



MULKIA-GULF REAL ESTATE REIT FUND

(Close-ended, Shariah-compliant real estate investment traded fund)

Mulkia-Gulf Real Estate REIT Fund has been approved as an investment fund compliant with the Sharia standards approved from the Fund's assigned Sharia Board, approval no. MLK-689-04-01-05-17.

Fund Manager: Mulkia Investment

Fund Custodian: Albilad Capital

Fund's details before increase of total asset value

Fund's capital as of the date of offering: SR 600,000,000

Fund's current size: SR 751,000,000

Fund's current number of units: 60,000,000 units

Fund's details after increase of total asset value

Fund's targeted capital: SR 681,086,520

Fund's targeted size: SR 971,336,521

Fund's number of units after increase: 68,108,652 units

Number of additional units offered to public: 8,108,652 units

Number of additional units offered for in-kind subscriptions: 8,108,652 units

Number of additional units offered for cash subscriptions: not applicable

Nominal value of additional units: SR 10 per unit

Total nominal value of additional units: SR 81,086,520

Unit target offering price during Subscription: SR 9.94 per unit

The total value of the additional units at the target offering price: SR 80,600,000

Percentage of units offered to Fund's targeted size: 8.3%

Date of CMA's approval to the Fund's incorporation and offering of its units: 09/08/2017

Date of Issuance of Terms and Conditions: 16/10/2017

Date of Terms and Conditions Last Update: 31/08/2020

Compliance Officer
Modhi Fahd Alqirnas

Chief Executive Officer
Muneera Hijab AlDossary

The Capital Market Authority (CMA) does not make any representations as to the accuracy or completeness of this document, and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon. Those wishing to subscribe in the Fund units offered under this document, should read this document completely before subscription and investigate the validity of the information provided regarding the offered units. In case the contents of this document are not understood, they must seek advice from an authorized financial advisor.

Note: All investors should carefully read and review all documents and instruments related to the Fund prior to take a decision to invest.

This document is the amended version of the Terms and Conditions of the Gulf Real Estate REIT Fund that reflects the following changes according to our letter sent to the Capital Market Authority (CMA) dated 11/07/1441H (corresponding to 06/28/2019G), and the approval letter of the CMA dated 01/12/1442H (corresponding to 31/08/2020G), to comply with the latest update of the Real Estate Investment Traded Funds Instructions.

Important Notice

Prospective investors must carefully read the entirety of these Terms and Conditions before making any decision to invest in the Fund. Investment in the Fund involves certain risks and may not be suitable for all investors. Investors must be willing to assume the risks associated with an investment in the Fund, which are described in Paragraph (8) of these Terms and Conditions. If an investor does not understand contents of these Terms and Conditions, it must consult an authorized financial adviser regarding the following:

- a. Appropriateness of investment in the fund to achieve the investor's investment objectives
- b. Investor's ability to bear any potential losses of capital as a result of the risks associated with investment in the Fund.

Accordingly, investors are to be informed that the decision to invest in the Fund and the risks arising therefrom will be made at their own risk.

Investor's purchase of any of the Fund units serves as an acknowledgment of its part that it has reviewed and accepted the Fund's Terms and Conditions, and will be treated as applying solely on the basis of the information contained in these Terms and Conditions, copies of which are available on Mulkia Investment website ("the Fund Manager") (www.mulkia.com.sa) or Saudi Stock Exchange ("Tadawul") website (www.tadawul.com.sa). Furthermore, the Fund Manager has not authorized any person to give any information or provide any statement regarding the Units Offering other than those contained in these Terms and Conditions. Other information or statements, if any, must not be relied upon as having been given or provided by the Fund Manager.

These Terms and Conditions have been prepared by the Fund Manager as a Saudi closed joint stock company registered in the Saudi Commercial Register under No. 1010407245 and a person licensed by CMA under License No 37-13170 in accordance with provisions of Real Estate Investment Funds Regulations issued by CMA Board of Directors pursuant to Resolution No. 1-193-2006 dated 19/06/1427H (corresponding to 15/07/2006G) and provisions of Real Estate Investment Traded Funds Instructions issued by CMA pursuant to Resolution No. 6-130-2016 dated 23/01/1438H (corresponding to 24/10/2016G) and amended pursuant to Resolution No. 2- 115- 2018 dated 13/02/1440H (corresponding to 22/10/2018G) ("Real Estate Investment Traded Funds Instructions").

The Fund Manager shall be liable for the information contained in these Terms and Conditions and shall confirm, to the best of its knowledge (after making reasonable effort to ensure the same), that they do not include any false or misleading statements and do not omit any matters that should be included therein by virtue of the Regulations issued by CMA Board of Directors.

A substantial portion of the information in these Terms and Conditions relevant to the real estate market is derived from external sources, including the value of real estate assets as assessed by independent real estate evaluator, the areas of real estate properties as stated in construction completion certificates, or lease contracts. While the Fund Manager has no reason to believe that any of these information are materially inaccurate, the Fund Manager has not independently verified such information, and no representation or assurance is made by the Fund Manager or consultants with respect to the accuracy or completeness of any of this information.

Forecasts set forth in these Terms and Conditions have been prepared on the basis of assumptions based on the Fund Manager's information according to its market experience, as well as on publicly available market information. Future operating conditions may differ from the assumptions used and consequently no affirmation, representation or warranty is made with respect to the accuracy or completeness of any of these forecasts.

Prospective investors should not consider these Terms and Conditions as an advice on any tax, legal, Sharia, investment or any other matters. Prospective Investors are advised to consult with their authorized independent professional, legal and Sharia advisors on the purchase, acquisition or disposition of the Units as well as the regulatory requirements applicable to them, foreign exchange restrictions in this regard and consequences of such purchase, acquisition, sale or disposition in terms of income, tax and Zakah. An Investor must rely on its own examination of the appropriateness of both the investment opportunity and the information herein with regard to the investor's individual objectives, financial situation and needs, including the merits and risks involved in investing in the Fund. An investment in the Fund may be appropriate for some investors but not others, and the prospective investors should Mulkia Investment Company, Closed Joint Stock Company – CMA license No. 37-13170

not rely on another party's decision to invest or not to invest as a basis for their own examination of the investment opportunity and such investor's individual circumstances.

These Terms and Conditions must not be considered as a recommendation by the Fund Manager to subscribe in the Initial Offering or to subscribe upon the increase of the total value of the Fund's assets by offering additional units. Moreover, information provided in these Terms and Conditions is of a general nature and has been prepared without taking into account individual investment objectives, financial situation or particular investment needs of the persons who intend to invest in the offered Units.

Subscription for Units is only made available to the following categories: (A) Saudi natural persons and GCC nationals; (B) Natural residents in Saudi Arabia under Residency ID; (C) Institutions, companies, investment funds, and other legal entities and legal persons existing in the Kingdom of Saudi Arabia. Recipients of these Terms and Conditions are required to review any legal or regulatory restrictions relevant to the Initial Offer and sale of units. Recipients are also required to observe all such restrictions, including Law of Real Estate Ownership and Investment by Non-Saudis. It must be noted that these Terms and Conditions do not constitute an offer or invitation by any person in any country where such offer or invitation is prohibited by law, nor an offer or invitation to any person prohibited to receive such offer or invitation by law. Recipients of these Terms and Conditions are required by the Fund Manager to identify and abide by such restrictions.

The information contained in these Terms and Conditions as at issuance date of the same is subject to change. In particular, units value may be adversely affected by future developments, such as inflation, interest rates change, taxation or other economic, political or other factors, over which the Fund Manager has no control (See Paragraph (8) of these Terms and Conditions for more details). Neither these Terms and Conditions nor any oral or written information in relation to the Offered Units is intended to be, or should be construed as or relied upon in any way as, a warranty or confirmation as to future earnings, results or events.

Certain statements in these Terms and Conditions constitute, or may be deemed to constitute, "forward-looking assumptions". Such assumptions can generally be identified by their use of forward-looking words such as "plans", "estimates", "believes", "expects", "anticipates", "may", "will", "should", "expected", "would be" or the negative thereof or other variations of such terms or comparable terminology. These assumptions reflect current opinions of the Fund Manager with respect to future events, but they are not a guarantee of future performance. There are many factors which may cause the actual results, performance or achievements of the Fund to be materially different from any future results, performance, achievements expressed or implied by such future assumptions. Some of these risks and factors that may create such influence are detailed in other sections of these Terms and Conditions (See Paragraph (8) of these Terms and Conditions for more details). Should any one of these risks or uncertainties materialize or any underlying assumptions prove to be incorrect or inaccurate, actual results of the Fund may vary materially from those described in these Terms and Conditions as predicted, estimated or planned.

Fund Guide			
Fund Manager	Mulkia Investment Co. Kingdom of Saudi Arabia, Riyadh Prince Muhammad Bin Abdulaziz Road (Tahlia Street) Aknaz Commercial Building (184), Office (3) P.O Box 52775, Postal Code 11573 Tel: 920003028 Fax: +966 (11) 293 2799 Website: www.mulkia.com.sa Email: info@mulkia.com.sa		
Auditor	DR. ABDULGADIR BANNAGA & PARTENERS CO. Kingdom of Saudi Arabia, Riyadh P.O Box 8246, Riyadh 12274 Tel: +966 11 456 2974 Fax: +966 11 405 0587 Website: www.rsm-alliedaccountants.com Email: malnader@rsm-alliedaccountants.com		
Custodian	Albilad Capital Kingdom of Saudi Arabia, Riyadh King Fahd Road, P.O. Box 140, Riyadh 11411 Tel: +966 9200 3636 Fax: + 966 11 290 6299 Website: www.albilad-capital.com Email: custody@albilad-capital.com		
Receiving Parties	 Kingdom of Saudi Arabia, Riyadh Al Maather Road P.O. Box 56006, Riyadh 11554 Tel: + 966-11-289-9999 www.alfransi.com.sa	 AlJazira Capital Kingdom of Saudi Arabia, Riyadh King Fahd Road P.O. Box 20438, Riyadh 11455 Tel: +966 11 2256000 www.aljaziracapital.com.sa	 Mulkia Investment
Property Manager	Property & facility Management Co (Edarah) Kingdom of Saudi Arabia, Riyadh Tahlia Street - Almas Plaza P.O Box 67008, Riyadh 11596 Tel: +966 920002792 Email: info@edarah.sa		
Real Estate Valuers	Century 21 Kingdom of Saudi Arabia, Riyadh Anas Ibn Malik Road, Al-Malqa District Tel: +966 11 4000360 Email: mail@century21saudi.com		
	Value Experts Kingdom of Saudi Arabia, Riyadh Anas Ibn Malik Road, Al-Malqa District Tel: 00966 11 4011292 Email: info@valuexperts.com		
	Nojoom Al-Salam Kingdom of Saudi Arabia, Riyadh Eastern Ring Road, Al-Rayyan District Tel: 920004468		
	Saudi Asset Valuation Company Kingdom of Saudi Arabia, Riyadh		

	Al Mezan Building, Olaya District Tel: 966920002011 Email: tathmen@tathmen.net	
	Estand Valuation Riyadh, Al-Yasmeen District Anas Bin Malik Road Square Center 25, Building No. 4040 Office No. 2, First Floor P.O Box 12236 Riyadh 11473 Tel: 920019905 Kingdom of Saudi Arabia Email: info@estnad.com	
	White Cubes Kingdom of Saudi Arabia, Riyadh P.O. Box 2955 Tel: 00966 11 8101765 Email: mnt@whitecubesre.com	
Legal Advisor	The Law Office of Mohammed Al Ammar (in cooperation with King & Spalding LLP) Kingdom Center, 20th floor King Fahd Road P.O. Box 14702 Riyadh 11434 Tel: 00966114669400 Kingdom of Saudi Arabia Website: www.kslaw.com	مكتب محمد العقار للمحاماة والاستشارات القانونية بالتعاون مع كينج آند سبولدينج THE LAW OFFICE OF MOHAMMED ALAMMAR In cooperation with King & Spalding LLP

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Definitions

In these Terms and Condition, unless the context requires otherwise, the following terms and expressions shall have the meaning assigned thereto below:

The Fund	Mulkia-Gulf Real Estate REIT Fund
Fund Manager	Mulkia Investment Company, a licensed person to conduct management activities under the Authorized Persons Regulations, and responsible for managing the fund's assets.
Fund Duration	Ninety-nine (99) years from offering closing date, which can be renewed for similar term at the Fund Manager's sole discretion following the approval of the Fund's Board and CMA
Board of Directors	The Fund's board of directors and the Fund Manager shall appoint its members to monitor the Fund Manager's activities.
CMA or Authority	Saudi Capital Market Authority
Fund Currency	The Currency used to evaluate the fund's units' price, which is Saudi Riyal.
The Regulations	Real Estate Investment Funds Regulations issued by CMA.
Real Estate Investment Traded Funds Instructions	The instructions on real estate investment traded funds issued by CMA
Business Day	Any business day on which the Saudi banks are open to exercise their operation
KSA	Kingdom of Saudi Arabia
Management Fees	Fees paid to the Fund Manager for the investment fund management.
Subscription fees	2.0% of the final subscription amount paid to the Fund Manager, after allocation is made.
Net profit	Total revenues of the fund after deducting total expenses incurred by the fund, excluding capital gains resulting from the sale of real estate assets and other investments that may be reinvested with the aim of acquiring additional assets or maintaining and renewing the fund's existing assets.
Unit	The share of any owner in any fund consisting of units or part thereof, and each unit shall be treated as representing a common share in the net assets of the fund.
Fund Capital	Total amounts of subscriptions by unitholders in the fund.
Total Asset Value (Fund Size)	Total value of the fund's assets, including real estate assets. It also means the amounts collected from investors in the fund in addition to any existing financing amounts on the fund.
Unit Value	Net value of the fund's assets divided by the number of outstanding units at the time of valuation.
Sharia Board	A group of Sharia scholars appointed by the Fund Manager to review and approve the fund's activities and ensure the extent to which investment products comply with the regulations of Islamic Shariah.
Subscriber (Unitholder)	A person who owns units in the fund which represent a common share in the net assets of the fund, collectively referred to as "subscribers" or "unitholders".
Valuer	A person appointed by the Fund Manager to evaluate the fund's real estate assets and who has the necessary know-how and experience to provide real estate valuation services, and is licensed and approved by the Saudi Authority for Accredited Valuers (Taqeem).
Net Asset Value	Total value of the fund's assets, including real estate assets, as valued by the valuer at the end of each valuation period (June 30, December 31), plus any accrued revenues less all outstanding liabilities of the fund.
Terms and Conditions	The contract between the Fund Manager and the subscribers, which contains terms and conditions, and subject to which the Fund Manager shall manage the subscribers' investments, and shall be paid for works performed, management fees, commissions and other amounts as stated in Paragraph 12, Fees, Charges, Commissions and Management Fees.
Real Estate Purchase commission	A maximum of 2.5% of the real estate acquisition value, to be calculated and paid to real estate broker upon delivery of the property. The real estate broker may be a related party.
The Market	The Saudi Stock Exchange
Related Party	1) Fund Manager, 2) Custodian, 3) Property Manager, 4) Valuer, 5) Legal Accountant, 6) Board Members, or any executives or employees of any of the aforementioned, 7), any unitholder owing more than 5% of the fund's net assets, or any person who is an affiliate or in control of any of the persons above mentioned persons.
Fund Board Independent Member	An Independent Fund Board Member enjoying full independence, as defined in Glossary of Defined Terms issued by CMA.
Real Estate Investment Traded Fund	A real estate investment fund that is publicly offered and the units of which are traded on the Exchange, whose primary investment objective is to invest in structurally developed real estates

	that generate periodic and rental income. A prescriptive percentage of the fund's net profit must be distributed in cash to the unitholders during the fund life, at least annually.
Structurally Developed Real Estate	Real estate that is developed and ready for use, including, but not limited to, residential, commercial, industrial, and agricultural real estates and others.
Public Unitholder	Anyone who owns a unit in the Real Estate Investment Traded Fund, excluding the following: Major Unitholder. Fund Manager and its subsidiaries Members of Fund Board of Directors
Major Unitholder	A person who owns 5% or more of the units of the Real Estate Investment Traded Fund.
Block	A part of an approved, area-defined plan, bounded on its four sides by streets. It is used in these Terms and Conditions to refer to the projects located thereon.
Minor	Anyone under 18 Hijri years.
Guardian	A person who has the power to decide and act on behalf of a minor under 18 years of age, including head of the family.
Trustee	A person who has the power to decide and act on behalf of a minor, this power is acquired by a trusteeship deed issued by competent court.
Promissory note	A written executive instrument or document, subject to the Law of Commercial Papers, that manifests the pledge or duty of one individual to pay a specified amount of money to another after a certain period of time or at a specified date. It is a guarantee to pay the amount specified therein. It is considered as an executive instrument and can be submitted to enforcement court according to Enforcement Law issued by Royal Decree No. M / 53 dated 8/13/1433H.
Authorized Person	A person authorized by the CMA to engage in securities business.
Right of Pre-emption	It gives a partner the right to purchase a property before it is offered to others.

1. Name and Type of the Fund:

The name of the Fund is MULKIA-GULF REAL ESTATE REIT FUND, a closed-ended, Shariah-compliant real estate investment traded fund.

2. Address of the Head Office of the Fund Manager:

2.1 The address of the head office of Mulkia Investment Company is: Kingdom of Saudi Arabia, Riyadh. Prince Muhammad Bin Abdulaziz Road (Tahlia Street). Aknaz Commercial Building 184, Office 3, P.O Box 52775, Postal code 11573. Tel: 920003028 Fax: +966 (11) 2799293, Website: www.mulkia.com.sa Email: info@mulkia.com.sa - Capital Market Authority License No. 37-13170.

2.2 The website of the Saudi Stock Exchange (“Tadawul”) also includes information about public investment funds, their terms and conditions, and financial statements and performance. You can visit the (Tadawul) website via the link: www.tadawul.com.sa

3. Fund Duration

The duration of the fund is ninety-nine (99) years from offering closing date, which can be renewed for similar term at the Fund Manager’s sole discretion following the approval of the Fund’s Board and CMA.

4. Issuance Date of the Fund’s Terms and Conditions and the latest update thereof

These Terms and Conditions and the offering of “Mulkia - Gulf Real Estate REIT Fund” were approved by CMA Board on 08/09/2017, corresponding to 11/17/1438H. Terms and Conditions last updated on 08/31/2020.

5. Fund Objectives:

The Fund aims to acquire structurally developed real estate properties capable of achieving periodic and rental income or under construction not exceeding a percentage of 25% from the fund’s total asset value. The fund shall distribute at least 90% of the fund net profit during the fund life and at a minimum of once a year within 90 days of the end of the fiscal year ending 31 December.

6. Description of the Fund’s Purpose and Investment Objectives:

6.1 The Fund intends to invest 75% at least of the total value of the Fund’s assets, according to the latest audited financial statements, in rental and periodic income-generating structurally developed real estate properties.

6.2 The fund shall distribute at least 90% of the fund net profit during the fund life and at a minimum of once a year within 90 days of the end of the fiscal year ending 31 December.

6.3 The Fund will invest 25% or less of the total value of the Fund's assets, according to the latest audited financial statements, in a real estate development, which can be through the development of the properties owned by the Fund in order to raise rental yields and achieve capital returns at partial sale or through investment in real estate development in non-owned properties to the Fund, at the sole discretion of the Fund Manager.

6.4 The Fund aims to invest at the beginning of its launch in real estate in the commercial, industrial and residential sectors, and can invest in subsequent periods in other sectors that achieve periodic returns that contribute to raising the returns of the fund, increasing financial efficiency, or reducing risks.

6.5 All Fund investments are shariah compliant.

6.6 All Fund investment will be inside Kingdom of Saudi Arabia.

6.7 The Fund may invest in real estate investment funds that comply with Shariah standards, not exceeding 10% of the total value of the Fund's assets according to the latest audited financial statements.

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7. Summary of Fund Strategies

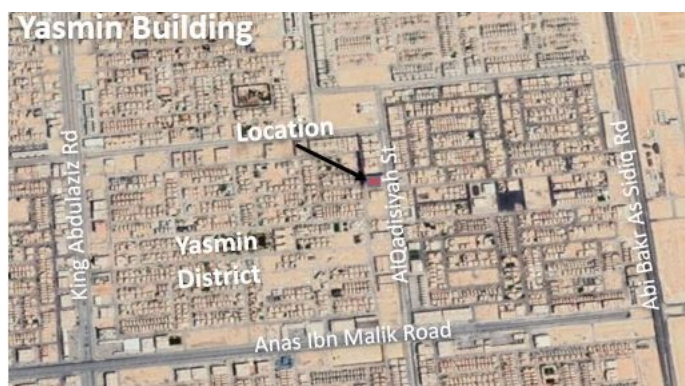
The Fund aims to acquire a number of income-generating real estate properties that fall under the four real estate assets mentioned in paragraph 7.1 within 60 days of the successful offering. In the event that the offering is not completed due to failure to collect the required amounts, the Fund Manager shall undertake the procedures referred to in paragraph 9 of these Terms and Conditions.

The Fund Manager acknowledges that the real estate properties referred to in Paragraph 7.1 are free from any statutory violations that prevent or may prevent the use or operation of the real estate property and that the real estate property is technically intact and free from any major engineering flaws or defects that prevent or may prevent the use or operation of the real estate property or that would result in costly major repairs or amendments.

7.1 Fund Assets:

7.1.1 Alysamin Residential Building (Riyadh)

(Property location)



This property consists of 41 multi-sized apartments, located in the north of Riyadh, and the occupancy (rental) rate is 0% (Vacant)

Property Details	
Name of the Property	Alysamin Residential Building
Property Owner(s) information	Mulkia Real Estate Income Generating Fund
Type	residential building
Country / City	Kingdom of Saudi Arabia, Riyadh
District / street	Alysamin District, Al-Qadisiyah Street
Land Area	2,309 sq.m
Built-up Area	5,303 sq.m.
Number of floors	3.5 floors
Components	41 apartments, with an area 97-152 sq.m each.
Date of Building Completion	04/12/1434
Age of the Building	7 years
Total Value of Acquisition	SR 18,677,220
Acquisition Mechanism	100% in cash from the proceeds of the Fund's IPO subscriptions.
Lease Contract Details	
Tenant	vacant
Usage	residential
Contract Commencement Date	vacant
Contract Term	not applicable
Contract End Date	not applicable

The remaining period to the end of the contract as of the date of the Terms and Conditions	not applicable.	
Total Contract Value	not applicable	
Annual Rental / Return	not applicable	
Annual Rent for the last 3 years	Year	Rental Value
	2019	Vacant
	2018	Vacant
	2017	SR 1,450,000
Payment Method	Not applicable	
Tenant Guarantees	Not available	
Contract Termination Conditions	Not applicable	
Building Insurance	The property is insured against potential risks, which insurance extends to cover all costs of property reinstatement, including permits, demolition and reconstruction costs, and public liability insurance and rents.	

