports must be appropriate for the purpose of the Fund Manager's request and usable for the purpose of offering it publicly, and to include the market rental value if it is different from the contractual rental value in the initial real estate asset lease contracts.

Appendix (4) Form of the Letter Submitted by the Fund Manager Regarding the Professional Diligence Report

To: Capital Market Authority

In our capacity as the Manager of Alistithmar AREIC Diversified REIT Fund, regarding the offering of a real estate investment traded fund under the name of the Alistithmar AREIC Diversified REIT Fund and the registration and listing of its units on the Saudi Stock Exchange (Tadawul), we, Alistithmar for Financial Securities and Brokerage Company (Alistithmar Capital), confirm, to the best of our knowledge, and after conducting due study and conducting the necessary investigations about the Fund, that the Fund has fulfilled all conditions required for the registration and listing of the Fund's units and has fulfilled all other matters required by the Capital Market Authority ("the Authority") until the date of this letter. Alistithmar for Financial Securities and Brokerage Company (Alistithmar Capital) confirms, to the best of its knowledge and within the limits of its authority as a fund manager, that it has provided the Authority with all information and clarifications according to the formula and within the specified time period as requested by the Authority to enable it to verify that the Fund Manager and the Fund have adhered to the Capital Market Law and the Real Estate Investment Funds Regulations..

In particular, the Fund Manager emphasizes the following:

- A. All relevant services required by the Real Estate Investment Funds Regulations were provided with the required diligence and expertise.
- B. Reasonable steps have been taken to verify that the members of the Fund's Board of Directors understand the nature and extent of their responsibilities in accordance with the Capital Market Law and its Executive Regulations.
- C. A reasonable opinion has been reached, based on sufficient investigations and professional experience, that:
 1. The Fund has met all requirements related to the Real Estate Investment Funds Regulations (including provisions relating to Terms and Conditions).
 2. All nominated members of the Fund's Board of Directors meet the qualification requirements contained in the executive regulations issued by the Capital Market Authority and its rules, and that independent board members meet the definition of "Independent Fund Board Member" contained in the list of terms used in the Capital Market Authority's regulations, rules and bylaws.
 3. Except for what has been disclosed in these Terms and Conditions, the initial real estate assets are free of any regulatory violations that prevent or may cause the buildings to not be utilized or operated, and the initial real estate assets are also technically sound and free of any major engineering malfunction or defects that prevent or may cause the buildings to not be utilized or operated, or in turn may result in costly major repairs and changes.
 4. The main activities of the potential main tenants of the initial real estate assets are sound, and they are able to meet their obligations to the Fund.
 5. All issues known to Alistithmar for Financial Securities and Brokerage Company (Alistithmar Capital) that the Authority shall take into account when studying the offering application have been disclosed to the Authority.

Appendix (5) Legal Advisor's Letter

To: Capital Market Authority

In our capacity as a legal advisor to Alistithmar for Financial Securities and Brokerage Company (Alistithmar Capital) ("the Fund Manager") regarding the Fund Manager's application to offer and list the units of Alistithmar AREIC Diversified REIT Fund on the market. It is a closed-end real estate investment traded fund compatible with the provisions of Islamic Sharia and established in accordance with the Capital Market Law and its Executive Regulations.

We refer to the terms and conditions prepared regarding the Fund which will have a total size of one billion two hundred and ten million (1,210,000,000) Saudi riyals and a total number of units of sixty million five hundred thousand (60,500,000) units, so that eighteen million five hundred thousand (18,500,000) of its units will be offered to the public at a price of ten (10) Saudi riyals per unit. In particular, we refer to the application to offer and list real estate investment traded fund units on the market submitted to the Capital Market Authority ("the Authority"). With regard to the requirements of the Capital Market Law and the Real Estate Investment Funds Regulations in particular, we have provided advice to the Fund Manager about the requirements that must be included in the legal sections of the Terms and Conditions, and about the extent to which the initial real estate assets meet all regulatory requirements and the extent of the integrity of six (6) title deeds of the initial real estate assets subject to acquisition and one usufruct contract, which is the seventh (7) real estate asset of the initial real estate assets subject to acquisition. In this regard, we have conducted additional study and investigations that we deem appropriate in these circumstances. We have also conducted an official study of the necessary professional legal due diligence in this regard.

In this advisory capacity, and except for what has been disclosed in these Terms and Conditions, we confirm that we are not aware of any material issue that constitutes a material breach by the Fund Manager of its obligations to the requirements of the Capital Market Law or the conditions imposed under the Real Estate Investment Funds Regulations regarding the application to offer and list the units of the relevant fund, including requirements relating to the content of the Terms and Conditions as they are on the date of this letter.

الاستثمار كابيتال
Alistithmar Capital



Contact information

For more information please contact the fund manager
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