Disclosure: The property owner is Mulkia Real Estate Income Generating Fund managed by the Fund Manager and owns 14% thereof.

Except for what is mentioned above, the Fund Manager acknowledges that there is no conflict of interest, directly or indirectly, between the following parties:

1. The Fund Manager.
2. Manger(s) of properties related to the Fund.
3. Owner(s) of properties related to the Fund.
4. Tenant(s) of real estate assets whose returns constitute 10% or more of the annual rental returns of the Fund.

7.1.2 Teqnia Commercial Industrial Complex

(Property location)



This complex consists of 5 car maintenance centers, 2 car showrooms, and a spare parts center and is located in the southeast of Riyadh. The occupancy (rental) rate is 100%. The Fund Manager will acquire the real estate asset and transfer its ownership to the special purpose vehicle (SPV) within 60 days from the date of the successful closing of the offering, and will pay the value of the asset in the form of offered units at the acquisition value in favor of the property owner.

Property Details	
Name of Property	Teqnia Commercial Industrial Complex
Property Owner(s) information	Abdul Latif Al-Essa Holding Group, and Aqar and Ammar International Real Estate Company, a subsidiary of Abdul Latif Al-Essa Holding Group, has the right to dispose of it.
Type	Industrial and commercial complex

Country / City	Kingdom of Saudi Arabia, Riyadh	
District / street	Al-Faisaliah District, Eastern Ring Branch Road	
Land Area	45,749 square meters	
Built-up Area	36,554 square meters	
Number of Floors	1	
Components	5 car maintenance centers, 2 car showrooms, and spare parts center.	
Age of the Complex	7 years	
Total Acquisition Value	SR 121,500,000, exclusive brokerage commission fee, which is SR 1,215,000.	
Acquisition Mechanism	100% in kind by offering 12,150,000 units to the property owner upon the Fund's IPO.	
Total annual rent / Revenue	SR 8,920,000 / 7.34%	
Total Contract Value	SR 45,254,000	
Property Insurance	The property is insured against potential risks, which insurance extends to cover all costs of property reinstatement, including permits, demolition and reconstruction costs, and public liability insurance and rents.	
Lease Contract Details (Block 6)		
Land Area	14,713 square meters	
Built-up Area	12,150 square meters	
Date of Building Completion	13/06/1434	
Tenant	Abdul Latif Al-Issa Motors Company, one of the Abdul Latif Al-Issa Holding Group companies, which owns Aqar and Mimar International Real Estate Company.	
Usage	Motor maintenance center and all related activities	
Contract Commencement Date	1/1/2017G, corresponding to 2/4/1438H	
Contract Term	5 years (binding)	
Contract End Date	31/12/2021G, corresponding to 26/5/1443H	
Remaining Period to Contract End from the Date of the Terms and Conditions	1 year and 7 months	
Total Contract Value	SR 10,000,000	
Annual Rent	SR 2,000,000	
Annual Rent for the last 3 years	Year	Rental Value
	2019	SR 2,000,000
	2018	SR 2,000,000
	2017	SR 2,000,000
Rent payment method	2 payments semi-annually, according to the Gregorian calendar	
Contract Termination Conditions	The Tenant shall not be entitled to terminate the contract, and the landlord shall have the right to terminate the contract if the Tenant violates any of the contract terms and conditions, which are as follows: 1- If the Tenant fails to pay the tent by the due date. 2- If the Tenant violates any of the contract terms and condition, and fails to correct such violation. 3- If the property is used by the Tenant in a manner contrary to the purpose for which it has been leased. 4- If it is proven that the property is used by the Tenant in a manner contrary to the purpose for which it has been leased. 5- If the Tenant becomes bankrupt.	
Lease Contract Details (Block 7/A)		
Land Area	4,865 square meters	
Built-up Area	1,850 square meters	
Date of Building Completion	08/01/1435	
Tenant	Abdul Latif Al-Issa Motors Company, one of the Abdul Latif Al-Issa Holding Group companies, which owns Aqar and Mimar International Real Estate Company.	
Usage	Claims and motor maintenance center and all related activities	

Contract Commencement Date	1/1/2017G, corresponding to 2/4/1438H		
Contract Term	5 years (binding)		
Contract End Date	31/12/2021G, corresponding to 26/5/1443H		
Remaining Period to Contract End from the Date of the Terms and Conditions	1 year and 7 months		
Total Contract Value	SR 3,000,000		
Annual Rent	SR 600,000		
Annual Rent for the last 3 years	Year	Rental Value	
	2019	SR 6,00,000	
	2018	SR 6,00,000	
	2017	SR 6,00,000	
Rent payment method	2 payments semi-annually, according to the Gregorian calendar		
Contract Termination Conditions	The Tenant shall not be entitled to terminate the contract, and the landlord shall have the right to terminate the contract if the Tenant violates any of the contract terms and conditions, which are as follows: 1- If the Tenant fails to pay the tent by the due date. 2- If the Tenant violates any of the contract terms and condition, and fails to correct such violation. 3- If the property is used by the Tenant in a manner contrary to the purpose for which it has been leased. 4- If it is proven that the property is used by the Tenant in a manner contrary to the purpose for which it has been leased. 5- If the Tenant becomes bankrupt.		
Lease Contract Details (Block 7/B)			
Land Area	4,865 square meters		
Built-up Area	1,835 square meters		
Date of Building Completion	08/01/1435		
Tenant	Alissa International Motors Company		
Usage	Auto parts sales center and all related activities		
Contract Commencement Date	1/1/2017G, corresponding to 2/4/1438H		
Contract Term	5 years (binding)		
Contract End Date	31/12/2021G, corresponding to 26/5/1443H		
Remaining Period to Contract End from the Date of the Terms and Conditions	1 year and 7 months		
Total Contract Value	SR 2,000,000		
Annual Rent	SR 400,000		
Annual Rent for the last 3 years	Year	Rental Value	
	2019	SR 4,00,000	
	2018	SR 4,00,000	
	2017	SR 4,00,000	
Rent payment method	2 payments semi-annually, according to the Gregorian calendar		

Contract Termination Conditions	The Tenant shall not be entitled to terminate the contract, and the landlord shall have the right to terminate the contract if the Tenant violates any of the contract terms and conditions, which are as follows: 1- If the Tenant fails to pay the tent by the due date. 2- If the Tenant violates any of the contract terms and condition, and fails to correct such violation. 3- If the property is used by the Tenant in a manner contrary to the purpose for which it has been leased. 4- If it is proven that the property is used by the Tenant in a manner contrary to the purpose for which it has been leased. 5- If the Tenant becomes bankrupt.								
Lease Contract Details (Block 9)									
Land Area	6,098 square meters								
Built-up Area	4,750 square meters								
Date of Building Completion	17/08/1433								
Tenant	Alissa International Motors Company								
Usage	Motor maintenance center and all related activities								
Contract Commencement Date	1/1/2017G, corresponding to 2/4/1438H								
Contract Term	5 years (binding)								
Contract End Date	31/12/2021G, corresponding to 26/5/1443H								
Remaining Period to Contract End from the Date of the Terms and Conditions	1 year and 7 months								
Total Contract Value	SR 4,772,500								
Annual Rent	SR 954,500								
Annual Rent for the last 3 years	<table><tr><td>Year</td><td>Rental Value</td></tr><tr><td>2019</td><td>SR 954,500</td></tr><tr><td>2018</td><td>SR 954,500</td></tr><tr><td>2017</td><td>SR 954,500</td></tr></table>	Year	Rental Value	2019	SR 954,500	2018	SR 954,500	2017	SR 954,500
Year	Rental Value								
2019	SR 954,500								
2018	SR 954,500								
2017	SR 954,500								
Rent payment method	2 payments semi-annually, according to the Gregorian calendar								
Contract Termination Conditions	The Tenant shall not be entitled to terminate the contract, and the landlord shall have the right to terminate the contract if the Tenant violates any of the contract terms and conditions, which are as follows: 1- If the Tenant fails to pay the tent by the due date. 2- If the Tenant violates any of the contract terms and condition, and fails to correct such violation. 3- If the property is used by the Tenant in a manner contrary to the purpose for which it has been leased. 4- If it is proven that the property is used by the Tenant in a manner contrary to the purpose for which it has been leased. 5- If the Tenant becomes bankrupt.								
Lease Contract Details (Block 10)									
Land Area	6,730 square meters								
Built-up Area	5,233 square meters								
Date of Building Completion	19/06/1434								
Tenant	Mohammed Youssef Naghi Motors Company								
Usage	Motor maintenance and spare parts sale								
Contract Commencement Date	26/10/2017G, corresponding to 06/02/1439H								
Contract Term	5 years (binding)								
Contract End Date	25/10/2022G, corresponding to 29/3/1444H								

Remaining Period to Contract End from the Date of the Terms and Conditions	2 years and 5 months	
Total Contract Value	SR 5,280,000	
Annual Rent	SR 960,000 (as of October 25, 2019)	
Annual Rent for the last 3 years	Year	Rental Value
	2019	SR 1,155,464
	2018	SR 1,200,000
	2017	SR 1,200,000
Rent payment method	1 payment annually, according to the Gregorian calendar	
Contract Termination Conditions	The lease period is binding for the Landlord, and the Tenant alone shall have the right to terminate the contract at any time during the contract term at its sole discretion, provided that the first party shall be notified 90 before the end of any lease year, and the Landlord shall have the right to terminate the contract if the tenant violates any of the contract terms and conditions, which are as follows: 1- If the Tenant fails to pay the tent by the due date. 2- If the Tenant violates any of the contract terms and condition, and fails to correct such violation. 3- If the property is used by the Tenant in a manner contrary to the purpose for which it has been leased. 4- If it is proven that the property is used by the Tenant in a manner contrary to the purpose for which it has been leased.	
Lease Contract Details (Block 11)		
Land Area	7,341 square meters	
Built-up Area	5,800 square meters	
Date of Building Completion	17/08/1433	
Tenant	United Motors Company Ltd.	
Usage	Motor maintenance center, spare parts sale and all related activities	
Contract Commencement Date	01/01/2018G, corresponding to 02/04/1438G	
Contract Term	5 years (binding)	
Contract End Date	31/12/2022G, corresponding to 7/6/1444H	
Remaining Period to Contract End from the Date of the Terms and Conditions	2 years and 7 months	
Total Contract Value	SR 7,351,500	
Annual Rent	(SR 1,435,500 as of 2020)	
Annual Rent for the last 3 years	Year	Rental Value
	2019	SR 1,595,000
	2018	SR 1,450,000
	2017	SR 1,450,000
Rent payment method	2 payments semi-annually, according to the Gregorian calendar	
Contract Termination Conditions	The Tenant shall not be entitled to terminate the contract, and the landlord shall have the right to terminate the contract if the Tenant violates any of the contract terms and conditions, which are as follows: 1- If the Tenant fails to pay the tent by the due date. 2- If the Tenant violates any of the contract terms and condition, and fails to correct such violation. 3- If the property is used by the Tenant in a manner contrary to the purpose for which it has been leased. 4- If it is proven that the property is used by the Tenant in a manner contrary to the purpose for which it has been leased. 5- If the Tenant becomes bankrupt.	
Lease Contract Details (Plot 24)		
Land Area	6,000 square meters	

Built-up Area	3,000 square meters								
Date of Building Completion	10/02/1434								
Tenant	Alissa International Motors Company								
Usage	Motor showroom and related activities								
Contract Commencement Date	1/1/2017G, corresponding to 2/4/1438G								
Contract Term	5 years (binding)								
Contract End Date	31/12/2021G, corresponding to 26/5/1443H								
Remaining Period to Contract End from the Date of the Terms and Conditions	1 year and 7 months								
Total Contract Value	SR 8,350,000								
Annual Rent	SR 1,670,000								
Annual Rent for the last 3 years	<table><tr><td>Year</td><td>Rental Value</td></tr><tr><td>2019</td><td>SR 1,670,000</td></tr><tr><td>2018</td><td>SR 1,670,000</td></tr><tr><td>2017</td><td>SR 1,670,000</td></tr></table>	Year	Rental Value	2019	SR 1,670,000	2018	SR 1,670,000	2017	SR 1,670,000
Year	Rental Value								
2019	SR 1,670,000								
2018	SR 1,670,000								
2017	SR 1,670,000								
Rent payment method	2 payments semi-annually, according to the Gregorian calendar								
Contract Termination Conditions	The Tenant shall not be entitled to terminate the contract, and the landlord shall have the right to terminate the contract if the Tenant violates any of the contract terms and conditions, which are as follows: 1- If the Tenant fails to pay the tent by the due date. 2- If the Tenant violates any of the contract terms and condition, and fails to correct such violation. 3- If the property is used by the Tenant in a manner contrary to the purpose for which it has been leased. 4- If it is proven that the property is used by the Tenant in a manner contrary to the purpose for which it has been leased. 5- If the Tenant becomes bankrupt.								
Lease Contract Details (Plot 25)									
Land Area	6,000 square meters								
Built-up Area	3,000 square meters								
Date of Building Completion	10/02/1434								
Tenant	Supply company for projects								
Usage	Showroom, offices and spare parts sales								
Contract Commencement Date	15/3/2020G, corresponding to 20/07/1441H								
Contract Term	5 years (binding)								
Contract End Date	14/3/2025G, corresponding to 14/9/1446H								
Remaining Period to Contract End from the Date of the Terms and Conditions	4 years and 9 months								
Total Contract Value	SR 4,500,000								
Annual Rent	SR 900,000								
Annual Rent for the last 3 years	<table><tr><td>Year</td><td>Rental Value</td></tr><tr><td>2019</td><td>Vacant</td></tr><tr><td>2018</td><td>SR 1,754,500</td></tr><tr><td>2017</td><td>SR 1,754,500</td></tr></table>	Year	Rental Value	2019	Vacant	2018	SR 1,754,500	2017	SR 1,754,500
Year	Rental Value								
2019	Vacant								
2018	SR 1,754,500								
2017	SR 1,754,500								
Rent payment method	2 payments semi-annually, according to the Gregorian calendar								

Contract Termination Conditions	<p>The Tenant shall not be entitled to terminate the contract, and the landlord shall have the right to terminate the contract if the Tenant violates any of the contract terms and conditions, which are as follows:</p> <ol style="list-style-type: none"> 1- If the Tenant fails to pay the rent by the due date. 2- If the Tenant violates any of the contract terms and condition, and fails to correct such violation. 3- If the property is used by the Tenant in a manner contrary to the purpose for which it has been leased. 4- If it is proven that the property is used by the Tenant in a manner contrary to the purpose for which it has been leased.
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Disclosure: This Complex is owned by Abdul Latif Al-Essa Holding Group, and Aqar and Mimar International Real Estate Company, a subsidiary of Abdul Latif Al-Issa Holding Group, has the right to dispose of it. Mr. Ziyad Al-Issa is a 5% shareholder of Mulkia Investment Company and owns a direct 10% interest in Abdul Latif Al-Issa Holding Group, and owns an indirect 10% interest in Aqar and Mimar Company. He is also a board member in Abdul Latif Al-Essa Motors Company, which is a major tenant in this complex. Abdul Latif Al-Essa Motors is a subsidiary of Abdul Latif Al-Essa Holding Group. For more details, see Annex 4 at the end of these Terms and Conditions.

Except for what is mentioned above, there is no conflict of interest, directly or indirectly, between the following parties:

1. The Fund Manager.
2. Manager(s) of properties related to the Fund.
3. Owner(s) of properties related to the Fund.
4. Tenant(s) of real estate assets whose returns constitute 10% or more of the annual rental returns of the Fund.

7.1.3 Dinar Commercial Building (Jeddah)

(Property Location)



This building consists of offices and showrooms , located in Jeddah, and the occupancy (rental) rate is 100%. The Fund Manager will acquire the real estate asset and transfer its ownership to the special purpose company within 60 days. The Fund Manager will pay the value of the asset in cash from the cash contributions in the Fund.

Property Details	
Name of the Property	Dinar Commercial Building
Property Owner(s) information	Abdul Malik Abdullah Al Sheikh
Type	Commercial building (offices and showrooms)
Country / City	Kingdom of Saudi Arabia, Jeddah.
District / street	Zahra district, Prince Sultan Street.
Land Area	4,761 square meters
Built-up Area	14,900 square meters
Number of floors	4
No. of Units (Components)	6 showrooms + 29 offices
Date of Building Completion	Not available

Total Value of Acquisition	SR 124,470,490, exclusive brokerage commission fee, which is SR 3,111,762.	
Acquisition Mechanism	100% in cash from the proceeds of the Fund's IPO subscriptions	
Lease Contract Details		
Tenant	Saba Real Estate Company	
Usage	Offices and Showrooms	
Contract Commencement Date	19/10/2017G, corresponding to 29/01/1439H	
Contract Term	7 years (binding)	
Contract End Date	18/10/2024G, corresponding to 14/04/1446H	
Remaining Period to Contract End from the Date of the Terms and Conditions	4 years and 4 months	
Total Contract Value	SR 69,703,480	
Annual Rent	SR 9,957,640 / 8%	
Annual Rent for the last 3 years	Year	Rental Value
	2019	SR 9,957,640
	2018	SR 9,957,640
	2017	SR 9,957,640
Rent Payment Method	Annually, according to the Gregorian calendar	
Property Insurance	The property is insured against potential risks, which insurance extends to cover all costs of property reinstatement, including permits, demolition and reconstruction costs, and public liability insurance and rents.	

Disclosure: This building is owned by Mr. Abdul Malik Abdullah Al Al Sheikh, and the Tenant is Saba Real Estate Company Ltd., in which the owner of the property owns 60%. The following table shows the shareholders of Saba Real Estate Company Ltd.

	Shareholder	Percentage (%)
1	Abdul Malik Abdullah Al Sheikh	60%
2	Khalid bin Youssef Al-Salloum	40%

Except for what is mentioned above, the Fund Manager acknowledges that there is no conflict of interest, directly or indirectly, between the following parties:

1. The Fund Manager.
2. Manger(s) of properties related to the Fund.
3. Owner(s) of properties related to the Fund.
4. Tenant(s) of real estate assets whose returns constitute 10% or more of the annual rental returns of the Fund.

7.1.4 West Avenue Project (Dammam)

(Property location)



A modern-style commercial mall is one of the real estate properties of the Gulf Real Estate REIT, and is located in Dammam, Faisalia district, at Omar Bin Al-Khattab Street, one of the best modern urban areas. It includes many restaurants and commercial lounges, and among the most important brands in the mall are Carrefour, Saco, Al Shaya, etc. The mall has been fully leased out to Gulf Real Estate Company at 100% occupancy.

This property consists of markets and showrooms and is located in Dammam. The occupancy (rental) rate is 100%. The Fund Manager will acquire the real estate asset and transfer its ownership to the special purpose company within 60 days. The Fund Manager will pay 86% of the asset's value in the form of offered units (in kind) at the acquisition value for the benefit of the property owner, and 14% of the asset value will be paid in cash from cash contributions to the Fund.

Property Details		
Name of the Property	West Avenue	
Property Owner(s) information	Gulf Real Estate Company	
Type	Commercial building (markets and showrooms). Showroom include SACO and Al Shaya Retail Company.	
Country / City	Kingdom of Saudi Arabia, Dammam.	
District / street	Faisalia district, Omar Bin Al-Khattab Road.	
Land Area	57,000 square meters	
Built-up Area	56,000 square meters	
Number of floors	1	
No. of Units (Components)	88 rental units (showrooms)	
Date of Building Completion	01/11/2017	
Total Value of Acquisition	SR 309,000,000, exclusive brokerage commission fee, which is SR 3,090,000.	
Acquisition Mechanism	Offering of in-kind units valued at 86% of the property’s value upon the fund’s initial offering to the property owner, and the remaining 14% of the property’s value has been paid in cash from the proceeds of the fund’s IPO subscriptions.	
Lease Contract Details		
Tenant	Gulf Real Estate Company (Project owner)	
Usage	Commercial showrooms, restaurants and an amusement park	
Contract Commencement Date	01/11/2017G, corresponding to 11/02/1439G	
Contract Term	20 years (five years binding)	
Total Contract Value	SR 123,600,000	
Annual Rent	SR 24,720,000	
Annual Rent for the last 3 years	Year	Rental Value
	2017 – 1/11/2017	SR 24,720,000
	2018	SR 24,720,000
	2019	SR 24,720,000
Rent Payment Method	Semi-annually, according to the Gregorian calendar	
Property Insurance	The property is insured against potential risks, which insurance extends to cover all costs of property reinstatement, including permits, demolition and reconstruction costs, and public liability insurance and rents.	

Disclosure: This complex is owned by Gulf Real Estate Company, which is owned by Gulf Investment House Company, Saad Trading and Contracting Company, Abdul Latif Al-Essa Group Ltd., Al-Saedan Real Estate Company, First Investment Company and a number of investors. The share of any one investor does not exceed 5% of the capital. The company will lease the whole property, and Mr. Ziyad bin Abdul Latif Al-Issa owns an indirect interest, through Abdul Latif Al-Issa Holding Company, and a direct 1.2% interest in the company. For more details about the shareholders of the company, see Appendix 5 at the end of these Terms and Conditions, He is one of the shareholders of Mulkia Investment Company, the Fund Manager, as he owns 5% of the Fund Manager's capital.

Except for what is mentioned above, the Fund Manager acknowledges that there is no conflict of interest, directly or indirectly, between the following parties:

1. The Fund Manager.
2. Manger(s) of properties related to the Fund.
3. Owner(s) of properties related to the Fund.
4. Tenant(s) of real estate assets whose returns constitute 10% or more of the annual rental returns of the Fund.

7.1.5 Vivienda Hotel Villa Complex

A luxury hotel residential villa complex in Al-Hada district in Riyadh, at Prince Faisal bin Fahd Road, near Sefarat district. The property is fully leased to Forus Investment and Real Estate Development Company, at 100% occupancy.

(Property location)



This property consists of a group of hotel villas of various sizes and is located in the Riyadh, Al-Hada district. The occupancy (rental) rate is 100%.

Property Details	
Name of the Property	Vivienda Villa Hotel Complex
Property Owner(s) information	Abdullah Hammoud Fahad Al-Rasheed / Forus Investment and Real Estate Development Co.
Type	Hotel villa complex
Country / City	Saudi Arabia, Riyadh.
District / street	Al-Hada District, Al-Diwan Street
Land Area	10,000 square meters
Built-up Area	7,200 square meters
Number of floors	Basement + ground floor + first floor+ upper annex
No. of Units (Components)	24 villas of different sizes.
Date of Building Completion	15/09/2015
Total Value of Acquisition	RS 125,000,000, exclusive brokerage commission fee, which is SR 3,125,000.
Acquisition Mechanism	The property was acquired by paying a portion of 18 million riyals of the acquisition value from the remaining amounts of the IPO subscriptions and 107 million from the financing available to the fund according to the financing agreement.
Lease Contract Details	
Tenant	Forus Investment and Real Estate Development Co
Usage	Hotel villas
Contract Commencement Date	01/01/2018
Contract Term	20 years - mutually binding
Remaining period of the Contract	18 years and 4 months
Total Contract Value	SR 242,809,375
Annual Rent	SR 10,937,500
Rent Payment Method	quarterly, according to the Gregorian calendar.
Insurance	The property is insured against potential risks, which insurance extends to cover all costs of property reinstatement, including permits, demolition and reconstruction costs, and public liability insurance and rents.

7.1.6 Burger King Restaurant (Khamis Mushait)

(Property location)



Property Details		
Name of the Property	Burger King Restaurant	
Property Owner(s) information	Mulkia Plaza development fund	
Type	Restaurant	
Occupancy Rate	100%	
Country / City	Kingdom of Saudi Arabia, Khamis Mushait	
District / street	King Khalid Road, Al-Nuzha District	
Location	Al-Nuzha district, Khamis Mushait	
Land Area	1,500 square meters	
Built-up Area	567 square meters	
Number of floors	1	
No. of Units (Components)	2 buildings, one floor each	
Date of Building Completion	Not available	
Total Value of Acquisition	SR 13,058,889	
Acquisition Mechanism	100% of the financing available to the Fund according to the financing agreement	
Lease Contract Details		
Tenant	Olayan Food Services Company	
Usage	Restaurants	
Contract Commencement Date	14/09/2018G, corresponding to 03/01/1440H	
Contract Term	17 years, mutually binding	
Remaining period of the Contract	15 years and 4 months	
Total Contract Value	SR 25,630,822, for the remaining period of the contract	
Annual Rent	SR 1,150,000	
Annual Rent for the last 3 years	Year	Rental Value
	2019	SR 1,150,000
	2018	SR 1,150,000
	2017	SR 1,150,000
Rent Payment Method	Annually, according to the Gregorian calendar.	
Insurance	The property is insured against potential risks, which insurance extends to cover all costs of property reinstatement, including permits, demolition and reconstruction costs, and public liability insurance and rents.	

7.1.7 Burger King Restaurant (Jeddah, Alsheraa)

(Property location)



Property Details	
Name of the Property	Burger King Restaurant, Alsheraa
Property Owner(s) information	Mulkia Plaza development fund
Type	Restaurant
Country / City	Kingdom of Saudi Arabia, Jeddah
District / street	Obhur Al Shamaliyah District (AlSheraa), Prince Abdul Majeed Road
Land Area	1,995 square meters
Built-up Area	864 square meters
Number of floors	1
No. of Units (Components)	2 buildings, one floor each
Date of Building Completion	Under construction
Total Value of Acquisition	SR 15,562,500
Acquisition Mechanism	100% of the financing available to the fund based according to the financing agreement.
Lease Contract Details	
Tenant	Olayan Food Services Company
Usage	Restaurant
Contract Commencement Date	not commenced yet. The project is under construction.
Contract Term	20 years, mutually binding, commences 4 months after receiving the project
Remaining period of the Contract	not yet started.
Total Contract Value	SR 29,006,250
Annual Rent	SR 1,250,000
Rent Payment Method	Annually, according to the Gregorian calendar.
Insurance	After the completion of the project and the receipt of the building, the Fund Manager undertakes that the property will be insured against potential risks, which insurance extends to cover all costs of property reinstatement, including permits, demolition and reconstruction costs.

7.1.8 Burger King Restaurant (Obhur)

Mulkia Investment Company, Closed Joint Stock Company – CMA license No. 37-13170

(Property location)



Property Details		
Name of the Property	Burger King Restaurant, Obhur	
Property Owner(s) information	Mulkia Plaza development fund	
Type	Restaurant	
Country / City	Kingdom of Saudi Arabia, Jeddah	
District / street	Obhur Al Shamaliah district, Aber Alqarat0 street	
Type	Restaurant	
Location	Obhur Al Shamaliah district, Jeddah	
Land Area	552 square meters	
Built-up Area	180 square meters	
Occupancy rate	100%	
Number of floors	1	
No. of Units (Components)	One building	
Date of Building Completion	Not available	
Total Value of Acquisition	SR 7,338,235	
Acquisition Mechanism	100% of the financing available to the Fund according to the financing agreement	
Lease Contract Details		
Tenant	Olayan Food Services Company	
Usage	Restaurant	
Contract Commencement Date	11/03/2019G, corresponding to 04/07/1440H	
Contract Term	17 years, mutually binding	
Remaining period of the Contract	15 years and 4 months	
Total Contract Value	SR 13,286,000, for the remaining period of the contract	
Annual Rent	SR 610,000	
Annual Rent for the last 3 years	Year	Rental Value
	2019	SR 610,000
	2018	SR 610,000
	2017	Not applicable
Rent Payment Method	Annually, according to the Gregorian calendar.	
Insurance	The property is insured against potential risks, which insurance extends to cover all costs of property reinstatement, including permits, demolition and reconstruction costs, and public liability insurance and rents.	

7.1.9 First Room Hotel Apartments

(Property location)




A building licensed as a "3-star" accommodation facility, hotel apartments, with a total built-up area of 11,613 square meters, 128 furnished units, and a number of floors: a basement, a ground floor, three upper floors, and an annex with all furniture and appliances. The building is leased for 10 (binding) years to First Room Hotel Company, at 100% occupancy.

Property Details	
Name of the Property	First Room Hotel
Property Owner(s) information	Fahd bin Mohammed bin Ahmed Al-Za'aki / Ali Saleh Ali Al-Nusian
Type	Hotel Apartments
Country / City	Kingdom of Saudi Arabia, Riyadh
District / street	Namozagiah district, Prince Fahd bin Salman Street, near its intersection with King Fahd Road
Land Area	3,062 square meters
Built-up Area	11,613 square meters
Number of floors	1 Basement, 1 ground floor, 3 upper floors, and 1 annex
No. of Units (Components)	128 furnished units
Date of Building Completion	07/09/1437
Total Value of Acquisition	SAR 50,000,000, exclusive brokerage commission fee of SR 1,250,000 and VAT of SR 2,500,000
Acquisition Mechanism	100% of the financing available to the Fund according to the financing agreement
Lease Contract Details	
Tenant	First Room Hotel Company
Usage	Hotel Apartments
Contract Commencement Date	01/01/2020G, corresponding to 05/05/1441H
Contract Term	10 years, mutually binding
Remaining period of the Contract	9 years and 7 months
Total Contract Value	SR 50,000,000
Annual Rent	SR 5,000,000
Rent Payment Method	Annually, according to the Gregorian calendar.
Insurance	The Fund Manager has insured the property after transferring the ownership of the property to the Fund. The property is insured against potential risks, which insurance extends to cover all costs of property reinstatement, including permits, demolition and reconstruction costs, and public liability insurance and rents.

Targeted Property to Increase the Total Asset Value of the Fund:

7.1.10 Elite Mall "The Elite"

Name of the Property	Elite Mall "The Elite"
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Property Owner(s) Information	Khalid bin Abdulaziz bin Nafjan.
Type of the Property	Restaurants, commercial showrooms and offices.
Country / City	Saudi Arabia, Riyadh
District / street	Sulaymaniyah District / Prince Musaid bin Jalawi Street (Al-Dhabab).
Property location	
Title Deed No.	210115033104 dated 29/08/1434H
Building License Number	544/1436 dated 13/01/1436H
Building Completion Certificate No.	1439/3047 dated 15/08/1439H
Land Area	9,600 square meters.
Built-up Area (as per building license)	21,929 square meters.
No. of Floors	1 Basement + 1 ground floor + 1 mezzanine + 1 first floor + 1 annex.
Types and Number of Units	The complex consists of a ground floor and a mezzanine, which both contain 15 units of commercial showrooms and restaurants of different sizes, and one second floor and one annex, which both contain an area of 15 various office units, in addition to more than 240 parking spaces serving the complex.
Property Occupancy Rate	100%
Cost of Purchasing the Property	SR 206,537,500, of which SR 80,600,000 was paid in form of in-kind shares in the Fund and the rest was paid in cash through the financing available to the fund, including brokerage commission fee of SR 5,037,500 paid to the broker, which is a non-related party, exclusive VAT of SR 10,075,000.
Overview of the Current Lease Contracts	
	Details of Lease and Operation Contracts
Main Tenants and Operators	Almasharia Aloula Company- The owner of the property is one of the major shareholders in Almasharia Aloula Company and is the main tenant
Number of Contracts	1 contract
Total Rental Amount	SR 16,000,000, exclusive VAT.
Net Rental Amount	SR 16,000,000.
Rental Payment Frequency	Two payments - one payment every six months, except for the first year, where one payment only will be paid upon signing the lease contract.
Rental Guarantee	The Tenant shall, upon delivery, provide the Lessor with 7 promissory notes, of SR 8,000,000 (eight million) each, representing the rent value for 6 months to cover the first 3.5 years of the lease term.
Responsibility for Managing the Property	Tenant - Almasharia Aloula Company
Property Maintenance	Subject to the lease contract, the Tenant shall maintain the property periodically.
Contract Termination Conditions	<p>The lessor may, at its sole discretion, terminate the contract without any compensation to the Tenant and without prejudice to the Lessor's right to the entire term of the contract and compensation for any damages, as applicable, in any of the following cases:</p> <p>If the second party delays the payment of the rent or any other due amounts for more than 30 days from the due date thereof, unless excused by the Lessor.</p> <p>If the Tenant violates any of the contract terms and conditions and fails to remedy violation within the period notified in writing by the lessor to remedy the violation.</p>

	<p>If it is proven that the Tenant has used, or allowed the use of the leased property in a manner contrary to the purpose for which it has been leased, or in a manner that causes damage to the leased property or to others, or in violation of governmental regulations and instructions. If it is proven that the Tenant has waived the contract without express written approval from the Lessor.</p> <p>If the second party becomes bankrupt, insolvent, or declares its liquidation and becomes unable to fulfill its obligations</p>
Contract Term	5 years binding for both parties, and the contract shall not be renewed or extended except with the written approval of the Lessor subject to 6 months' notice.
Average remaining period of the Contract	5 years, commencing from the date of transferring the ownership of the property to the Fund
Property Insurance	The Fund Manager has insured the property after transferring the ownership of the property to the Fund. The property is insured against potential risks, which insurance extends to cover all costs of property reinstatement, including permits, demolition and reconstruction costs, and public liability insurance and rents. The Fund's properties insurance cost is charged to the Fund in accordance with the prevailing market prices. The Fund Manager will obtain offers from insurance companies and insure the property based on the best offers and conditions. This insurance will be disclosed in the next financial reports.
Disclosure:	
Property valuation value (SR)	
1 st Valuation	SR 188,000,000
Valuator	Estand Real Estate Valuation
Valuation Method	Income capitalization
2 nd Valuation	SR 206,450,000
Valuator	White Cubs
Valuation Method	Income capitalization
Average of Valuations	SR 197,225,000

Operational Performance of Targeted Property:		Targeted Operational Performance			
Current Operational Performance:					
Item	2019	2020	2021	2022	
Total Rental Income (exclusive VAT)	Not applicable	SR 13,333,333	SR 16,000,000	SR 16,000,000	
Net Rental Income	Not applicable	SR 13,333,333	SR 16,000,000	SR 16,000,000	
Occupancy Rate for Commercial Part	Not applicable	100%	100%	100%	
Occupancy Rate for Office Part	Not applicable	100%	100%	100%	
Net Rental Income	Not applicable	SR 16,000,000	SR 16,000,000	SR 16,000,000	
Percentage of Total Annual Return of the property *	Not applicable	6.46%	7.75%	7.75%	
Percentage of Net Annual Return of the property *	Not applicable	6.46%	7.75%	7.75%	
Rent for the last 3 year	Year	Rent			
	2017	Not applicable			
	2018	Not applicable			
	2019 **	8,896,312			

The lease contract for the Elite property "The Elite" commenced at March 2, 2020, and therefore the rent mentioned represents the rent for the period from March 2, 2020 to December 31, 2020. For the remaining, the entire rent of SR 16,000,000 shall be collected. * Occupancy rate is about 50%.

1. ** The revenue is calculated based on the acquisition value and brokerage commission fee totaling SR 206,537,500, exclusive tax. The property has been acquired by increasing the total value of the fund's assets by offering 8,108,652 additional units ("additional units"). The Units have been offered at a nominal value of SR 10 per unit, with a total value of SR 81,086,520 for all units. Subscription in the Fund during the offering period to increase the fund's total assets value is based on the fund's net asset value per unit at fair value, which is SR 9.94 per unit ("targeted offering price") according to the financial statements as of June 30, 2019, with total subscription value of SR 80,600,000, provided that the difference shall be recognized as an offering discount under "Net assets attributable to Unitholders" in the balance sheet. An additional 8,108,652 units have been offered for in-kind subscription for of Dr. Khaled bin

Abdulaziz bin Nafjan, who is the owner of the new property that has been acquired for the benefit of the Fund by increasing the total assets of the Fund.

Disclosure: subject to the facility agreement, the financing bank has the right to pledge all the fund's properties in the bank's name in return for to the financing amount due by the Fund.

Current and Targeted Net Rental Revenue per Property / Benefit

Name of the Property	<u>2018</u>	<u>2019 *</u>	<u>2020 *</u>	<u>2021 *</u>
Alysamin Residential Building	Vacant	Vacant	Vacant	Vacant
Teqnia Commercial Complex	10,029,000	8,419,500	8,920,000	8,920,000
Dinar Commercial Building	9,957,640	9,957,640	9,957,640	9,957,640
West Avenue Complex	24,720,000	24,720,000	24,720,000	24,720,000
Vivienda Villas Complex **	10,937,500	10,937,500	10,937,500	10,937,500
Burger King Restaurant, Khamis Mushait	1,150,000	1,150,000	1,150,000	1,150,000
Burger King Restaurant, Jeddah, Alsheraa	Not Applicable	Applicable	1,250,000	1,250,000
Burger King Restaurant, Jeddah, Obhur	610,000	610,000	610,000	610,000
First Room Hotel Apartments	Not applicable	Not applicable	5,000,000	5,000,000
Elite Mall "The Elite"	Not applicable	Not applicable	13,333,333	16,000,000

* Rental value according to signed contracts

** Vivienda Villas Complex, the rent will be SR 11,703,125 as of 28/10/2022, an increase of 7%.

Targeted annual rental revenues of properties based on acquisition value:

Properties	total revenue to acquisition value % *			net revenue to acquisition value % *		
	2020	2021	2022	2020	2021	2022
Teqnia Commercial, Industrial Complex	7.34%	7.34%	7.34%	7.34%	7.34%	7.34%
Dinar Commercial Building	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
West Avenue Mall	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Vivienda Property	8.75%	8.75%	8.85%	8.75%	8.75%	8.85%
Burger King Restaurant, Khamis Mushait	8.81%	8.81%	8.81%	8.81%	8.81%	8.81%
Burger King Restaurant, Alsheraa	8.03%	8.03%	8.03%	8.03%	8.03%	8.03%
Burger King Restaurant, Obhur	8.31%	8.31%	8.31%	8.31%	8.31%	8.31%
First Room Hotel Apartments	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Elite Mall "The Elite"	6.62%	7.94%	7.94%	6.62%	7.94%	7.94%
Alysamin Residential Building	Vacant	Vacant	Vacant	Vacant	Vacant	Vacant

* Acquisition value exclusive brokerage commission fee.

Targeted annual rental revenues of properties based on acquisition value and brokerage fee:

Properties	total revenue to acquisition value % *			net revenue to acquisition value % *		
	2020	2021	2022	2020	2021	2022
Teqnia Commercial, Industrial Complex	7.34%	7.34%	7.34%	7.34%	7.34%	7.34%
Dinar Commercial Building	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
West Avenue Mall	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Vivienda Property	8.75%	8.75%	8.85%	8.75%	8.75%	8.85%
Burger King Restaurant, Khamis Mushait	8.81%	8.81%	8.81%	8.81%	8.81%	8.81%
Burger King Restaurant, Alsheraa	8.03%	8.03%	8.03%	8.03%	8.03%	8.03%
Burger King Restaurant, Obhur	8.31%	8.31%	8.31%	8.31%	8.31%	8.31%
First Room Hotel Apartments	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Elite Mall "The Elite"	6.62%	7.94%	7.94%	6.62%	7.94%	7.94%
Alysamin Residential Building	Vacant	Vacant	Vacant	Vacant	Vacant	Vacant

* The building is vacant because the tenant has left the building.

Usage of Offering and Acquisition Proceeds

Item	Percentage (%)	Value	
Purchase value (exclusive VAT)		201,500,000	
Acquisition Details		cash	In-kind
Acquisition percentages		60%	40%
Details of acquisition amounts		120,900,000	80,600,000
Brokerage Fee and VAT			
VAT	5% of purchase value	10,075,000	
Brokerage Fee	2.5% of purchase value	5,037,500	
Brokerage fee + VAT	7.5%	15,112,500	
Non-recurring fees			
Handling fees paid to the Fund Manager	1% of the acquired property value	2,015,000	
Capital structure fees paid to the Fund Manager	1% of in-kind and cash subscriptions	806,000	
Finance structure fees paid to the Fund Manager	1 % of the finance amount withdrawn (*)	416,501	
Total non-recurring fees		3,237,501	
Total fees		18,350,001	
Total amount withdrawn		139,250,001	

(*) 0.7%, equivalent to SR 971,835, of the amount was paid.

A table showing each tenant rent percentage to total rents (%):

Property	Tenant	Total Income of 2020	% of total income
West Avenue Mall	Gulf Real Estate Company	24,720,000	32.58%
Block 6 and block 7A – Teqnia Complex	Abdul Latif Al-Essa Motors Company	2,600,000	3.43%
Block 7B, block 9 and Block 24 - Teqnia Complex	Alissa International Motors Company	3,024,500	3.99%
Vivienda Villas complex	Forus Real Estate Company	10,937,500	14.41%
Block 11 Teqnia Complex	United Motors Company	1,435,500	1.89%
Block 10 - Teqnia Complex	Mohammed Youssef Naghi Motors Co.	960,000	1.27%
Plot 25 - Teqnia Complex	Projects supply company	900,000	1.19%
Dinar Building in Jeddah	Saba Real Estate Company	9,957,640	13.12%
Burger King restaurants, Khamis Mushait & Jeddah Obhu & Alsheraa	Olayan Food Company	3,010,000	3.97
First Room Hotel	First Room Hotel Company	5,000,000	6.59%
Elite Mall "The Elite"	Almasharia Aloula Company	13,333,333	17.57%
Alysamin Building *	Alysamin *	-	-
Total		75,878,473	100%

* The property is vacant – the tenant has left the property.

Capital Structure of the Fund:

Description	Value
No. of Units of the Fund	68,108,652 units
Fund Capital	SR 681,086,520
Used Finance	SR 342,600,000
Fund Size	SR 1,023,686,520
Total Revenue of the Fund	SR 75,878,473
Net Revenue of the Fund *	SR 74,628,473

* The difference between the total rent and the net rent represents the amount of rent for Alsheraa restaurant in Jeddah, which is about SR 1,250,000. This is because the contract has not commenced yet as the project is in its final stages and the property will be delivered to the tenant and the contract will commence 4 months after delivery.

The total revenue of the fund means the total rental value subject to lease contracts entered into with the tenants.

The net income of the Fund means the value of the rents, subject to lease contracts, less the value of any expenses incurred on the properties, such as management and maintenance fees, etc., and less the vacancy rates or non-operational properties, such as properties under construction for which lease contracts have been signed during construction period.

Percentage of Fund revenue to capital %	2020	2021	2022
	Targeted		
Fund Capital	681,086,520	681,086,520	681,086,520
Facilities used	342,600,000	342,600,000	342,600,000
Total fund size	1,023,686,520	1,023,686,520	1,023,686,520
Total revenue of the properties in the fund	75,878,473	78,545,140	78,674,766
Total income of the properties in fund properties	74,628,473	78,545,140	78,674,766
Fund rental revenue to capital %			
total revenue of the properties in the fund	11.14%	11.53%	11.55%
Net income of the properties	10.96%	11.53%	11.55%
Expected total expenses of the fund	3.89%	3.89%	3.89%
Facilities (finance) charges	2.01%	2.01%	2.01%
Non-recurring expenses	0.00%	0.00%	0.00%
Targeted income of the Fund	5.05%	5.63%	5.65%

Fund Expenses:

Fund Recurring Costs	
Fund Management Fees	1% annually of the total asset value of the fund, after deducting the expenses, calculated and paid every six months.
Other expenses	0.25% as custody fees, auditor fees, board members' fees, etc., as shown in Fees, Charges, Commissions and Management Fees section.
Fund non-recurring costs	
Capital structure fee	The fund pays fees to the Fund Manager or any other party for capital structure, at a maximum of 1% of the total of any subscription amounts collected during future offering periods or upon collecting any other subscription amounts, whether in cash (by issuing priority rights) or in kind. The capital structure fees shall be paid for one time immediately after the closure of any fund raising.
Finance structuring fee	The fund pays fees to the Fund Manager or any other party for finance structure, at a maximum of 1% of the total amount withdrawn subject to any bank facilities.
Transaction fee	The fund pays to the Fund Manager a maximum of 1% of the sale or acquisition value of any real estate asset throughout the fund life.
Brokerage commission fees	2.5%, at maximum, of the property acquisition value is paid to the real estate broker upon transfer of the ownership of the property. The real estate broker may be a related party.

* Net income of properties has been calculated based on occupancy rates.

Occupancy rate = rental value of the leased properties to total rents, which, in 2020, represents 98.75%. In the event that the tenant receives Burger King Restaurant in Alsheraa district and Alysamin building is leased out, the occupancy rate will be 100%.

7.1 The power to obtain finance: The Fund Manager does not intend to obtain finance upon launching the fund on behalf of the fund. However, the Fund Manager may obtain Sharia-compliant finance after the approval of the fund's board of directors. The percentage of finance obtained shall not exceed 50% of the total assets value of the fund, according to the last audited financial statements. The amount of finance to be obtained shall depend on the financing arrangements and the prevailing market conditions. The conditions of any finance will be based on the absence of any right to recourse against the unitholders in the fund.

7.2 The Fund Manager has the right to pledge the real estate subject of the investment during the acquisition stage in favor of any financing agency in the event of obtaining finance for the fund, and the pledge deed is to registered in the name of the custodian unless the financing party requests the registration of the instrument in its name.

7.3 After the fund is listed in Tadawul, the Fund Manager may negotiate with banks to obtain Sharia-compliant credit facilities whenever required to provide the cash necessary to complete the acquisition of real estate assets that may take place in the future.

7.4 Methods and How to invest cash available in the Fund:

The Fund Manager may maintain liquidity in the form of available cash until it is invested in targeted real estate assets or distributed to unitholders. The Fund Manager may make temporary investments with available cash amounts in Murabaha transaction, before distributing such amounts to investors or before investing them in assets, as applicable, provided that the cash available shall be directly invested in money market instruments issued by Saudi and Gulf agencies and subject to the supervision of central banks in Saudi Arabia and the Gulf states, which investment shall be in Saudi riyal. Issuers of money market instruments shall be selected based on credit rating, which rating shall not be less than (Baa) issued by Moody's or equivalent (BBB +) by Fitch or Standard & Poor's. Cash available may also be invested indirectly in Murabaha Saudi riyal dominated public funds licensed by the CMA, whether managed by the Fund Manager itself or another manager. Such funds are to be selected by comparing the historical performance of the fund to the risks, liquidity and the size of the fund. Investments can be made in more than one fund at the same time. Moreover, surplus cash may be invested in other public real estate investment traded funds licensed by CMA in compliance with Sharia controls.

7.5 The Fund Manager shall abide by investment restrictions as provided for in Real Estate Investment Traded Funds Instructions

7.6 Investors' ownership in the fund before and after increasing the fund's total assets value.

7.7 The Fund Manager has insured the fund's assets according to the schedule and conditions below. The Fund Manager shall insure any assets newly added to the fund against all potential risks.

No.	Property	Insurance Terms
1	Alysamin Residential Building	The property is insured against potential risks, which insurance extends to cover all costs of property reinstatement, including permits, demolition and reconstruction costs, and public liability insurance and rents.
2	Teqnia Commercial Complex	The property is insured against potential risks, which insurance extends to cover all costs of property reinstatement, including permits, demolition and reconstruction costs, and public liability insurance and rents.
3	Dinar Commercial Building	The property is insured against potential risks, which insurance extends to cover all costs of property reinstatement, including permits, demolition and reconstruction costs, and public liability insurance and rents.
4	West Avenue Complex	The property is insured against potential risks, which insurance extends to cover all costs of property reinstatement, including permits, demolition and reconstruction costs, and public liability insurance and rents.
5	Vivienda Hotel Villa Complex	The property is insured against potential risks, which insurance extends to cover all costs of property reinstatement, including permits, demolition and reconstruction costs, and public liability insurance and rents.
6	Burger King Restaurant (Khamis Mushait)	The property is insured against potential risks, which insurance extends to cover all costs of property reinstatement, including permits, demolition and reconstruction costs, and public liability insurance and rents.
7	Burger King Restaurant (Jeddah, Alsheraa)	Under construction. After the completion of the project and the receipt of the building, the Fund Manager undertakes that the property will be insured against potential risks, which insurance extends to cover all costs of property reinstatement, including permits, demolition and reconstruction costs.
8	Burger King Restaurant (Obhur)	The property is insured against potential risks, which insurance extends to cover all costs of property reinstatement, including permits, demolition and reconstruction costs, and public liability insurance and rents.
9	First Room Hotel Apartments	The Fund Manager has insured the property after transferring the ownership of the property to the Fund. The property is insured against potential risks, which insurance extends to cover all costs of property reinstatement, including permits, demolition and reconstruction costs, and public liability insurance and rents.
10	Elite Mall "The Elite	The Fund Manager has insured the property after transferring the ownership of the property to the Fund. The property is insured against potential risks, which insurance extends to cover all costs of property reinstatement, including permits, demolition and reconstruction costs, and public liability insurance and rents.

Investors' ownership in the Fund

	No. of units	% of Fund capital	Cash / in-kind
A) Major owners owning 5% or more.			
Gulf Real Estate Company	26,500,000	38,91%	In-kind
Abdul Latif Al-Essa Group Ltd.	12,150,000	17,84%	In-kind
Khalid bin Abdulaziz bin Nafjan (the new owner of the property) *	8,108,652	11,91%	In-kind
b) Fund Manager and its affiliates			
Mulkia Investment Company (Fund Manager)	900,000	1.32%	Cash
Fund Manager affiliates	0	0	
Total non-public	47,658,652	69.97%	In-kind & Cash
Total public	20,450,000	30.03%	Cash
Total	68,108,652	100%	/

* Period of prohibition on selling the units applied to Dr. Khaled bin Abdulaziz bin Nafjan extends for 1 year from the date of listing the additional units issued to him.

8. Risks of Investing in the Fund

8.1 Introduction to risks: Investment in the fund is classified as medium to high risk. Therefore, investing in this fund involves many risks and is suitable only for investors who are fully aware of the risks of investment and can bear such risks. The Fund Manager has listed the risks mentioned in the Risk Summary according to its knowledge and belief, and potential investors must carefully read these risks before purchasing units in the fund. The Fund Manager does not guarantee that other risks will not emerge in the future. There may be other risks that the Fund Manager does not know or factors that the Fund Manager believes are not important currently and accordingly not mentioned in this Paragraph, while they may become important in the future due to changing market conditions.

The Fund Manager also does not guarantee that it will be able to achieve the fund's objectives. It does not guarantee a positive return will be achieved on investor's investments. It also does not guarantee to investors that the value recovered will be less than their investments upon liquidation of the fund. It does not guarantee that the unit price will not decline without the value of the initial investment, and each investor shall bear full responsibility for any financial losses resulting from investing in the fund unless that loss is due to fraud, gross negligence or misconduct by the Fund Manager in accordance with Real Estate Investment Funds Regulations and the Real Estate Investment Traded Funds Instructions.

8.2 Risk Summary: This section deals with the most risky factors that may affect the work, operations and financial condition of the fund. It does not describe all risks and uncertainties that apply to the fund, the sector, or the ownership of the fund's units. In the event that any of the following risks occur or the emergence of other risks and uncertainties that have not yet been identified or which we consider not material at the present time, then the fund may be adversely affected, and the value of the fund's units may decrease in that case.

Risks that the Fund Manager is aware of include, but not limited to:

8.2.1 Risks of no previous operational history: There is no operational history or past results of the fund, and the investor should not rely on past results of income-generating real estate funds or other REIT funds to extrapolate the future performance of the fund, whether they are related to one of the parties participating in this fund or not. Until the date of issuance of these terms and conditions, the fund had not executed any real estate or other investments, nor

did the fund own any real estate assets and did not carry out any operational operations or obtain finance. Therefore, this matter may negatively affect the Fund's investments, revenues and dividends.

8.2.2 Risks of no revenue: The Fund Manager does not guarantee that it will be able to achieve revenues for its investors. All the numbers mentioned in these terms and conditions are for purposes of clarifying the expected revenues in the future based on the current contracts. The actual revenues of the fund may differ from the numbers mentioned in these Terms and Conditions in the event that the tenant does not comply with the terms of the contract or changes the value of the contracts in the future. There will be no guarantee that these revenues will be realized.

8.2.3 General Investment Risks: There is no guarantee that the fund will achieve its investment objectives, which may happen as a result of many factors, some of which are outside the control of the Fund Manager. Investments in the fund will only be suitable for investors who are aware of the risks involved in that investment.

8.2.4 Risks of real estate investments: Real estate investments in the Kingdom are affected by local economic conditions. Therefore, general economic indicators such as economic growth, money supply, local interest rates and other factors will affect the investors' appetite for real estate investments and thus reflect on the real estate market trend in the future, which may affect the Fund revenues and distributions.

8.2.5 Risks of inability of investor to value the fund's real estate investments individually: Investors wishing to invest in the Fund will not have the opportunity to independently and individually value the fund's real estate investments before made by the Fund. The fund does not own any real estate assets and has not yet acquired real estate assets. The fund will not provide the investor with information about the real estate acquisitions that it will make in the future before they take place, which will limit the investor's ability to value each acquisition individually.

8.2.6 Risks of delay in selecting the proper properties and acquisition: The fund's ability to make periodic distributions may be affected as a result of delay in selecting proper real estate investments, especially since the Fund Manager may rely on a third party to search for proper properties, which, in return, may be searching for real estate investment for other parties. Delay in selecting, acquiring as well as developing, if applicable, the fund portfolio properties will most likely have a negative impact on the fund's ability to make periodic distributions, which may negatively affect the fund's investments, revenues and distributions.

8.2.7 Risks of Investments geographic concentration: According to the fund's strategy, the Fund portfolio properties will be concentrated in the Kingdom of Saudi Arabia and may be concentrated in the future in one city and thus will be affected by the conditions, downturns and economic cycles that affect the region in general. This may negatively affect the fund's investments and the unit price. Also, the high concentration of the fund's portfolio properties in a specific geographical area, or the fact that a large number of tenants work in one sector or similar and interrelated sectors, would magnify the impacts of the downturns occurring in that geographical area or in such sector or sectors, which may negatively affect the Fund revenues and distributions. Factors affecting the economic conditions in the Kingdom of Saudi Arabia may include the following:

- Financial performance and productivity of various economic sectors.
- Economic slowdown.
- Layoffs and downsizing of businesses.
- Changing business locations.
- Changing demographic factors.
- Increase in the efficiency and use of modern means of communication to perform work at home.
- Increasing demand and confidence in online shopping.
- Level of infrastructure quality.
- Real estate inflation or shrinking demand for real estate.
- Enactment of new legislations related to real estate ownership and lease.

8.2.8 Risks of Rarity of high-quality properties offered: The Saudi real estate market at the present time does not offer many high-quality properties with international standards in terms of design and implementation, which may lead to increasing demand for such properties for investment purposes and increasing acquisition prices, which may be inconsistent with their actual values. Yet, in the coming period, the Saudi real estate market is expected to provide more high-quality properties, which may lead to a slowdown in the growth of the investment return on high-quality properties targeted by the Fund, and thus may have a negative impact on the rate of periodic distributions and the

growth of investment value for subscribers in the fund. This, in return, may negatively affect the revenues and distributions of the fund.

8.2.9 Risks of dividend distribution from non-operational activities: The Fund Manager, if unable to pay the periodic rental revenues to shareholders from the operational fund's activities, may distribute part of the cash available in the fund if the revenues are due as part of the fund obligation, which may negatively affect the fund revenues and distributions.

8.2.10 Risks of staff loss: The inability of the Fund Manager, consultant, property operator, and / or any external parties to maintain or attract key employees, or the loss of key employees working for any of the above, may affect the Fund Manager's ability to implement the investment strategy, which in turn may affect the fund's ability to make periodic distributions as planned and may also affect the value of subscribers' investment, which may negatively affect the fund's distributions and revenues.

8.2.11 Risks of economic and legislative changes: The operating results of the fund are affected by economic and legislative changes, which may have a negative impact on the real estate sector in general. This may reduce the profitability of the fund or prevent the fund from achieving growth in the value of its real estate investments. Risks associated with economic and legislative changes include the following:

- a) Changes in economic conditions or local conditions in general.
- b) Changes in real estate supply and demand.
- c) Changes in the prevailing profit rate, especially the periods characterized by a high profit rate and a small money supply.
- d) Changes in tax, real estate, environmental and urban laws and legislation.

These and other reasons may prevent the fund from being profitable or from achieving growth or maintaining the value of the fund's real estate investments, which may negatively affect the fund's investments, revenues and distributions.

8.2.12 Risks of Failure by tenants to meet their obligations: Tenant may not adhere to its contractual obligations and may fail to make rental payments when due, which will negatively affect the cash flows of the fund, and thus will affect the periodic revenues that the fund will distribute to the unitholders. Also, if any of the tenants of a real estate unit in the fund's portfolio declares bankruptcy, the real estate operator of the fund may be unable to collect the money owed to the fund under the lease contract with such tenant, which may lead to a reduction in the cash flows resulting from the fund's main operations and the available amounts to make periodic distributions to unitholders, which may negatively affect the fund's investments, revenues and distributions.

8.2.13 Risks of vacancies for long periods: If any of the real estate units becomes vacant for long periods as a result of the end and non-renewal of the lease contract, or any tenant refusing to complete the lease period, whether legally or not, or any tenant becoming bankrupt or canceling or refusing to renew the lease contract, or for other reasons, the fund may suffer from a decrease in revenues, and thus a decrease in periodic distributions to investors. Moreover, since the value of a property depends heavily on its lease contracts, the value that can be collected from selling such property, which have been partially or totally not rented for relatively long periods may diminish, and consequently, the revenues that can be achieved to investors may decrease, which may be negatively affects the Fund's investments, revenues and distributions.

8.2.14 Risks of no guarantees in property selling process: The parties selling properties usually provide limited guarantees or do not provide any guarantees regarding the quality of such property in terms of architectural or engineering aspects or its suitability for particular purpose. Therefore, the fund has limited procedures to apply where the due examination made by the fund prior to the acquisition of a particular property fails to show any matters that may reduce the property's value. In such cases, the fund may lose all or a large part of its investment in such property in addition to the revenues that were expected to be collected from such property in the form of rents. This will negatively affect the value of the subscribers' investments as well as the fund distributions and revenues.

8.2.15 Risks of property maintenance & main changes: When a tenant leave the leased property due to the end and non-renewal of lease contract or due to any other reasons, the property owner usually make costly improvements to the property to attract new tenants. Although tenants are generally expected to pay periodic payments to carry out maintenance on the leased properties, the fund may end up being responsible for carrying out substantial repairs to the

newly vacated properties in excess of any sums collected from old tenants for maintenance, which may negatively affect the value of subscribers' investments as well as the fund revenues and distributions.

8.2.16 Risks of Lack of liquidity of real estate investments: Real estate investments are considered relatively illiquid investments compared to equity investments and other investment assets, which may prevent the Fund Manager from selling the fund's real estate assets within a short period of time. Moreover, such sale may be delayed due to conditions or circumstances related to the real estate sector. Therefore, the Fund Manager cannot estimate the likelihood that it will be able to sell any of its properties at the price or on the terms that it sets. Also, it may not be able to estimate how long the search for a potential buyer will take until the sale transaction is completed. The contracts for the purchase of some properties acquired by the fund may contain restrictions related to the sale process, such as prohibition to sell the property for a specific period of time or restrictions regarding the amount of debt that can be paid through such sale. Any delay in the sale process will reduce the Fund's ability to implement its investment strategy in the best way, which may negatively affect the value of the subscribers' investments, the periodic distributions to the subscribers, and accordingly the Fund's revenues and distributions.

8.2.17 Risks of selling property with a capital loss: Some properties owned by the fund may not achieve increase in rental revenues over time, or the increase in their rents may be less than the fair market percentage in the future. For these reasons or other reasons, the value of the property for any potential buyer may not increase over time, which may limit the Fund Manager's ability to sell such property. In such case, the property may be sold at a price lower than its purchase price. This means a decrease in the cash available to make new acquisitions, a decrease in the capital return of the fund, and accordingly a decrease in the value of the investment as a whole, which may negatively affect the fund revenues and distributions.

8.2.18 Risks of high operational costs: The fund's purchase of any property involves operational risks in general, which may adversely affect the performance of the fund. If a property within the fund's portfolio is partially vacant, or if the rents collected from the tenants are insufficient to cover the operational costs of that property, the fund will have to cover the operational costs of such property. Operational costs for property include but are not limited to public utility costs, management fees, property insurance, repairs and maintenance, and administrative costs. Although the Fund Manager believes that most of the contracts under which the properties of the fund's portfolio will be leased will obligate the tenants to pay part or all of these expenses unless the same conflicts with the Sharia controls and standards, the lease contracts that will be signed in the future, after the end of current contracts, may not provide for the same. Accordingly, the fund may have to pay these costs. If the fund fails to enter into contracts obligating the tenants to pay the operational expenses of properties, or if the tenants, for any reason whatsoever, fail to pay these expenses, or if the value of the operational costs increases for any reason beyond the control of the Fund Manager, the fund will have to pay these expenses, which will have negative impact on the resources available in the future to acquire properties or to make periodic distributions as planned. This may negatively affect the Fund's investments, revenues and distributions.

8.2.19 Risks related to property insurance: The Fund will provide Takaful insurance for all real estate assets owned by the Fund to reduce the risk of direct material damage to properties. The material damages that may occur to a property may exceed the amounts received under the insurance, as the terms of the insurance policy may not cover the total losses incurred by the Fund. This means that part of reinstatement costs will be borne by the fund. Also, the fund will not be compensated for part or all of the loss resulting from non-collection of rents with regard to damaged property, which means that the periodic distributions to subscribers will be negatively affected. There are also types of material losses and damages of catastrophic nature that cannot be insured, or which are not economically feasible, or which can be insured under limited insurance coverage. This includes losses and damages resulting from wars, terrorist acts, earthquake, floods, hurricanes, or environmental disasters and other devastating events that may occur on a large scale. In such cases, the fund may not have adequate insurance coverage, or any insurance coverage at all. In the event of a catastrophic event that leads to damage or destruction of one or more properties in the fund's portfolio, the fund may lose the amount of its investment in such property and the expected rental profit thereof, which may negatively affect the fund's investments, revenues and distributions.

8.2.20 Risks of restrictive contractual conditions: Some of the properties that the fund will acquire may be part of a real estate scheme or part of a commercial complex, for example, and therefore the contract for the purchase of such properties may contain conditions and restrictions that may limit the fund's ability to operate, or make improvements to such properties, or limit the type of tenants for such properties, etc. The fund's compliance with such conditions

and restrictions may increase the property operational costs and thus reduce the cash available to make periodic distributions, which may negatively affect the fund's investments, revenues and distributions.

8.2.21 Risks of Delay in construction & development: Some of the offering proceeds may be used in the acquisition of properties with the intention to develop and improve the same. Therefore, the performance of the Fund will be affected by issues related to real estate planning and re-planning, and environmental and societal obligations during development and improvement works, which may cause delays in completion of such development and improvement works. This may negatively affect the Fund's investments, revenues and distributions.

8.2.22 Risks of purchasing competition: The Fund expects to enter into competition with individuals, companies, and investment accounts of financial institutions such as banks, insurance companies, other income-generating real estate funds, and any other entities involved in real estate market activities, whether they are natural or legal persons. Many of these aforementioned entities may have greater resources than the fund, and some other income-generating real estate funds may have lower capital costs and higher operational efficiency. In addition, any increase in the number of these competing entities and / or the number of funds available to acquire suitable real estate investments will result in an increase in the demand for properties available for acquisition, which means an increase in their purchase price. If the fund pays higher amounts of money for properties and other real estate investments it intends to make, the profitability of the fund may decrease and thus the return on investment may decrease, which may negatively affect the fund's revenues and distributions.

8.2.23 Risks of offered properties competition: There will be many other properties in the same areas where the fund properties are located, which properties will compete with the fund's properties in attracting potential tenants. The number of these competing properties will have an impact on the fund's ability to rent its properties and the rentals collected by the fund for such properties, which may lead to a decrease in the fund's cash flows. The performance of the fund may be adversely affected in the event that new properties are built or existing properties are improved and developed in the same locations as the fund's properties. This may force the fund to make capital improvements or developments for its properties in order to maintain or create a competitive advantage, which will affect periodical distributions made by the fund. This may negatively affect the fund revenues and distributions.

8.2.24 Risks of costs of compliance with government laws and regulations: Real estate properties and their related activities such as construction, lease, etc., are subject to the laws and regulations of the Kingdom of Saudi Arabia, such as laws and regulations of environment, public health and safety, and the suitability of the property for use by individuals with special needs, etc. Such laws and regulations may impose varying obligations on tenant, property owner, and / or property operator in terms of costs relating to inspecting properties by government authorities and dealing with any observations made by such authorities, regardless of the reason or whether the acts that led to non-compliance with laws are legal or not. These obligations may be substantial in size and type, which may negatively affect the fund's investments and unit price. Moreover, enactment of new laws prohibiting leasing out properties to a certain class of tenants may force some tenants to end their lease contracts with the fund. In this case, the fund will have to search for new tenants, which may negatively affect the fund's revenues and distributions.

8.2.25 Financing risks: The Fund Manager may obtain finance for real estate acquisition and operating the fund's activities. The current international economic conditions, however, may lead to higher financing costs. Financing costs, in general, may have a negative impact on the net revenues of the fund if the rental revenues decrease for any reason. This will have a negative impact on the performance of the fund as a whole. In addition, the use of finance may reduce the net asset value should the value of the fund's real estate assets decreases. All this may lead to negative impacts on the fund's operational results and financial position, which may affect the fund's revenues and distributions.

8.2.26 Risks of high interest rates on financing: If the Fund obtains finance with variable interest rates, the increase in interest rates will lead to a reduction in cash flows and limit the Fund's ability to make periodic distributions. In addition, when the fund repays a finance with a variable interest rate at a time when such interest rate is high, the fund may have to liquidate one or more of its real estate investments when achieving the highest possible return on such investments is not possible, which may negatively affect the fund's investments, revenues and distributions.

8.2.27 Risks of acquisition of public shares in a real estate property: The acquisition of shares in companies or properties owned by third parties involves the same general risks that face the real estate sector as mentioned in the risk section. Therefore, these risks extend to the shares owned by the fund. In such case, no guarantee can be given

that the fund will be able to achieve any return on the invested capital, which may negatively affect the fund's revenues and distributions.

8.2.28 Risks of investments in other funds: Other funds in which the Fund may invest are exposed to the same, or some of the risks mentioned in the main investment risks section, or to risks specific to the fund itself, which may negatively affect the fund's investments, revenues and distributions.

8.2.29 Risks of idle land fees: Unitholders may bear the negative effects of imposing fees on idle lands, which may lead to expansion of income-generating real estate projects due to the development of idle lands. As a result, rental values may be decreased, which may negatively affect the fund's revenues and distributions.

8.2.30 Risks related to Sharia Committee standards: The fund's investments are limited only to Sharia-compliant investments, which negatively affects the diversity of the fund's assets. Therefore, any fluctuation in the prices of such limited class of investments may negatively affect the performance of the fund. In addition, the Fund Manager shall review the compliance of investments with the Sharia controls. In this case, any investment ceases to be compliant with Shari controls will be disposed of, which disposal may be for a price lower than the propriate price, which may negatively affect the fund's revenues and distributions.

8.2.31 Risks of conflict of interest: The Fund Manager engages in a range of activities that include financial investments and advisory services. There may be cases where the interests of the Fund Manager conflict with the interests of the fund. Any conflict of interest will limit the Fund Manager's ability to perform his duties objectively, which may negatively affect the fund's investments, revenues and dividends.

8.2.32 Risks of Investments in Murabaha: These risks are related to the possibility that any of the contracting parties will fail to fulfill its contractual obligations towards the Fund Manager in accordance with the terms agreed upon. These risks apply to the fund when money is deposited (in the form of Sharia-compliant deposits or similar deposits) with a third party or when the fund invests in various Murabaha transactions. In this case, a failure by any party with the fund deals will negatively affect the fund investments, revenues, and distributions.

8.2.33 Risks of Reliance on credit rating: If the credit rating of any Murabaha in which the fund invests decreases, the Fund Manager may have to dispose of such Murabaha, which may negatively affect the fund's assets invested in therein. This, in return, will negatively affect the fund's revenues and distributions.

8.3 The investment in the Fund does not make any guarantee that the investment will generate profits or that investors will not incur any loss. In general, investment in the fund is not to be considered as a deposit with a local bank. The nature of investment in the fund is based on the concept of partnership, meaning that profits achieved or losses incurred will be distributed according to the share of each subscriber in the fund. Accordingly, the Fund Manager does not provide any guarantees that the fund will achieve its investment objectives. There will be no guarantees that the subscribers will recover their invested principal amounts upon selling their units or upon termination of the fund.

8.4 The performance of any real estate projects or other real estate investment funds in the Kingdom may not be taken as an indication for the success of the fund. Rather, the revenues achieved by real estate projects and other real estate investment funds in the Kingdom can vary in great degree. Moreover, every project may be affected by specific factors, including but not limited to demographics, timing, environmental factors, design and contractors. The Fund Manager does not give any guarantee, assurance or confirmation that that the project will achieve the same or similar results as those achieved by real estate projects or similar real estate investment funds in the Kingdom. The success of any similar projects or funds is not an indication of any future revenues.

8.5 Unitholders are fully responsible for any financial loss that may result from investing in the fund unless such loss is a result of negligence or default by the Fund Manager.

8.6 The Fund Manager may act as a manager for other funds with the same objectives as the fund. Hence, there may be conflict between the fund's interest and the interest of such other funds. In such case, the Fund Manager will seek to resolve this conflict of interest on a fair and equitable basis for all related funds.

9. Subscription

Offering Period

Commencement of Initial Offering Period	Closure of initial Offering period	Property acquisition	Listing of fund units
5 business day, starting from Monday, 20 Dhu al-Hijjah 1438H, corresponding to September 11, 2017	Sunday 26 Dhu al-Hijjah 1438H, corresponding to September 17, 2017	Acquisition of properties and transfer of ownership of real estate assets to the special purpose vehicle will take place within 60 business day of closing the offering.	The fund units will be listed within 60 business day of transferring ownership of real estate assets to the fund.

Additional units offering period:

The additional units will be allocated to subscribers in kind immediately after the approval of the unitholders, provided that the ownership of the property to be acquired or its benefit is transferred to the fund and that the additional units are listed in Tadawul within a period not exceeding (60) days from the date of approval of the unitholders. Units that have been allocated to subscribers in kind, at a rate of (5%) or more, by means of increasing the total value of the fund's assets may not be disposed of during the first year of trading in such units. The offering period to increase the total value of the fund's assets shall commence within a period not exceeding six (6) months from the date of the CMA approval on increasing the fund's assets value.

A) Subscription for Saudis, GCC nationals, person residing in KSA with resident ID, and non-resident foreigners shall, without prejudice to the Law of Real Estate Ownership and Investment by Non-Saudis, commence on 20/12/1438H, corresponding to 11/09/2017G, and end on 26/12/1438H, corresponding to 17/09/2017G. Initial offering period shall be 5 business day, which period may be extended by the Fund Manager for additional 23 business day from the date of offering closure after obtaining approval from the fund board's and CMA.

The following Paragraph gives details about some cases of subscription:

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

B) See Appendix 6, Subscription Mechanism & Requirements of Each Client.

C) Investor can obtain a copy of the Terms and Conditions and the subscription application form through Mulkia Investment Company website www.mulkia.com.sa or from the headquarters of Mulkia Investment Company as described in paragraph 2.

D) Each subscriber in the fund must have an active investment portfolio with a licensed person, as the units subscribed in Mulkia-Gulf Real Estate REIT Fund will be directly included in the subscriber's (client) investment portfolio.

E) Investor must read and sign the Terms and Conditions, fill out and sign the subscription form, attach a signed copy of ID documents, and submit the same to the company's headquarters or send a scanned copy of the documents to e-mail reit@mulkia.com.sa. A customer can subscribe on any business day during the subscription period of the fund.

F) If the total subscription amounts collected is less than the minimum amount to be raised, subscription amounts will be refund to subscribers without any deduction, unless the approval of CMA is obtained to extend the offering period. The Fund Manager reserves the right to reject any subscription if the subscriber fails to meet the requirements subject to the Terms and Conditions during the offering period or if the subscriber fails to fill out, complete and sign the subscription form during the offering period. In addition, a subscription will be rejected if the required amount and subscription fees are not added to the subscription account during the offering period. All rejected amounts will be refunded without deducting any expenses, except for any incurred bank charges, within 15 business day after allocation is notified.

9.1 The minimum limit of initial subscription shall be 1000 units at a subscription price of SR 10 per Unit, equivalent to SR 10,000.

9.2 The maximum limit of subscription during the offering period shall be SR 25,000,000, which limit shall apply only to cash subscription.

9.3 The targeted fund size upon offering is SR 600,000,000, of which about SR 581,064,472 will be allocated for real estate investments, distributed as follows:

- a) In-kind subscription of SR 121,500,000 by Abdul Latif Al-Issa Holding Group in exchange for the fund's acquisition of the Teqnia Complex in the south of Riyadh plus brokerage fees at 1% of the property's value, amounting to SR 1,215,000. See Appendix 4 for the Group owners and subsidiaries.
- b) Cash subscription of SR 124,470,490 in exchange for the acquisition of a commercial building in Jeddah plus brokerage fees at 2.5%, amounting to SR 3,111,762.
- c) Cash subscription of SR 18,677,220 in exchange for the acquisition of the Alysamin Residential Building in the north of Riyadh.
- d) In-kind subscription of SR 265,000,000 by the Gulf Real Estate Company in exchange for the fund's acquisition of 86% of the value of the West Avenue project. The Gulf Real Estate Company is a closed joint stock company owned by a group of investors. See Appendix No. 5 for the company's owners.
- e) Cash subscription of SR 44,000,000, which will be used by the Fund Manager to acquire 14% of the value of the West Avenue Riyadh project plus brokerage fees at 1% of the property's entire value, amounting to SR 3,090,000.
- f) Cash subscription of SR 18,935,528, which will be used by the Fund Manager to acquire existing or under construction properties in the future.

10. Allocation Mechanism

10.1 The Fund Manager, as the only party authorized to receive applications for subscribing in the fund and subscribers' amounts, will open an account with a local bank in the name of the subscription of Mulkia-Gulf Real Estate REIT. The Fund Manager shall deposit the subscription amounts in the said account, which will be managed by the appointed fund custodian in accordance with relevant regulations.

10.2 The Fund Manager will submit the results of the offering to CMA within 10 business day and publish such results at the Fund Manager's website and Tadawul website.

10.3 If, after the end of the offering period, the total subscription amounts of all investors (including the in-kind subscription) is less than the minimum amount to be raised, which is SR 600,000,000, all subscription amounts will be refunded to the investors (without any deduction except for bank charges) within 15 business days from the closing date, unless the offering period is extended after the approval of CMA.

10.4 If, after the end of the offering period, the total subscription amounts of all investors (including the in-kind subscription) are equivalent to or more than the minimum amount to be raised, which is SR 600,000,000 riyals, the minimum amount of SR 600,000,000 will be accepted and 60,000,000 units will be allocated for investors according to the following steps:

1. The following timetable outlines the dates of subscription and allocation:

Steps	Expected Time Period
Initial Offering period	5 business day
Subscription period extension (if minimum required amount is not raised)	23 business day
Reporting the offering results to CMA	10 business day from the closing date of the offering period
Notification of allocation of units to subscribers	10 business day from the closing date of the offering period
Property acquisition (transfer of ownership of real estate assets to the fund)	60 business day from the closing date of the offering period and / or the approval date of the unitholders, as applicable
Refund of surplus and rejected subscriptions	15 business day after the notification of allocation.

2. Priority of subscription shall be for in-kind subscriptions and the Fund Manager's subscriptions, as mentioned in paragraph 9.
3. Cash subscriptions of 33.1%, will be allocated after the Fund Manager's subscription is allocated. If the subscription of the Fund Manager's affiliates, if any, will lead the percentage allocated to the public to be less than the legal minimum of 30%, the Fund Manager will allocate 30% to the public as a minimum.
4. If the number of subscribers is less than or equal to 19,850, the minimum limit of 1,000 units, equivalent to SR 10,000, will be allocated to each subscriber, and the surplus funds will be distributed to the subscribers on a pro-rata basis with the initial subscription amount for each subscriber.
5. If the number of subscribers is more than 19,850, the Fund Manager will not guarantee that all subscribers will be allocated the minimum limit, and all funds in this case will be allocated equally to all subscribers.
6. In any case, the allocation to any subscriber will not exceed the maximum limit of subscription of SR 25 million.
7. The Fund Manager shall notify each subscriber within 5 business day from the receipt of subscription application on the acceptance or rejection of the subscription application submitted, whether in whole or in part. Surplus cash subscriptions will be refunded without any deduction, after deducting the value of the allocated units and their subscription fees, within 15 business day from the date of notifying the subscriber of the number of units allocated.

Investors in the fund shall waive the right of pre-emption, and accordingly, any property owned by the fund will be sold according to the fund's investment strategy, after obtaining the approval of the Fund Board.

11. Subscription in Additional Units

Steps	Expected time period
Obtaining the approval of CMA and unitholders to increase the total value of the fund's assets by offering additional units	Approval of CMA on 25/05/1441H, corresponding to 20/01/2020G. Approval of unitholders on 10/06/1441H, corresponding to 04/02/2020G.
Offering period to increase the total value of the fund's assets.	Not applicable
Offering period extension to increase the total value of the fund's assets (in case the targeted total value of the fund's assets is not realized)	Not applicable
Acceptance or rejection of subscription applications.	Not applicable
Allocation of units by the Fund Manager	Additional units will be allocated in-kind to subscribers immediately after the approval of the unitholders.
Refund surplus of subscription amount and related subscription fees to subscribers.	Not applicable
Acquisition and transfer of ownership of assets and listing of fund units	Within 60 business day from the closing date of the fund offering period and / or the approval date of unitholders, as applicable
Cancellation and refund	Not applicable

(A) Timetable that outlines the expected dates for the offering¹

(B) Information about the subscription including the commencement and end date of the subscription ².

The capital of the fund upon the initial offering is SR 600,000,000. After increasing the fund's total assets value by offering 8,108,652 additional units ("additional units"). Units will be offered at a nominal value of SR 10 per unit, with a total value of SR 81,086,520 for all units. However, with regard to the subscription price in the fund during the offering period to increase the fund's total assets value, the unit price is determined based on the net asset value of the fund's units according to the financial statements issued on June 30, 2019, which is SR 9.94 per unit ("the targeted offering price"), with a total value of SR 80,600,000. The difference shall be recognized as an offering discount under "Net assets attributable to Unitholders" in the balance sheet. An additional 8,108,652 units will be offered for in-kind subscription for of Dr. Khaled bin Abdulaziz bin Nafjan, who is the owner of the new property that has been acquired for the benefit of the Fund by means of increasing the fund's total assets (68,108,652) units.

Additional units will be offered according to regulatory controls and procedures issued by CMA, Real Estate Investment Funds Regulations, Real Estate Investment Traded Funds Instructions, and listing rules of Tadawul.

(1) In-kind Subscription

8,108,652 additional units has been offered for Dr. Khaled bin Abdulaziz bin Nafjan as part of the process to increase the total asset value of the fund. In particular, the fund will acquire Elite Mall "The Elite" at a purchase price of SR 201,500,000, from which 40% shall be paid through in-kind subscription in an 8,108,652 additional at a subscription price equivalent to the net asset value of the fund's units based on the latest financial statements of June 30, 2019, which is SR 9.94 per unit. The remaining amount of the purchase price, which is SR 120,900,000, exclusive brokerage fees, VAT and other costs of acquisition, shall be paid in cash from the funds available in the fund.

(2) Offering period to increase the fund's total asset value

The process to increase the fund's total asset value is made by offering units for in-kind subscription, without cash subscription, and accordingly there is no offering period, and the additional units will be allocated in-kind to the subscribers immediately after the approval of the unitholders.

(C) Detailed information about properties' owners who will make in-kind subscriptions in the Fund.

The following table outlines the percentages of all subscribers to increase the fund's total asset value by offering additional units:	Minimum limit of offered units	The percentage of the fund's total asset value after the increase	Maximum limit of the offered units	The percentage of the fund's total asset value after the increase	The percentage of the total number of additional units
Number of units for Dr. Khaled Abdulaziz bin Nafjan - In kind subscription	(8,108,652)	11.91%	(8,108,652)	11.91%	100%

¹ Annex 1, Contents within the Cover Page, item (11a)

Number of units offered to the public - cash subscription	(not applicable)	(not applicable)	(not applicable)	(not applicable)	0%
Total number of units to increase the fund's total asset value.	(8,108,652)	11.91%	(8,108,652)	11.91%	

Subject to Article 36 of the Listing Rules, Power to suspend trading or cancel listing, the Authority may at any time suspend the trading of securities or cancel their listing as it deems fit, in any of the circumstances listed in this Articles.

(E) No minimum or maximum subscription limit is applied, because Dr. Khaled Abdulaziz bin Nafjan will subscribe by 8,108,652 units, which constitutes 100% of the total number of additional units.

12. Fees, Charges, Commissions and Management Fees

12.1 The following table outlines fees and expenses:

Description	Value, Calculation and Payment Method
Subscription fee	2.0% of the initial subscription value or any additional subscription value, to be added to the subscription amount
Management fees	1% annually of the fund's total asset value, after deducting expenses, to be calculated and paid every six months.
Custody fee	A maximum of 0.04% annually of the fund's assets value, to be calculated and paid quarterly.
Fees for registering and listing units on Saudi Stock Exchange (Tadawul):	<p>Unitholders Register Setting up fee: SR 50,000 plus SR 2 for each investor, subject to a maximum of SR 500,000.</p> <p>Unitholder Register Management fee: SR 400,000 annually, which fee may vary from time to time depending on the Fund's capital size.</p> <p>Initial listing fee: SR 50,000.</p> <p>Continuous listing fee: 0.03% of the market value of the fund annually, subject to a minimum of SR 50,000 and a maximum of SR 300,000.</p>
Auditor's fees	SR 30,000 annually, to be calculated and paid semi-annually.
Board Members Remuneration	SR 5,000 for each independent board member per meeting, subject to a maximum of SR 30,000 annually for each independent member, to be calculated and paid immediately after each meeting.
Sharia Board Remuneration	SR 33,000 annually, to be calculated cumulatively for each calendar day and paid on an annual basis.
Regulatory fees	SR 7,500 annually, to be calculated cumulatively for each calendar day and paid on an annual basis.
Publication fee (Tadawul website)	SR 5,000 annually, to be calculated cumulatively for each calendar day and paid upon claim.
Real estate valuer fee	According to the prevailing market prices, to be paid upon providing the service.
Brokerage commission fee	2.5% of the property acquisition value, to be calculated and paid upon delivery of the property for the favor of the real estate broker. The real estate broker may be a related party.

Property manager fee	From 5% to 10% of the cash rental value collected, to be calculated and paid semi-annually or upon claim. It does not apply currently
Property development and improvement expenses	According to the prevailing market prices.
Finance expenses	According to the prevailing market prices.
Capital structure fee	The fund pays fees to the Fund Manager or any other party for capital structure, at a maximum of 1% of the total of any subscription amounts collected during future offering periods or upon collecting any other subscription amounts, whether in cash (by issuing priority rights) or in kind. The capital structure fee shall be paid for one time immediately after the closure of any fund raising.
Finance structure fee	The fund pays fees to the Fund Manager or any other party for finance structure, at a maximum of 1% of the total amount withdrawn subject to any bank facilities.
Transaction fee	The fund pays to the Fund Manager a maximum of 1% of the sale or acquisition value of any real estate asset throughout the fund life.

12.2 The Fund Manager confirms, to the best of its knowledge, that the fees mentioned in the above table represent all the fees imposed on the fund.

12.3 Annual costs are not expected to exceed 1.25% of the fund's assets value excluding finance and impairment of real estate assets, except for any non-recurring or unspecified fees, such as valuation fees.

12.4 The Fund shall be liable for any other expenses and fees due to third parties dealing with the Fund, including but not limited to insurance, real estate broker, real estate developer, legal, municipal, government, engineering consultant, surveyor, architect and interior designer fees. These fees shall not be paid to the Fund Manager and cannot be pre-estimated and will be deducted based on actual cost after obtaining the approval of the Fund Board of Directors. Details of such expenses can also be found in financial disclosure summary included in these Terms and Conditions.

12.5 The Fund shall be liable for all fees that may be imposed by the official authorities in the Kingdom as a result of the Fund's performance of its obligations under these Terms and Conditions. In addition, the Fund shall bear all marketing costs for its products in accordance with the best marketing offers approved by the Fund Board of Directors. Details of those expenses can also be found in the financial disclosure summary included in these Terms and Conditions. The Fund does not intend to provide any discount for or waive the expenses.

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

12.7 Where the General Authority of Zakat and Income (GAZT) approves the voluntary registration of real estate investment traded funds (REIT), the fund may be required in the future to pay zakat based on the mechanism adopted by GAZT. In the event that the Fund Manager register the Fund with GAZT, the Fund Manager will appoint a consultant to study the mechanism and determine the method and procedures of calculating and paying zakat.

13. Dividend Policy:

The Fund Manager aims to distribute periodic cash dividends to investors of no less than 90% of the fund's net profits at least one time a year, not including capital profits resulting from the sale of main real estate assets and other investments, which may be reinvested for acquiring additional assets.

The Fund Manager will pay periodic dividends within 90 days from the beginning of each year. Profits and date of distribution are expected to be declared within (40) days from the relevant valuation date, which is December 31 of each year.

The Fund Manager may distribute additional profits as a result of surplus cash that the Fund Manager does not intend to use, and if so, the date of such distributions shall be declared by the Fund Manager during the year.

14. Valuation of Fund Assets

14.1 Valuation Method: The Fund's assets will be valued twice annually by two independent licensed valuers approved by the Saudi Authority for Accredited Valuers (Taqeem) in order to determine a benchmark value for the Fund's assets. The average of the two valuations will be used to determine a benchmark value for the fund's net assets.

The net value of the unit shall be calculated by subtracting the Fund's total liabilities from its total assets, then dividing the result by the number of the fund's units, and this shall be considered as a benchmark value of the Fund's unit

14.2 Date of Evaluation: The Fund Manager will, on a semi-annual basis during the months of June and December of the calendar year, evaluate the Fund's assets by two (2) valuers enjoying experience, independence, integrity and knowledge of the assets to be valued, the fundamentals of valuation and the real estate sector, as well as the areas and locations of the Fund's properties.

14.3 The average value of the two valuations, referred to above, will be used to determine the net asset value of the Fund as of June 30 and December 31 of each year.

14.4 Date of Announcing the Fund's Valuation: The Fund Manager will announce the fund's net unit value within 30 days following the valuation date of June 30 and December 31 of each year. The unit price will be announced on the Fund Manager's website and the Saudi Stock Exchange (Tadawul).

14.5 The Fund Manager may postpone the valuation of the fund's assets after obtaining the approval of CMA.

14.6 The price of assets reached by the valuation does not necessarily reflect the asset value in the event of liquidation. Valuation process is made under certain criteria and meant to introduce benchmark or indicative value for the assets. Accordingly, Real estate assets may be sold at a higher or lower price than the valuation price according to the market conditions at the time such assets are offered for sale.

14.7 The fund's unit trading price in Tadawul depends on supply and demand, and so it is not necessarily equivalent to the fund's unit net value.

14.8 The Fund Manager has appointed Estnad Real Estate Valuation Company (a valuer accredited by the Saudi Authority for Accredited Valuers) and Valie Real Estate Valuation Company (a valuer accredited by the Saudi Authority for Accredited Valuers) as valuers for the fund's assets. The Fund Manager may seek assistance from any other valuer accredited by the Saudi Authority for Accredited Valuers or as stipulated in the relevant regulations.

15. Fund Assets Valuation Information

Property 1: Alysamin Residential Building				
Valuer	Property Value	Valuation Date	Valuation Period	Validity
Estnad	SR 15,300,000	31/12/2019	3 months from valuation date	
Valie	SR 15,113,448	31/12/2019	3 months from valuation date	
Valuation Average	SR 15,206,724			

Acquisition Value	SR 18,677,220			
Property 2: Teqnia Complex (Riyadh)				
Valuer	Property Value	Valuation Date	Valuation Period	Validity
Estnad	SR 115,500,000	31/12/2019	3 months from valuation date	
Valie	SR 118,858,442	31/12/2019	3 months from valuation date	
Valuation Average	SR 117,179,221			
Acquisition Value	SR 121,500,000			
Property 3: Dinar Commercial Building (Jeddah)				
Valuer	Property Value	Valuation Date	Valuation Period	Validity
Estnad	SR 124,000,000	31/12/2019	3 months from valuation date	
Valie	SR125,000,000	31/12/2019	3 months from valuation date	
Valuation Average	SR 124,500,000			
Acquisition Value	SR 124,470,490			
Property 4: West Avenue Project (Dammam)				
Valuer	Property Value	Valuation Date	Valuation Period	Validity
Estnad	SR 31,000,000	31/12/2019	3 months from valuation date	
Valie	SR 309,375,000	31/12/2019	3 months from valuation date	
Valuation Average	SR 309,687,500			
Acquisition Value	SR 309,000,000			
Property 5: Elite Mall "The Elite" (Riyadh)				
Valuer	Property Value	Valuation Date	Valuation Period	Validity
Estnad	SR 188,000,000	22/01/2020	3 months from valuation date	
Valie	SR 206,450,000	31/12/2019	3 months from valuation date	
Valuation Average	SR 197,225,000			
Acquisition Value	SR 201,500,000			
Property 6: Vivienda Villas Complex				
Valuer	Property Value	Valuation Date	Valuation Period	Validity
Estnad	SR 128,500,000	31/12/2019	3 months from valuation date	
Valie	SR 128,823,529	31/12/2019	3 months from valuation date	
Valuation Average	SR 128,661,765			
Acquisition Value	SR 125,000,000			
Property 7: Burger King Restaurant, Khamis Mushait				
Valuer	Property Value	Valuation Date	Valuation Period	Validity
Estnad	SR 13,550,000	31/12/2019	3 months from valuation date	
Valie	SR 14,042,105	31/12/2019	3 months from valuation date	
Valuation Average	SR 13,796,053			
Acquisition Value	SR 13,058,889			
Property 8: Burger King Restaurant, Alsheraa				
Valuer	Property Value	Valuation Date	Valuation Period	Validity

Estnad	SR 14,700,000	31/12/2019	3 months from valuation date
Valie	SR 15,226,453	31/12/2019	3 months from valuation date
Valuation Average	SR 14,983,227		
Acquisition Value	SR 15,562,500		
Property 9: Burger King Restaurant, Obhur			
Valuer	Property Value	Valuation Date	Valuation Period Validity
Estnad	SR 7,650,000	31/12/2019	3 months from valuation date
Valie	SR 7,442,105	31/12/2019	3 months from valuation date
Valuation Average	SR 7,546,053		
Acquisition Value	SR 7,338,235		
Property 10: First Room Hotel			
Valuer	Property Value	Valuation Date	Valuation Period Validity
Estnad	SR 59,000,000	31/12/2019	3 months from valuation date
Valie	SR 58,823,529	31/12/2019	3 months from valuation date
Valuation Average	SR 58,911,765		
Acquisition Value	SR 50,000,000		

16. Trading of Fund Units

- 16.1 Upon listing, the Units may be traded in the same way as trading listed companies shares on Tadawul. Therefore, Unitholders and investors may trade during the normal trading hours announced by Tadawul and through licensed brokers.
- 16.2 Acquiring Units from Tadawul shall be considered an acknowledgment from a buyer that it has read and accepted these Terms and Conditions.
- 16.3 Trading in Units shall result in trading fees or commissions being incurred which shall be settled as per the prevailing market prices. The investor will be responsible for the trading fees or commissions.
- 16.4 The Fund Manager may submit a request to CMA to suspend trading of Fund Units temporarily or cancel its listing, provided that the request shall state the reason for suspension or cancellation.
- 16.5 Subject to Real Estate Investment Traded Funds Instructions, CMA may suspend the trading of the Fund units or cancel listing thereof at any time as it deems fit.
- 16.6 The Fund Manager shall declare that the fund will not be listed on Tadawul until the ownership of the assets is transferred to the fund.

17. Fund Termination

The Fund shall be terminated in any of the following cases (each thereof is deemed "termination event")

- 17.1 Upon expiry of the Fund term; or
- 17.2 If all Fund assets are disposed and all proceeds of such dispositions have been distributed to the investors; or

- 17.3 If there is a change to the laws, regulations or other legal conditions or there are material changes to the market conditions in the Kingdom of Saudi Arabia and the Fund Manager considered that a justified reason to terminate the Fund; or
- 17.4 If there are material changes to the real estate market conditions in the Kingdom of Saudi Arabia, and the Fund Manager decides that such changes negatively affect the viability of the continuity of the fund; or
- 17.5 If the fund termination is required under the CMA decision or under its regulations.
- 17.6 If any of the above termination events occur, the Fund Manager shall take the following liquidation procedures to terminate the fund:
- 17.6.1 The unitholders and CMA will be notified within 30 days of the date of the termination.
 - 17.6.2 A timetable will be published on the Fund Manager's website outlining the procedures and commencement of liquidation.
 - 17.6.3 A request shall be sent to Saudi Stock Exchange (Tadawul) to write-off the Units and a request shall be sent to Capital Market Authority (CMA) to cancel the Fund, and
 - 17.6.4 The liquidation of the fund's assets will commence within at least 60 days from the date of notification to the unitholders.
 - 17.6.5 The fund will be terminated and the proceeds of liquidation will be distributed to the unitholders after the liabilities are paid, on a pro-rata basis, within 6 months from the date of notification of the unitholders.
 - 17.6.6 The Fund Manager shall appoint a liquidator and determine its fees, which shall cause the Fund to be wound down with assets of the Fund distributed to the Unitholders. To avoid doubt, the Fund Manager may act as the liquidator and the fund's assets may be distributed in kind to the unitholders as shares in the special purpose vehicle (SPV) that owns the fund's assets by transferring such assets to a closed joint-stock company after obtaining the approval CMA in case the disposal of the fund assets was impossible or the Fund Manager considered so to be in the best interests of the Unitholders.
- 17.7 If the required capital is not collected during the offering period, the Fund Manager will refund the subscription amounts to the subscribers without any deduction within 15 days from the closure date of the offering period.
- 17.8 If the targeted real estate assets are not acquired within 60 days, the Fund Manager will terminate the fund and distribute the fund net assets to the unitholders on a pro-rata basis after paying any outstanding expenses to other parties without deducting any expenses for the Fund Manager.
- 17.9 If, after the minimum capital is collected and the fund's assets are acquired, listing on Tadawul is not finalized within 60 days of the transfer of ownership of real estate assets to the fund, the Fund Manager will call for a meeting of the unitholders to discuss and approve the continuation of the fund or liquidation of its assets according to liquidation procedures referred to above in 16.2 is after obtaining the approval of CMA.

18. Fund Board of Directors

18.1 Composition of the Fund Board: The Fund Board of Directors shall consist of five members, including three independent members appointed by the Fund Manager. The period of membership of the Board of Directors starts from the date of CMA approval to launch the fund until liquidation. The Fund Manager may change the members of the board of directors during the term of the fund, after obtaining the approval of CMA, and unitholders shall be notified of any changes to the Fund Board of Directors.

18.2 The Fund Board comprises the following members:

NO.	Name	Position	Qualifications/Expertise
1	MR. Sultan M. Alhudaithi	Chairman	<p>BSC in Accounting with an honor degree from King Saud University, MBA from London Business School, Managing Director of the Fund Manager, has held several managerial positions in public and private companies in K.S.A.</p> <p>Extensive experience in Corporate restructuring and Strategic planning, Private Equities, and Real Estate investment.</p> <p>Board Member at many public and private companies and committees such as Saudi Chemical Company, Nahaz Investment Company, Zawayah Real Estate Company, Madaen star Group, Middle East Batteries Company (MEBCO), Saudi Automotive Services Company (SASCO) and United Wires Company (ASLAK)</p>
2	Dr. Nasser bin Mohammed Al-Saadoun	Independent member	<p>BSC in Financial Accounting, College of Administrative Sciences, King Saud University (2001).</p> <p>BSC in Financial Accounting, College of Business Administration and Economics, Department of Accounting and Finance, Monash University, Australia (2007)</p> <p>PhD in Philosophy in Financial Accounting, College of Business and Economics, Department of Accounting and Finance, Monash University, Australia (2011). He was the Head of the Accounting Department, King Saud University (2014-2017).</p> <p>A member of the Accounting Standards Committee, the Saudi Organization for Certified Public Accountants.</p> <p>A member of the audit committee for several charitable organizations and institutions, including: Takaful Charity, Mawhiba.</p> <p>Chairman of the Audit Committee, at Abdullah bin Saedan and Sons Company, Flexible Murabaha Company, Education Evaluation Authority</p> <p>A board member the Saudi Authority for Accredited Valuers. He participated in research papers in many international scientific conferences in the United States, New Zealand, Australia and Saudi Arabia.</p>
3	Mr. Khalid bin Ali Al-Suhaibani	Non-independent member	<p>He has more than 20 years of experience in managing and operating commercial centers. He held many positions during his career, including General Manager of Hamat Real Estate Company, one of the largest leading companies specialized in managing and operating commercial centers in KSA.</p> <p>Head of commercial centers, and head of Leasing Department at Mohammed Al-Habib Real Estate Company</p> <p>Head of Leasing and Marketing Department at the General Organization for Social Insurance.</p> <p>BSC in Economics and Management from King Saud University</p> <p>BSC in Business Administration from DeMontfort University, United Kingdom</p>
4	Eng. Faisal bin Ali Al-Sayegh	Independent member	<p>An engineer with more than 21 years of experience in many fields, especially real estate investment in the Kingdom of Saudi Arabia and the Gulf region. He held many positions and is currently the CEO of Anan Iskan Development Ltd., the first specialized company in worker housing and accommodation.</p> <p>A member of the advisory committees at the Ministry of Municipal Affairs, where he succeeded to establish the world-class worker accommodation industry in the Kingdom of Saudi Arabia and manages assets of SR 400 million.</p> <p>He has successfully established five companies in less than six years.</p> <p>An expert in financial management and operation in real estate development.</p> <p>He held the Head of Business Development Department at Tamilik Real Estate Company, General Manager of SNASCO Real Estate, and many positions in other companies</p>

5	Mr. Abdulrahman bin Sulaiman Al-Amir	Independent member	<p>An expert in finance and real estate investment. He graduated from the School of Business and Management at the American University of Sharjah.</p> <p>BSC in Real Estate from Kogod School of Business, the American University of Washington.</p> <p>He is currently the General Manager of Solidere Saudi Arabia in real estate investments.</p> <p>He has held many other positions, including Executive Vice President of Dar Almashruat Co, and Associate Director of Emirates NBD Bank.</p>
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18.3 Allowances and Remunerations of the Board Members

With exception of each of the independent members of the Fund Board who is entitled to SR 5,000 for each meeting and a maximum of SR 30,000 per annum, the other members of the Fund Board will not receive any remuneration. However, the Fund shall bear all actual travel and accommodation costs reasonably incurred by each Member to attend such meetings, which are expected not to exceed a total of SR 3,000 per annum for each Board member.

18.3.1 Responsibilities and Powers of the Board Members

The responsibilities of the Board members of the Fund shall include, but not limited to the following:

1. Ensure that the Fund Manager carries out its responsibilities to the best interest of the unitholders in accordance with these Terms and conditions, the resolutions of the Fund Sharia Committee, and Traded Real Estate Investment Funds Regulations;
2. Approve all contracts, resolutions and material reports to which the Fund is a party;
3. Approve these terms and conditions and any amendments thereto;
4. Decide on any conflict of interest disclosed by the Fund Manager;
5. Approve the appointment of the Fund's auditor nominated by the Fund Manager;
6. Convene meetings, at least (twice) annually, with the Compliance Officer and the Money Laundering and Terrorist Financing Reporting Officer of the Fund Manager to ensure that the Fund Manager complies with all applicable laws and regulations;
7. Ensure the Fund Manager's obligation to disclose material information to unitholders and other stakeholders;
8. Act honestly and perform their duties and responsibilities faithfully towards the Fund and the unitholders, including showing loyalty, reasonable care and attention towards the Fund's unitholders.

18.4 Qualifications of the Board Members

The Fund Manager acknowledges that all members of the Fund's Board of Directors:

- a. Not subject to any bankruptcy or liquidation proceedings.
- b. Have never committed any fraudulent, dishonorable or involving fraud acts.
- c. Have the necessary skills and experience qualifying thereof as members of the Fund's Board of Directors.

The Fund Manager acknowledges that each independent member of the Board of Directors of the Fund complies the definition of "independent director" as mentioned in the Glossary of Defined Terms used in the Regulations and Rules of the Capital Market Authority (CMA).

18.4.1 Other funds managed by the Fund board members:

The following table show the Fund board members who are board members in other funds:

No.	Name	Fund	Fund Manager	Position
1.	MR. Sultan M. Alhudaithi	Mulkia Plaza Development Real Estate Fund / Mulkia Private Equities – Education Fund	Mulkia Investment Co.	Chairman

19. Units Trading Restrictions

There are no restrictions on units trading imposed on the members of the Fund's Board of Directors, the Fund Manager, or any party related to the Fund Manager.

20. The Fund Manager

20.1 The Fund Manager is Mulkia Investment Company. The address of the head office of Mulkia Investment Company is: Kingdom of Saudi Arabia, Riyadh. Prince Muhammad Bin Abdulaziz Road (Tahlia Street). Aknaz Commercial Building 184, Office 3, P.O Box 52775, Postal code 11573. Tel: 920003028 Fax: +966 (11) 2799293, Website: www.mulkia.com.sa, Email: info@mulkia.com.sa

20.2 Mulkia Investment Company is a licensed company operating under the supervision of the Capital Market Authority (“the Authority/CMA”) in the Kingdom of Saudi Arabia in accordance with the Capital Market Law issued by Royal Decree No. M / 30 dated 6/2/1424H, corresponding to July 31, 2003, under License No. 37-13170 dated 2/1/1435H, corresponding to 5/11/2013.

20.3 Mulkia Investment Company provides and practices dealing as a principal, underwriting, managing investment funds, managing clients’ portfolios, arranging, advising and custody in securities business.

20.4 As of the date on which these Terms and Conditions are prepared, the Fund Manager is not ware of any potential conflict between the interests of the fund and the interests of the fund’s board members and the Fund Manager. The Fund Manager will disclose any business or other material interest of the Fund Manager or the board members that may conflict with the fund’s interests. The Fund Manager will also disclose any material conflict on its part that may affect the performance of its obligations towards the fund, subject to Paragraph 24 of these Terms and Conditions.

20.5 As of the date on which these Terms and Conditions are prepared, the Fund Manager is not aware of any material conflict of interest that would affect the Fund Manager in the performance its duties.

20.6 The Fund Manager will perform all the tasks related to the fund without assigning the same to any other party, which tasks are related to supervisory, administrative, accounting and clerical matters for the purpose of managing the fund in an efficient manner, including bookkeeping, recording subscription applications, matching account information and balances, processing and following up subscribers’ inquiries and submitting account statements.

21. Custodian

21.1 The Fund Custodian is Albilad Capital Company, a licensed company operating under the supervision of the Capital Market Authority (“the Authority / CMA”) in the Kingdom of Saudi Arabia in accordance with the Capital Market Law issued by Royal Decree No. M / 30 dated 6/2/1424H corresponding to July 31, 2003 under License No. 08100-37 dated 2/1/1435H corresponding to 5/11/2013 to practice dealing as a principal, underwriting, managing investment funds, managing clients' portfolios, arranging, advising and custody in securities business.

21.2 The head office of Albilad Capital is: Kingdom of Saudi Arabia, Riyadh, King Fahd Road intersection with Prince Muhammad bin Abdulaziz Road (Tahlia Street), Smart Tower, 1st floor, P.O Box 140, Postal Code 11411, Tel: +966 (11) 203 9888, Fax: +966 (11) 203 9899, website: www.albilad-capital.com, email: clientservices@albilad-capital.com

21.3 The Fund Manager may, after obtaining the approval of CMA. appoint one or more independent custodians according to an agreement to provide independent custody services, provided that the custodian shall be a person licensed by CMA.

21.4 The custodian's responsibilities shall include, but not limited to, the following:

Mulkia Investment Company, Closed Joint Stock Company – CMA license No. 37-13170

1. Keeping the Fund documents (title deeds, investment decisions, material contracts, minutes of the Fund Board meetings, valuation reports, Terms and Conditions).
2. Establishing a special purpose company (SPV) with a limited liability, in a name proposed by the Fund Manager and approved by CMA and the Ministry of Commerce and Industry, with the aim of legally registering the ownership of the fund's assets in the name of such SPV.
3. Appointing a custodian's representative (the general manager) upon signing the custody services agreement to act in its capacity as general manager of the SPV, on behalf of the Custodian.
4. Acquiring assets through the SPV and keeping, in a safe place, title deeds and other supporting documents related to the Fund assets.
5. Maintaining detailed and accurate records of any change in the ownership of the assets.
6. Undertaking to separate the assets of the Fund from any other assets belonging to the Custodian under the requirements of the Authorized Persons Regulations (APRs), and to take the necessary measures to achieve this purpose
7. Providing the Fund Manager with a copy of any documents related to the Fund's assets upon receiving the same from a third party, without any obligation to check out the adequacy, accuracy or completeness of such documents.
8. Disposing of the special purpose company's assets and/or shares as may be instructed in writing by the Fund Manager with strict adherence to such instructions, and abstaining from taking any action regarding the Fund assets without a written approval from the Fund Manager.
9. Delivering to the Fund Manager or any person appointed by the Fund Manager, upon request, any of the following: a copy of asset title deed; a copy of SPV's Articles of Association and Commercial Register and any decisions issued regarding SPV from time to time; and copies of any documents received by the Custodian under the asset ownership registration in the name of the SPV.

22. Property Manager

22.1 The Fund Manager has appointed Property & facility Management Co (Edarah) to manage and operate the Fund properties, noting that property management is not limited to this company. Accordingly, the Fund Manager may appoint a separate property manager for each property, provided that the scope of work and obligations of each party and the fees due are determined on the basis of a lump sum amount or a percentage of the properties revenues or both, noting that the Fund Manager may contract with any number of developers and operators as needed.

22.2 At the present time, no properties are managed by the property manager, as each property is leased out to one person, and accordingly the rental value is net of operational expenses.

22.3 The responsibilities of the Property Manager include, but not limited to, the following:

Looking for real estate opportunities for the benefit of the fund.

Managing and operating properties, including periodic maintenance works.

Marketing and leasing out properties and following up rental collection.

23. Auditor

The Fund Auditor is **DR. ABDULGADIR BANNAGA & PARTENERS CO.**

Address: Kingdom of Saudi Arabia, Riyadh

P.O Box 8246, Riyadh 12274

Tel: +966 11 456 2974

Fax: +966 11 405 0587

Website: www.rsm-alliedaccountants.com

24. Financial Statements

24.1 Financial statements of the Fund will be prepared by the Fund Manager and audited by the Fund Auditor in accordance with the applicable standards set by the Saudi Organization of Certified Public Accountants (SOCPA).

24.2 Financial statements of the Fund will be prepared by the Fund Manager on both a semi-annual basis (unaudited) and an annual basis in accordance with the applicable standards set by the Saudi Organization of Certified Public Accountants (SOCPA). The annual financial statements shall be audited (audited financial statements) by an auditor in accordance with the Fund accounts. Financial statements of the Fund will be reviewed by the Fund Board and made available to CMA as soon as they are approved and made available to Unitholders without fees within 30 days from the end of the period covered by unaudited financial statements and 3 months from the end of the period covered by audited financial statements, by publishing the same on the Fund Manager's and Tadawul's website.

25. Auditor Responsibilities

The Auditor shall provide an assurance about whether in the Auditor's opinion:

- a. The financial statements have been prepared and reviewed in accordance with the accounting standards issued by the Saudi Organization for Certified Public Accountants (SOCPA), the provisions and regulations of investment funds, and the Fund's Terms and Conditions;
- b. The financial statements provide a true and fair view of the Fund net income, net profits and losses for the period covered by the financial statements; and
- c. the financial statements present a true and fair view of the financial position of the Fund at the end of the period.

26. Conflict of Interests

26.1 The Fund Manager does not have, at present, any conflict of interest that may affect the performance of its duties towards the Fund, except for what is disclosed in this Paragraph:

1. Teqnia Complex is owned by Abdul Latif Al-Essa Holding Group, and Aqar and Mimar International Real Estate Company, a subsidiary of Abdul Latif Al-Essa Holding Group, has the right to dispose of it. Mr. Ziyad Al-Issa is a 5% shareholder of Mulkia Investment Company and owns a direct 10% interest in Abdul Latif Al-Issa Holding Group, and owns an indirect 10% interest in Aqar and Mimar Company. He is also a board member in Abdul Latif Al-Essa Motors Company, which is a major tenant in this complex. Abdul Latif Al-Essa Motors is a subsidiary of Abdul Latif Al-Essa Holding Group. For more details, see Annex 4 at the end of these Terms and Conditions;

2. West Avenue Project is owned by Gulf Real Estate Company, which is owned by Gulf Investment House Company, Saad Trading and Contracting Company, Abdul Latif Al-Essa Group Ltd., Al-Saedan Real Estate Company, First Investment Company and a number of investors. The share of any one investor does not exceed 5% of the capital. The company will lease the whole property, and Mr. Ziyad bin Abdul Latif Al-Issa owns an indirect interest, through Abdul Latif Al-Issa Holding Company, and a direct 1.2% interest in the company. For more details about the shareholders of the company, see Annex 5 at the end of these Terms and Conditions, He is one of the shareholders of Mulkia Investment Company, the Fund Manager, as he owns 5% of the Fund Manager's capital;

as well as in Paragraphs "Fund Assets" and "Fund Manager".

In all cases, the Fund Manager will disclose to the Fund Board of any conflict of interest that may arise in the future in order for the Fund Board to take a decision thereon and will disclose the same in the Fund's annual report. The Fund Manager will also disclose to the Fund Board of any transactions that may result in a conflict of interest and will publish the same on the Fund Manager's and Tadawul's website. The Fund Manager will take any measures as may be required to achieve the interest of the Unitholders in the first place, giving priority to the interest of the Fund's subscribers over the interests of the Fund Manager and Mulkia Investment Company, Closed Joint Stock Company – CMA license No. 37-13170

related parties and taking into account the interests of all investors. However, due to the nature of the Fund's business, which requires paying brokerage fees to the real estate broker who provides opportunities appropriate to the Fund's goals and strategy, the real estate broker may be a related party.

26.2 The Fund Manager intends to invest in the Fund with cash units at a value of SR 15,000,000 upon the initial offering. It may also invest in other offering periods, provided the same is disclosed in the Fund annual report.

26.3 All employees and affiliates of the Fund Manager may invest in the fund.

26.4 Unitholders may, upon request and without fees, review the procedures adopted by the Fund Manager to address conflict of interests.

27. Reporting to Unitholders

The Fund Manager, through electronic means, shall submit reports to the Capital Market Authority (CMA) and Unitholders and shall disclose the following information immediately and without delay:

27.1 Any significant developments that fall within the scope of its activity, the knowledge of which is not available to the general public, and may affect the Fund assets, obligations, financial position, general course of business, or any change affecting the Fund position and give rise to a voluntary withdrawal of the Fund Manager from the position of Fund Manager would reasonably result in a change in the price of the listed unit or would have a significant impact on the ability of the Fund to meet its debt instrument obligations;

27.2. any transaction to purchase, sell, lease or mortgage a Fund asset at a price equal to or greater than 10% of the Fund's total assets value in accordance with the latest unaudited semi-annual financial statements or audited annual financial statements, whichever is more recent;

27.3 any losses equal to or greater than 10% of the Fund's Net Asset Value according to the latest unaudited semi-annual financial statements or audited annual financial statements, whichever is more recent;

27.4 any changes in the composition of the Fund Board or committees (if any);

27.5 any dispute, including any litigation, arbitration or mediation where the value involved is equal to or greater than 5% of the Fund's Net Asset Value according to the latest unaudited semi-annual financial statements or audited annual financial statements, whichever is more recent;

27.6 any increase or decrease in the Fund's Net Asset Value that is equal to or greater than 10% according to the latest unaudited semi-annual financial statements or audited annual financial statements, whichever is more recent;

27.7 the increase or decrease in the gross profit of the Fund, that is equal to or greater than 10% according to the latest audited financial statements;

27.8 any transaction between the Fund and a Related Party or any arrangement through which the Fund and a Related Party invest in any project or asset or provide financing thereto in an amount equal to or greater than 1% of the Fund's gross revenue according to the latest audited annual financial statements;

27.9 any interruption in the Fund's core activities equal to or greater than 5% of the gross revenues according to the latest audited annual financial statements;

27.10 any change in the Fund's Auditor;

27.11 any appointment of a replacement custodian for the Fund;

27.12 the issuance of any judgment, decision, order or declaration by a court or judicial entity, whether at first instance or at appeal, which may adversely affect the Fund's utilization of any portion of its assets that represents in aggregate a value exceeding 5% of the Net Assets Value according to the latest unaudited semi-annual financial statements or audited annual financial statements, whichever is more recent;

27.13 any suggested change to the Fund's capital;

27.14 Semi-annual reports;

27.15 any amendments to these Terms and Conditions;

27.16 any principal or material changes that affect the operations of the Fund;

27.17 the amounts distributed to Unitholders.

The Fund Manager shall prepare annual reports and submit the same to the Unitholders including the following information:

- A. assets in which the Fund invests;
- B. assets which the Fund targets to invest therein;
- C. outlining of the leased and non-leased properties in relation to the total assets owned by the Fund;
- D. a comparative illustration covering the Fund performance over the previous three financial years (or since the inception of the Fund) explains the following:
 1. Net asset value of the Fund at the end of each financial year;
 2. Net asset value per unit at the end of each financial year;
 3. The highest and lowest net asset value per unit at the end of each financial year;
 4. Number of units issued at the end of each financial year;
 5. Income distribution per unit;
 6. Rate of expenses afforded by the Fund.
- E. Performance record shows:
 1. Total revenues for one, three and five years (or since the inception of the Fund);
 2. Total annual revenues for each of the last 10 years (or since the inception of the Fund);
 3. a schedule listing the services costs, commissions and fees paid by the Fund to third parties during the year. Full disclosure shall be also included for the ration of total expenses and the conditions (if any) in which the Fund Manager waives or reduces the payment of any fees
- F. In the event of significant changes during the relevant period and affected the performance of the Fund;
- G. the Fund Board's annual report including, but not be limited to, the topics discussed and the decisions taken therefor, including the issues related to the performance of the Fund and its achievement of its objectives;
- H. a statement on the special commissions obtained by the Fund Manager during the relevant period, stating clearly the purpose of such commissions and how they are utilized; and

Each unitholder shall provide the Fund Manager with correct mailing address and update the same constantly. In the event that the unitholder does not provide the Fund Manager with a correct mailing address, then the unitholder is deemed to have agreed to indemnify and hold the Fund Manager harmless in respect of, and to waive, all of his rights or claims against the Fund Manager arising directly or indirectly from the non-provision of statements, notices or other information relating to the investment, or from the unitholder's inability to verify the accuracy of, or seek rectification of any errors in such statements, notices, or other information.

28. Amendments to the Terms and Conditions

28.1 The Fund Manager may, at its discretion, amend these Terms and Conditions after obtaining the approval of the Fund Board, CMA and Sharia Board, provided that the Fund Manager shall notify the Unitholders and the Custodian of any material amendments within 10 business day from the date of making any changes thereto.

28.2 In the event of fundamental changes, the approval of the Unitholders shall be obtained, provided that the approval of more than 50% of the Unitholder shall be obtained for any proposed fundamental change, including but not limited to:

- a material changes in the Fund's objectives or nature;
- a change which may have a material negative effect on the unitholders or their rights in relation to the fund;
- a change that has an impact on the Fund's risk profile; or
- Increasing the fund's total assets value by accepting cash and/or in-kind contributions in accordance with the provisions of paragraph (l) of part (3) of Real Estate Investment Traded Funds Instructions.

The Fund Manager shall disclose on its website and Tadawul's website any details regarding any fundamental changes to the Terms and Conditions of the Fund 10 business day before the entry into force of the change.

29. Mechanism of Increasing the Fund Total Assets by Offering Additional Units

Subject to Paragraph (I) of Part (3) (General Provisions) of Real Estate Investment Traded Funds Instructions, the Fund's total assets value may increase by accepting in-kind and/or in cash contributions, through the following mechanism:

1. The Fund Manager shall obtain the approval of the Authority (CMA) to offer additional units of the Fund by accepting contributions in cash and/or in-kind,
2. After obtaining the Authority's approval referred to in sub-paragraph (1) above, the Fund Manager shall obtain the approval of the unitholders, by an ordinary fund resolution, to offer additional units of the Fund by accepting in cash and/or cash in-kind contributions.
3. If the Fund's total assets value increase by accepting cash contributions, or cash and in-kind contributions, the offer period for offering the new units shall be a minimum of (5) days within a period of (6) months as maximum from the date of the CMA approval.
4. Where the minimum initial offer amount required is raised, the offered units shall be first allocated to the unitholders registered on the day of the unitholders' meeting, then allocate the remaining units (if any) to the remaining subscribers, and the excess money (if any) shall be refunded to the subscribers in cash, within a period not exceeding (15) days after the offer period has elapsed, which is set out in the terms and conditions of the Fund. The ownership of the property that is to be acquired or its benefit must be transferred in favor of the fund, and the

new units shall be listed in the Exchange (Tadawul) within a period not exceeding (60) days from the end of the elapsed offer period. It is not permissible to dispose of units that have been allocated to subscribers owing 5% or more of the Fund through in-kind contributions in accordance with this Paragraph within the first year of their trading commencement.

5. Where the fund's total assets value increase is made through accepting in-kind contributions, the additional units are immediately allocated in-kind (8,108,652) units to the owner of Elite Mall "The Elite" which represent an amount of (80,600,000) Saudi riyals that equal a percentage of 40% of the property acquisition value represents (201,500,000) Saudi riyals i after obtaining the unitholders' approval referenced in sub-paragraph (2) above, provided that the ownership of the property to be acquired or its benefit, is transferred in favor of the fund, and the new units are listed in the Exchange (Tadawul) within a period not exceeding (60) days from the date of the unitholder's approval. It is not permissible to dispose of units that have been allocated to subscribers by in-kind contributions of (5%) or more by the mechanism of increasing the fund's total assets value in accordance with this Paragraph within the first year of their trading commencement.
6. With regards to the provisions of sub-paragraph (3) from paragraph (L) of this Paragraph, and where the minimum initial offer amount required to be raised was not obtained, and which is set out in the terms and conditions of the fund, the Fund Manager must cancel the offer and refund the subscribers' money with no deduction within (5) days of the offer period elapsing.

30. Policy of Unitholders Meetings

30.1 The Fund Manager may call for a meeting of unitholders on its own initiative.

30.2 The Fund Manager must call for a meeting of unitholders within (10) days of receiving a written request from the Custodian.

30.3 The Fund Manager shall call for a meeting of unitholders by announcing it on its website and the Exchange's (Tadawul) website, and by sending a notice in writing to all unitholders and the Custodian giving not less than

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(10) days' notice of the meeting and no more than (21) days' notice before the meeting. The announcement and notice must specify the date, place and time of the meeting and the resolutions proposed. The Fund Manager must provide a copy of such notice to the Authority (CMA) immediately without any delay.

30.4 The Fund Manager must call for a meeting of unitholders within (10) days of receiving a written request from a unitholder or unitholders, holding individually or collectively at least 25% of the value of the Fund units.

30.5 The quorum required to conduct a meeting of the unitholders shall be such number of unitholders holding together at least 25% of value of the Fund units.

30.6 If the quorum requirements set out in paragraph (28.5) of this Part are not met, the Fund Manager shall call for a second meeting by announcing it on its website and on the Exchange's (Tadawul) website and shall send a notice in writing to all unitholders the Custodian giving not less than (5) days' notice of the second meeting. At the second meeting, any number of unitholder(s) holding any number of units present in person or represented by a proxy is a quorum.

a) Every unitholder shall be entitled to appoint a proxy to represent such unitholder at the meeting of unitholders.

b). Every unitholder shall be entitled to exercise one vote at the meeting of the unitholders for each unit which the unitholder holds as at the time of the meeting.

c) The unitholders meetings and its deliberations and voting on decisions may be conducted through modern technology in accordance with requirements set by the Capital Market Authority (CMA).

30.7. The decision shall be effective upon the approval of unitholders holding more than 50% of the total units present in the meeting either by unitholders attending in person, appointed proxy or through contemporary technology.

31. Rights of Unitholders

The unitholders have the right to exercise all their rights under these Terms and Conditions, including:

31.1 Attend meetings of unitholders and vote on decisions issued in the meeting. Every unitholder shall be entitled to exercise one vote at the meeting of the unitholders for each unit which the unitholder holds as at the time of the meeting

31.2 Vote on any fundamental change to the Fund, including the following:

- a) a material change in the Fund's objectives or nature;
- b) a change which may have a material negative effect on the unitholders or their rights in relation to the fund;
- c) a change that has an impact on the Fund's risk profile; or
- d) Increasing the fund's total assets.

31.3 subscribe in issuance of priority rights and acceptance of in-kind contributions for the purpose of increasing the Fund capital.

31.4 Accept the dividends in accordance with These terms and Conditions;

31.5 Accept periodic reports and updates in line with these Terms and Conditions.

31.6 Unitholders, holding individually or collectively at least 25% of the value of the Fund units, may call for a meeting of unitholders.

31.7 Every unitholder shall be entitled to appoint a proxy to represent such unitholder at the meeting of unitholders

31.8 Every unitholder shall be entitled to obtain complete, clear and not misleading information subject to Article 8 of Real Estate Investment Funds Regulations

Except as expressly provided in this Paragraph, unitholders are not entitled to administrative rights with respect to the Fund.

32. Governing Law

The real-estate investment traded fund and the Fund Manager are subject to the Capital Market Law and its Implementing Regulations as well as other relevant laws and regulations applicable in the Kingdom of Saudi Arabia. Any dispute arising from investing in the real-estate investment traded fund shall be under the jurisdiction of the Committee for Resolution of Securities Disputes.

33. Sharia Board

The Fund Manager has appointed the Sharia Review Bureau as the sharia advisor to the Fund, an institution providing Sharia auditing and auditing services, a member of the General Council of Islamic Banks and Financial Institutions and a member of the Accounting and Auditing Organization for Islamic Financial Institutions, and licensed by the Central Bank of Bahrain to provide Sharia advisory services. The Sharia advisor appoints a panel of two Sharia experts (sheikhs) who will review the standards of the Fund Sharia Board and the Fund documents to ensure compliance with the standards of the Sharia Board.

Shari Board Members:

Name	Position	Qualification / Expertise
Sheikh Dr. Khalid bin Abdullah Al-Muzeini	Sharia Board Member	Dr. Khalid is an Assistant Professor at Islamic & Arabic Studies College of Applied Studies at King Fahd University of Petroleum & Minerals, since 1428H / 2008. His research interest is focused on Islamic jurisprudence and its fundamentals, the science of Sharia politics and the jurisprudence of contemporary financial transactions, and how these sciences can be applied in real life. He has made a number of researches in these areas, some of which has been published in famous journals and introduced in International scientific conferences. He has written many specialized articles published in various newspapers and websites. He has been hosted in a number of television interviews.
Sheikh Dr. Salah bin Fahad Al Shalhoob	Sharia Board Member	A Sharia scholar who procured his PhD from Edinburgh University (UK) and Masters from Al Imam University (KSA). He is an Assistant Professor at Islamic & Arabic Studies College of Applied Studies at King Fahd University of Petroleum & Minerals & has written several research papers in relation to banking sectors, which have been published in many journals, most important of which Al Eqtisadiah.

All members of the Sharia Board shall be entitled to SR 33,000 annually for their advisory services provided to the Fund.

Annex 1 of these Terms and Conditions outlines the Sharia standards used by the Sharia Review Bureau to ensure the Fund's compliance with the Sharia standards.

34. Power of Attorney

By signing these Terms and Conditions, the investor appoints the Fund Manager as an authorized representative on behalf of the investor with full authority to represent the investor and sign and execute on its behalf any documents that the Fund Manager deems necessary to acquire, transfer and sell the Fund's assets or to invest any cash in the Fund or to perform any of the Fund Manager's obligations related to the Fund. Any document that must be signed under this power of attorney may be signed by an authorized representative of the Fund Manager. Under this power of attorney, the investor also agrees that the Fund Manager may carry out or cause to be carried out any other actions or procedures and may sign or cause to be signed any necessary documents falling within the Fund Manager jurisdiction in order to enforce these Terms and Conditions, especially this Clause.

This is a translation of the Arabic version of this document. The Arabic version is the official version. In case of disparity, the Arabic version shall prevail.

By signing this document, I declare that I have read and understood the Terms and Conditions, and I agree to what is stated therein, and that I have received a copy thereof.

Investor		Fund Manager	
Name		Name	Mulkia Investment Co.
By		By	Muneera Hijab AlDossary
Title		Title	CEO
Signature		Signature	
Date		Date	

Modhi Fahd Alqirnas

Head of Compliance and Anti-Money Laundering and Counter-Terrorism Financing

Annex (1) Sharia Standards and Regulations

Sharia standards of Fund Manager's Remunerations

1. The Fund Manager may be remunerated by the investor for his contribution, as it deemed a compensation for benefits that are legally denominated, whether the remuneration is a lump sum or a discount of the value of the purchased unit, provided that such remunerations are stipulated in the Fund Terms and Conditions.
2. The Fund Manager may deduct fees for management periodically, and these fees may be determined as a specified percentage from the Fund's assets at a known periodic date, provided that the percentage shall be specified and known to the investor in the Fund Terms and Conditions
3. The Fund Manager may deduct fees for custody periodically, and these fees may be determined as a specified percentage from the Fund's assets at a known periodic date, provided that the percentage shall be specified and known to the investors in the Fund Terms and Conditions

Sharia standards of the Fund management and marketing

1. The Fund Manager shall make the utmost efforts to invest the funds of the Fund in the best manner and in the best interests of investors.
2. The Fund Manager shall invest the funds of the Fund in the purpose for which the Fund was incorporated. The Fund Manager may not invest in whatever not stipulated in the Fund's Terms and Conditions unless investors being notified.
3. The Fund Manager shall fully disclose all expenses charged to the Fund
4. The Fund Manager may specify the expected percentage of profit from the subscription in the Fund based on the market study, provided that this is in the form of approximation and expectation.
5. All documents including contract and other forms must be consistent with the sharia standards.
6. The Fund Manager may not enter into any contract for which usurious interests or dues are payable and it may take judicial proceedings to collect its entitlements.

Sharia standards for lease and sale of the Fund Assets

1. The Fund invests its funds in real estate projects that are legally permissible and do not entail any usurious interest.
2. The Fund may not calculate any usurious interest if any party delayed in the payment of its obligations and it may take appropriate judicial proceedings to collect its dues.
3. The Fund Manager may lease out a property before the sale thereof provided that it does not lease out the property whoever practices an activity that is legally prohibited, such as renting on usurious banks.
4. The Fund Manager shall not invest in real estate in which the activities of the tenants are concentrated in the following prohibited activities:
 - Usurious financial institutions, including financial brokers, such as traditional banks, traditional insurance companies, and any other institutions practicing usurious activities (with the exception of Islamic branches of such financial institutions, which are compliant with Shari rules and standards).
 - Production and distribution of tobacco, alcohol and similar products.
 - Institutions and companies whose activities are based on gambling, such as casinos or gambling machine manufacturers and suppliers.
 - Production and distribution of pork and its derivatives, non-halal meats, alcoholic beverages and all non-halal products.
 - Biotechnology companies participating in the manipulation of human genes and related modification or cloning, with the exception of companies involved in medical research.
 - Entertainment tools that do not comply with Sharia rules and standards, such as production and distribution of pornographic films, indecent books, magazines, rogue satellite channels, cinemas, composing and publishing music, and radio stations that do not comply with Sharia standards.

- Any other activity that does not comply with the Sharia rules and standards, as determined by the Sharia advisor.
5. The Fund Manager may invest in leased properties to companies or persons that do not comply with the above standards including banks, insurance companies, gambling, alcohol, etc., provided that the rent collected from these entities represents 5% or less of the total rents collected from the property taking into account the following conditions:
- The revenues obtained from these entities shall be offered to the charitable associations after taking the approval of the Sharia Board.
 - If the Fund Manager can replace the Tenant with an inconsistent activity with another tenant engaged in a sharia rules and regulation compliant-activity without causing damage to the Fund financially and legally, it shall proceed to replace the Tenant after giving him a 3 months written warning.
 - If the abovementioned procedure would cause financial or legal damages to the Fund, in such case the Tenant will be left until the lease term ends and the contract shall not be renewed.
 - If the Fund Manager invests in a vacant property or all the tenants are practice sharia rules and regulations compliant-activities, the Fund Manager may not lease the property to a tenant, whose activity is incompliant with the Sharia rules and standards, even if the lessee's income is less than 5% of the total rents.

Annex (2) Illustrative table of calculating recurring and non-recurring fees based on presumed figures for several years

Total assets as of December 31, 2019	894,082,675
Finance amount used	342,600,000
Investment amount	1,000,000
Number of units resulting from the investment amount	100,000
Number of the Fund units	68,108,652
Total assets	1,023,686,520
The percentage of the invested amount to the fund's capital, in the first year	0.1468 %
Investor's percentage of the fund's capital, in the second and third year	0.1468 %

Calculation mechanism: The Fund fees are calculated for a year and the result is multiplied by the investor's percentage of the Fund's capital

		First Year		Second Year (*)		Third Year and following year	
Recurring fees and expenses	Percentage /amount	Fees charged on the fund	Fees charged on investment amount	Fees charged on the fund	Fees charged on investment amount	Fees charged on the fund	Fees charged on investment amount
Auditor's fees	30,000	30,000	44.05	30,000	41.03	30,000	41.03
Custody fee of total assets	0.04%	388,535	570.46	428,535	586.16	428,535	586.16
Annual listing fees in Tadawul	300,000	300,000	440.47	300,000	410.35	300,000	410.35
Owners registry management	400,000	400,000	587.30	400,000	547.13	400,000	547.13
Regulatory fee	7,500	7,500	11.01	7,500	10.26	7,500	10.26
Publication fee (Tadawul website)	5,000	5,000	7.34	5,000	6.84	5,000	6.84
independent board members remuneration	60,000	60,000	88.09	60,000	82.07	60,000	82.07
Sharia board members remuneration	33,000	33,000	48.45	33,000	45.14	33,000	45.14
Fund properties insurance costs	200,000	200,000	293.65	250,000	341.96	250,000	341.96
Real estate valuation fees	275,000	275,000	403.77	275,000	376.15	275,000	376.15
Fund management fees of total assets	1%	9,713,365	14,261.57	10,713,365	14,654.03	10,713,365	14,654.03
Finance charges	4.00%	11,610,000	17,046.29	13,610,000	18,616.13	13,610,000	18,616.13
Other expected expenses	0.25%	2,428,341	3,565.39	2,678,341	3,663.51	2,678,341	3,663.51
Total recurring fees and expenses		25,450,741	37,368	28,790,741	39,381	28,790,741	39,381
percentage of total recurring fees and expenses to the fund's total asset value	-	2.62%	-	2.69%	-	2.69%	-
Non-recurring fees and expenses (*)							
subscription fee (2% of the subscription amount)	2%	-	20,000	-	-	-	-
Transaction fee (a maximum of 1% of the sale or acquisition value of any real estate asset by the Fund Manager)	1%	-	-	1,000,000	1,468.24	-	-
Brokerage fee 2.5%	2.50%	-	-	2,500,000	3,670.61	-	-
Capital structure fee (1% paid to the Fund Manager)	1%	-	-	500,000	734.1211	-	-
Finance structure fee (1% of the withdrawn amount paid to the Fund Manager or financing bank (*)	1%	-	-	500,000	734.12	-	-
Total non-recurring fees and expenses		-	-	4,500,000	6,607.09	-	-
Percentage of total non-recurring fees and expenses to fund's total assets.	-	-	-	0.42%	-	-	-
Total recurring and non-recurring fees and expenses		25,450,741	57,368	33,290,741	45,987.85	28,790,741	39,380.76
Percentage of total recurring and non-recurring fees and expenses	-	2.62%	-	3.11%	-	2.69%	-

(*) In the second year, it is presumed that a new property worth SR 100,000,000 would be purchased on the basis of a net lease contract by financing 50% of the property's value via a loan of SR 50 million, and the other 50% of the property value of SR 50 million shall be paid as in-kind subscription to the property owner, and accordingly, the total assets of the fund is to be SR 1,071,336,521 and the total loan is to be SR 340,250,001. Therefore, in the second year, the amount of finance increases by SR 50 million and the fund's capital increases by SR 50 million, equivalent to 5 million units.

The loan interest is presumed to be 4% and this interest may change and affect the profits of the Fund as well as the investor's share of fees and expenses.

It is presumed that as of the third year onwards there will be no new acquisitions

Insurance and valuation fees are borne directly by the Fund and not accounted for in the fund's costs which represents 1.25% of the Fund total asset value subject to Paragraph 12 of these Terms and Conditions (Fees, Charges, Commissions and Management Fees)

(**) non-recurring fees and charges related to the purchase of a new property in the second year.

Annex (3) Example on calculating fees and expenses based on presumed investment amounts and returns

Investment amount	1,000,000	
Fund total asset value	1,023,686,520	
Finance amount (withdrawn)	342,600,000	
Realized return 10%		
Investor's percentage in the fund total assets.	0.0977 %	

Calculation mechanism: The Fund fees are calculated for a year and the result is multiplied by the investor's percentage of the Fund's capital

Fees	Fees charged on the fund	Fees charged on investment amount
Subscription fee *, 2% of the subscription amount	2%	20,000
Auditor's fee	30,000	29.31
Custody fee to total assets (0.025%)	255,922	250,000
Annual listing fees in Tadawul	300,000	293.06
Owners registry management	400,000	390.74
Regulatory fee	7,500	7.33
Publication fee (Tadawul website)	5,000	4.88
independent board members remuneration	60,000	58.61
Sharia board members remuneration	33,000	32.24
Expected costs of fund properties insurance	250,000	244.22
Real estate valuation fee	275,000	268.64
Fund management fee, (1%) of total assets	10,236,865	10,000
Finance charges (4%)	13,704,000	13,387
Total fees and charges, exclusive finance charges	11,853,287	11,579
Percentage of fees and expenses, exclusive finance	1.16%	1.16%
Other expected expenses (capped at 0.25% of total assets)	2,559,216	2,500
Total recurring fees and expenses	28,116,503	27,466
net investment amount before return	-	972,534
Realized return 10%	-	100,000
Net presumed investment	-	1,072,534
Net expected return	-	7.25%

* Subscription fee is paid separately and not included in investment amount

Annex (4) Summary of Financial Disclosure		Actual value util .../.../..
Management fees	1% annually of the fund's total asset value, after deducting expenses, to be calculated and paid every 6 months.	XX,XXX
Custody fee	A maximum 0.04% annually of the fund's assets value	XX,XXX
Auditor's fees	SR 30,000 annually, to be calculated and paid semi-annually (SR 10,000 at the end of June and SR 20,000 at the end of December)	XX,XXX
Board Members Remuneration	SR 5,000 for each independent board member per meeting, subject to a maximum of SR 30,000 annually for each independent member, to be calculated and paid immediately after each meeting.	XX,XXX
Sharia Board Remuneration	SR 33,000 annually, to be calculated semi-annually and paid at the beginning of the calendar year	XX,XXX
Regulatory fees	SR 7,500 annually, to be calculated semi-annually and paid at the end of the year.	XX,XXX
Publication fee (Tadawul website)	SR 5,000 annually, to be calculated semi-annually and paid upon claim.	
Performance incentive	15% of the performance difference between the net rental return collected for all real estate assets owned by the fund and an annual rental return rate on all fund assets of 7%, to be calculated at the end of each fiscal year and paid annually.	XX,XXX
Real estate valuer fee	According to the prevailing market prices, to be paid upon providing the service.	XX,XXX
Property management and operation fees	From 5% to 10% of the cash rental value collected, to be calculated and paid semi-annually or upon claim.	XX,XXX
Property maintenance expenses	According to the prevailing market prices, to be paid upon providing the service	XX,XXX
Property development and improvement expenses	According to the prevailing market prices, to be paid upon providing the service	XX,XXX
Brokerage commission fee	2.5% of the property acquisition value, to be calculated and paid upon delivery of the property for the favor of the real estate broker. The real estate broker may be a related party.	XX,XXX
Continuous listing fee paid to Tadawul	To be defined by regulatory authority	XX,XXX
distributing investment funds information license fees	To be defined by regulatory authority	XX,XXX

Notice: No previous performance of the Fund. The above expenses are approximate, and a summary of the financial disclosure of actual expenses will be updated in the annual report of the Fund.

Annex (5) Shareholders of Abdul Latif Al-Essa Holding Group and its subsidiaries

No.	Shareholder	Share %
1	Munira Abdullah the supervisor	18.02%
2	Ibrahim Abdul Latif Al-Issa	7.00%
3	Abdul Rahman Abdul Latif Al-Issa	7.00%
4	Khaled Abdul Latif Al-Issa	7.00%
5	Abdul Mohsen Abdul Latif Al-Issa	10.00%
6	Naguib Abdul Latif Al-Issa	10.00%
7	Ziad Abdul Latif Al-Issa	10.00%
8	Naima Abdul Latif Al-Issa	4.00%
9	Al-Jawhara Abdul Latif Al-Issa	4.00%
10	Ibtisam Abdul Latif Al-Issa	4.00%
11	Other Shareholders	18.97%
12	Total	100.00%

Annex (6) Shareholders of Abdul Latif Al-Essa Holding Group and its subsidiaries

No.	Shareholder	Share %
Aqar and Mimar International Real Estate	Al-Abdullatif Al-Essa Holding Group	90%
	National General Motors Company	10%
	Total	100%
National General Motors Company	Al-Abdullatif Al-Essa Holding Group	95%
	Banan International Company	5%
	Total	100%
Banan International Company	Al-Abdullatif Al-Essa Holding Group	95%
	National General Motors Company	5%
	Total	100%
Abdul Latif Al-Essa Motors Company	National General Motors Company	95%
	Al-Abdullatif Al-Essa Holding Group	5%
	Total	100%
Alissa International Motors Company	Al-Abdullatif Al-Essa Holding Group	95%
	National General Motors Company	5%
	Total	100%

Annex (7) Shareholders of Gulf Real Estate Company

No.	Shareholder	Share %
1	Gulf Investment House Company	26%
2	Saad Trading and Contracting Company	23%
3	Abdul Latif Al-Essa Holding Group	12%
4	Al Saedan Real Estate Company	8%
5	First Investment Company	6%
6	Gulf Development Company (INOVEST)	4%
7	Alshaya United Company	3%
8	Prince/ Abdullah bin Muhammad bin Abdulaziz Al Saud	3%
9	National Investment Company	2%
10	Arkan Al-Kuwait Real Estate Company	2%
11	Other shareholders	12%
12	Total	100%

Annex (8) Subscription Mechanism

General Conditions for Subscription in the Fund

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

Subscription Mechanism through Mulkia Investment Company

Step One - Obtaining the Terms and Conditions

Investors wishing to subscribe are required to obtain a copy of the Terms and Conditions from the website of the Fund Manager, Mulkia Investment Company www.mulkia.com.sa or from Mulkia Investment Company's office.

Investors wishing to subscribe are required to read, sign and keep a copy of the Fund terms and conditions to submit the same to the Fund Manager in a later step.

Step Two - Bank Transfer

The investor can subscribe through Mulkia Investment Company after the investor transfers the full amount of the subscription, with a minimum of SR 10,000 and a maximum of SR 25,000,000, plus the subscription fee of 2% of the subscription amount, during the offering period, to the following account:

Bank name: Banque Saudi Fransi

Account name: Mulkia Investment Company

Account number: 976 5180 0230

IBAN: SA56 5500 0000 0976 5180 0230

For example: If the investor wants to subscribe with the minimum of SR 10,000 riyals, he must transfer an amount of SR 10,200, representing SR10,000 as the subscription amount, plus SR 200 as the subscription fees.

The investor shall keep the bank transfer receipt to submit it to the Fund Manager in a later step.

Step Three – Filling out the subscription form

The investor, having obtained the subscription form from the Company's website www.mulkia.com.sa or the Company's office, must complete the subscription form and sign the hardcopy thereof or send the electronic form if subscription is through the electronic channels, as the case may be.

The investor shall delivery hardcopies of all documents required and referred to in the first, second and third steps to the Company's office, or softcopies thereof through the electronic channels on the Company's website.

No subscription application or bank transfer will be accepted after the end of the last working day of the subscription period. The investor will not be able to amend the subscription form after the same is sent or delivered. The investor may cancel the subscription and apply for a new one, however, the subscription cannot be canceled after the approval and confirmation thereof.

In all cases, investors of all categories must abide by the requirements of completing and submitting the subscription form whether through the Company's office or website.

Step Four - Confirming the Receipt of Subscription Application

In the event of electronic subscription, the Fund Manager will send a confirmation of receipt of the subscription application to the customer via e-mail or SMS to the mobile number registered in the electronic subscription channel.

In the event of subscription through the Company's office, the employee receiving the subscription documents will provide the investor with a receipt confirmation notice.

Receipt of subscription application shall not imply the acceptance thereof.

Step Five - Accepting the Subscription Application

The subscription application shall be reviewed within three (3) business days. If the application is not fully completed or there is any feedback, the investor will be notified via e-mail or SMS to the mobile number, registered in the electronic subscription channel, to complete the application within one (1) business day as of the date on which the investor is so notified. If the application is complete, the investor will be notified of the acceptance of his subscription application.

Step Six - Allocation Notice:

After closing the offering period, units will be allocated to the investors within ten (10) business days according to the allocation mechanism. A notice to that effect will be given to CMA and the final results of the offering and the allocation of units shall be announced through the website of the Fund Manager.

Step Seven - Refunding Surplus and Listing

After fifteen (15) business days of declaring the final allocation, surplus will be refunded to the subscribers without any deduction, after deducting the value of the allocated units and subscription fees. Allocated units shall be listed in the subscribers' investment portfolios with the broker licensed by Tadawul

Subscription through other receiving parties:

Through Banque Saudi Fransi

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

Through AlJazira Capital:

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

The following documents are to be submitted according to the investor category:

Required Documents for all investors:

- A copy of the bank transfer issued from a bank account in the name of the investor, indicating the amount including the subscription amount and the subscription fees, if the subscription application is submitted through Mulkia Investment.
- A signed copy of the Terms and Conditions.
- Fully filled and signed subscription form.

Required documents for individuals:

- A copy of valid national ID for Saudis or a copy of valid residence ID for non-Saudis (residents).

Required documents for minors:

- Independent bank transfer for a minor from the same bank account of the minor's guardian if the minor does not have a bank account or portfolio.
- Submitting the following documents:
 - A copy of national ID for Saudi minors from 15 Hijri years to 18 Hijri years, or a copy of family register for Saudi minors under 15 Hijri years.
 - A copy of residence ID for Non-Saudi (resident) minors under 18 Hijri years.
 - A copy of valid national ID or valid residence ID, as the case may be, of the guardian of the Saudi or non-Saudi minor

Required documents for companies:

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

Required Documents for investment funds:

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

Required documents for investment portfolios:

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

Important Notes:

- The client must ensure that the information provided in the documents submitted are true and accurate, and Mulkia Investment Company shall not be responsible for any errors that may result.
- The client must ensure that the subscription value as stated in the subscription application matches the amount of the bank transfer. The subscription application will be rejected if there is any difference, whether as increase or decrease.
- Any amount transferred from an account other than the account registered with us for subscription in the Fund will be rejected / not accepted, and the bank account must be in the name of the client.
- For inquiries, please contact us: 920003028 - Email reit@mulkia.com.sa



NO. CEO-19-24

Date: 26/04/1441H

Corresponding to: 23/12/2019

**Her Excellency Ms. Mona Bint Saud Al-Nimr
M/S. Department of Investment Products Issuance
Listed Companies & Investment Products Deputy
Capital Market Authority (CMA)**

Subject: Fund Manager's Acknowledgments subject to Annex (2) of Real Estate Investment Traded Funds Instructions

With reference to the requirements of increasing the Fund's total assets value by offering additional units by accepting in-kind and/or in cash contributions and Annex (2) of Real Estate Investment Traded Funds Instructions, we hereby acknowledge as follows:

- 1) Mulkia Investment Company acknowledges that the Terms and Conditions of Mulkia-Gulf Real Estate REIT Fund have been prepared in accordance with the Real Estate Investment Funds Regulations and the Real Estate Investment Traded Funds Instructions issued by the Capital Market Authority of Saudi Arabia.
- 2) Mulkia Investment Company acknowledges, after making all reasonable inquiries and to the best of its knowledge and beliefs, that there are no other facts that the non-inclusion of which in this document may render any statement contained therein as misleading. The Capital Market Authority and the Saudi Stock Exchange Company shall not be liable for the content of the terms and conditions.
- 3) Mulkia Investment Company acknowledges that the property is free of any regulatory violations that prevent or may result in the non-utilization or operation of buildings, and that the assets are technically intact and free of any major engineering faults or defects that may prevent or may result in the non-utilisation or operation of buildings, or that may in turn cause costly repairs and major changes.
- 4) Mulkia Investment Company acknowledges that there is no direct / indirect conflict of interests (other than what is disclosed) between any of the following:
 - Fund Manager.
 - Manager(s) of properties associated with the Fund.
 - Owner(s) of properties associated with the Fund.
 - Tenant(s) of Real estate assets which their returns constitute 10% or more of the annual rental income of the Fund.
 - Accredited valuer.
- 5) Mulkia Investment Company acknowledges that it took the necessary care to ensure that there is no direct / indirect conflict of interest between the property seller and the accredited valuers.
- 6) Mulkia Investment Company acknowledges that all members of the Board of Directors of the Fund have not been subjected to any bankruptcy or insolvency claims or any bankruptcy or liquidation proceedings, nor have they committed any fraudulent, dishonest or deceitful acts. In addition to not having performed any violation involving fraud, deceit or dishonesty. Mulkia Investment Company further acknowledge that they have the necessary skills and experience to qualify as Board members.
- 7) Mulkia Investment Company acknowledges that the definition of the independent member included in the Glossary of defined terms used in the Regulations and Rules of the Capital Market Authority apply to the

independent members, and that it will be applicable to any independent member appointed by Mulkia Investment Company throughout the period of the Fund.

- 8) Mulkia Investment Company acknowledges that no other significant business activities or other interests for the Board of Directors of Mulkia Investment Company " which is likely to conflict with the interests of the Fund.
- 9) Mulkia Investment Company acknowledges that there is no conflict of interest that would affect the Fund Manager in the performance of its duties for the Fund.
- 10) Mulkia Investment Company acknowledges that there are no fees other than those mentioned in the Fees and Expenses Schedule mentioned in the Terms and Conditions.
- 11) Mulkia Investment Company acknowledges that the Fund will only be listed upon the completion of the transfer of ownership of the Property in favor of the Fund or the transfer of its interest. If this is not completed after completion of the offer period specified in paragraph (9) & paragraph (11) of the Terms and Conditions, the full subscription amount will be returned to the investors.
- 12) Mulkia Investment Company acknowledges that no member of the Board of Directors may have a direct or indirect interest in the business and contracts made for the Fund.
- 13) Mulkia Investment Company acknowledges that all contracts and agreements relating to the Fund which may affect the investors' decisions to subscribe or trade in the Fund have been disclosed in the Terms and Conditions, and that there are no contracts and agreements other than those mentioned in the Terms and Conditions.
- 14) Mulkia Investment Company acknowledges that unitholders are entitled to vote on matters raised at meetings of unitholders. In addition, the approval of a fundamental change to the fund shall be passed by obtaining the approval of the majority unitholders (owning more than 50% of the total units), holders of which are attending. Fundamental changes include the following:
 - Significant change in the Fund's objectives;
 - A change that may have a material adverse effect on the unitholders or their rights with respect to the Fund;
 - Change that may have an effect on the risk position of the Fund;
 - Any increase in the net assets of the Fund.
- 15) Mulkia Investment Company acknowledges that it will take all necessary steps in the benefit of the unitholders to the best of its knowledge and beliefs with due diligence and reasonable consideration. The Fund Manager, Directors, Officers, Employees, Agents, Consultants, Affiliates, Custodian, Sharia Advisor and Board of Directors shall exercise reasonable diligence and effort and act in good faith in order to meet the interests of the unitholders. If the Fund, however, is subject to loss in any way, in the event of any unintentional action by any of the aforementioned parties in connection with the management of the Fund, then such parties shall not be held liable for such loss provided that they have acted in good faith and in a manner serving the interest of the Fund. Good faith shall be proved in the absence of any conduct, decision or correspondence indicating prior knowledge of the negative consequences of such conduct. Moreover, such act shall not involve gross negligence, fraud or deliberate misconduct.
- 16) Mulkia Investment Company acknowledges that it has confirmed to the accredited valuer that the scope of work on valuation report must be appropriate for the purpose of the Fund Manager's application to the Saudi Stock Exchange and is valid for use for public offering and including the market rental value if it is different from the contractual rental value in the properties lease contracts.

With best regards,

<p>Muneera Hibab AlDossary CEO</p>
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Annex 9. Professional Care Report

In our capacity acting as the Fund Manager of Mulkia-Gulf Real Estate REIT Fund in respect of offering a Real Estate Investment Traded Fund under the name Mulkia-Gulf Real Estate REIT Fund, and registering and listing its units in the Saudi Stock Exchange, we, Mulkia Investment Company confirm, to the best of our knowledge, and through conducting due diligence and making enquiries of the fund, that the fund has satisfied all conditions required for registration and listing of its units and has satisfied all other matters required by the Capital Market Authority (the "Authority") as of the date of this letter. Mulkia Investment Company further confirms that it has, to the best of its knowledge and within its capacity as Fund Manager, provided to the Authority any information or clarifications in such form and within such time limit as the Authority required for the purpose of verifying whether Mulkia Investment Company and the Fund have complied with the Capital Market Law, the Real Estate Investment Traded Funds Instructions, the Investment Funds Regulations.

In particular, Mulkia Investment Company confirms that:

- It has provided all the relevant services required by the Real Estate Investment Traded Funds Instructions and the Investment Funds Regulations, with due care and skill.
- It has taken reasonable steps to ensure that the directors of the fund board understand the nature and extent of their responsibilities under the Capital Market Law and its Implementing Regulations.
- It has come to a reasonable opinion, based on due enquiries and professional experience, that:
 - The fund has satisfied all relevant requirements in the Real Estate Investment Traded Funds Instructions and the Investment Funds Regulations (including provisions regarding the Terms and Conditions).
 - All nominated members of the Fund's Board of Directors satisfy the eligibility requirements set out in the Authority's Rules and Regulations, and that the independent members of the Board satisfy the definition of the Fund Independent Board Member as provided in Glossary of Defined Terms Used in The Regulations and Rules of The Capital Market Authority.
 - Assets are free of any regulatory violations that prevent or may result in the non-utilization or operation of buildings, and that the assets are technically intact and free of any major engineering faults or defects that may prevent or may result in the non- utilization or operation of buildings, or that may in turn cause costly repairs and major changes.
 - The main activities of the main potential tenants of real estate assets are intact, and they are able to meet their obligations to the Fund,
 - All matters known to Mulkia Investment Company which must be taken into account by the Authority when considering the application for registration and listing have been disclosed to the Authority.

Annex 10. Professional Care Report

مكتب محمد العقار للمحاماة
والاستشارات القانونية
بالتعاون مع كينج آند سبولدينج

THE LAW OFFICE OF MOHAMMED ALAMMAR
In cooperation with King & Spalding LLP

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21/4/1441H
18/12/2019

To: The Capital Market Authority (“the Authority”)

Subject: Mulkia-Gulf Real Estate REIT Fund – Legal Advisor Letter

We, acting as legal advisor to Mulkia Investment Company ("Fund Manager") in respect of the Fund Manager's request to offer real estate investment traded funds units and list them in the in the Saudi Stock Exchange in the name of Mulkia-Gulf Real Estate REIT Fund (“the Fund”).

We further refer to the terms and conditions prepared in relation with the fund (“Terms and Conditions”) to increase the current capital of the Fund from SR 600,000,000to SR 681,086, 520, and more specifically, in connection with the application submitted to the Capital Market Authority (the “Authority”) for the offer of real estate investment traded fund's units and listing them in the Exchange, and in line with the requirements of the Capital Market Law, the Investment Funds Regulation and the Real-Estate Investment Traded Funds Instructions, we particularly advised the Fund Manager of the requirements that should be included in the legal chapters of the Terms And Conditions, the fulfillment of the assets to all regulatory requirements and the soundness of the title deeds of such assets in possession. In this respect, we have carried out such further review and enquiries as we consider appropriate in the circumstances.

In this advisory capacity, we confirm that we are not aware of any material matter consisting a violation by the Fund Manager toward its compliance with the requirements of the Capital Market Law or any conditions required under Real-Estate Investment Funds Regulation and the Real-Estate Investment Traded Funds Instructions, in relation to the offering and listing of the units of a Real-Estate Investment Traded Fund application, including the requirements of the content of the Terms And Conditions as is at the date of this letter.

With best regards,

The Law Office of Mohammad Al Ammar

Annex (11) Valuers Acknowledgements



Date: 22/12/2019

M/s: Mulkia Investment Company - Mulkia-Gulf Real Estate REIT Fund

Subject: Acknowledgment of complying with Accredited Valuers Law and its implementing regulations

With reference to the agreement to provide real estate valuation services for the benefit of Mulkia-Gulf Real Estate REIT Fund, which consists of the Elite Mall property in Sulaymaniya district, Riyadh, and based on your request, we, White Cubes Real Estate, acknowledge hereby that White Cubes Real Estate is complying with the Accredited Valuers Law and its implementing regulations and any other regulations issued by the Saudi Authority for Accredited Valuers (TAQEEM). We also acknowledge that the scope of the valuation report is appropriate for the purpose of the Fund Manager's application and is valid for **increasing the Fund's total assets by offering additional units.**

We also acknowledge that the actual rental value in the property's lease contracts is within the average market rental rates for similar properties.

With best regards.

White Cubes Real Estate
Issam Muhammad Al-Husseini
General Manager

White Cubes Real Estate
Muhammad Nayef Taha
CEO

M/s: Mulkia Investment Company - Mulkia-Gulf Real Estate REIT Fund

Subject: Acknowledgment regarding the valuation of Elite Mall Property in Salmaniya district, Riyadh

We, Estnad Real Estate, hereby acknowledge that Estnad Real Estate is complying with the Accredited Valuers Law and its implementing regulations and any other regulations issued by the Saudi Authority for Accredited Valuers (TAQEEM). We also acknowledge that the scope of the valuation report is appropriate for the purpose of the Fund Manager's application and is valid for increasing the Fund's total assets by offering additional units.

We also acknowledge that the rental market value is not different from the contractual rental value in the property's lease contracts.

With best regards

Ibrahim bin Mohammed Al-Jadoua
CEO