

الإِنماء للاستثمار
alinma investment 
شركة مسجلة
مرخصة من هيئة السوق المالية برقم 09134-37

Alinma Retail REIT Fund

صندوق الإِنماء ريت لقطاع التجزئة

Fund Terms and Conditions

Alinma Retail REIT Fund

صندوق استثمار عقاري متداول عام مقفل متوافق مع المعايير والضوابط الشرعية

Custodian
Albilad Capital



Fund Manager
Alinma Investment Company



Capital Market Authority Disclaimer

The Capital Market Authority does not make any representation as to the accuracy or completeness of this document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective subscribers of the units offered hereby should conduct their own due diligence on the accuracy of the information relating to the units. If you do not understand the contents of this document, you should consult an authorized financial advisor. The Fund's terms and conditions shall be read in conjunction with the other documents of the real estate investment traded fund”

Alinma Retail REIT Fund has been approved as a Sharia-compliant real estate investment traded Fund by the Sharia Supervisory Committee appointed for the real estate investment traded fund.

These terms and conditions were issued on Jumada Al-Thani 19, 1439 AH (March 7, 2018 AD), and were last updated on Rabi Al-Thani 3 1445 AH, corresponding to October 18, 2023 AD. The Capital Market Authority in the Kingdom of Saudi Arabia approved the establishment of this Fund and offering its units in a public offering on Rabi` al-Thani 10, 1439 AH (corresponding to December 28, 2017 AD).

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1. Important Notice

These Terms and Conditions contain detailed information relating to Alinma Retail REIT Fund (the “**Fund**”) and the offering of units in the Fund (the “**Units**”). When submitting an application to subscribe for Units, investors will be treated as applying solely on the basis of the information contained in these Terms and Conditions, copies of which are available on the websites of Alinma Investment Company (the “**Fund Manager**”) (www.alinmainvestment.com), the Saudi Stock Exchange (a wholly owned subsidiary of the Saudi Tadawul Group) (the “**Market**”) (www.tadawul.com.sa) or the Capital Market Authority (“the **Authority**” or “**CMA**”) (www.CMA.org.sa).

Prospective investors must fully read these Terms and Conditions before purchasing Units in the Fund, since investment in the Fund involves a level of risk and may not be suitable for all investors. Investors must be willing to take the risks associated with the investment in the Fund, as described in Article (10) of these Terms and Conditions and related to “**Risks of Investing in the Fund**”.

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

2. Glossary of Terms used in the Terms and Conditions

Authority/ Capital Market Authority	Refers to the Capital Market Authority in Saudi Arabia, including, as per the context, any committee, subcommittee, employee, or an agent to be authorized to perform any of the Authority's procedures.
Capital Market Institutions Regulations	Refers to the Capital Market Institutions Regulations issued by the CMA Board under Resolution No. 1-83-2005 dated 21/05/1426 H corresponding to 28/06/2005 AD, as amended by Resolution No. 2-75-2020 dated 22/12/22 1441 H corresponding to 12/08/2020 AD, and any other proposed amendments thereto.
Real-estate investment funds Regulations	Refers to real Estate Investment Funds Regulations issued by CMA Board under Resolution No. 1-193- 2006 dated 19/06/1427 H corresponding to 15/07/2006 AD, as amended by CMA Board Resolution No. 22-22-2021 dated 12/07/1442 H corresponding to 24/02/2021 AD, and any other proposed amendments thereto.
Investment funds regulations	Refers to the investment funds regulations issued by Capital Market Authority Board under Resolution No. (1-219-2006) dated 03/12/1427 H, as amended by CMA Resolution No. (2-22-2021) dated 12/07/1442 H and any other proposed amendments thereto.
Instructions of the real-estate investment traded fund	Refers to the instructions to the real-estate investment traded funds issued by Capital Market Authority Board, and integrated later with the real-estate investment funds Regulations.
"Alinma Investment Company" or "Fund Manager"	Refers to Alinma Investment Company, a Saudi closed joint-stock company, registered under CR. No. (1010269764), and licensed by the CMA under license No. (09134-37) to engage in the activity of trading, custody and management "investment management and Fund operation" and arranging and advising activities in securities business.
"SWICORP Co." or "former Fund Manager"	A Saudi mixed joint-stock company, registered under commercial registration number 1010233360, on 6 Jumada al-Awwal 1428H (corresponding to 23 May 2007). It holds a license from the General Investment Authority under license number 10030104289 and is licensed as a "Financial Market Institution" under license number 37-1216 by the CMA.
Fund Board of Directors	It is a board of directors whose members shall be appointed by the Fund manager, in accordance with the REITs Regulations, to monitor the Fund manager's activities and the Fund's business.
Independent Board Member	<ul style="list-style-type: none"> • A Fund Board Director who is able to exercise his duties, express his opinions and vote on decisions objectively and impartially, in a manner that assists the Board to take sound decisions that contribute to achieving the interests of the fund. An Independent Board member is fully independent; and the following, but not limited to, would prejudice such impartiality: • Working for the Fund Manager or its affiliate, or any sub-Fund manager, Fund custodian, property manager or an affiliate thereof, or who has a substantial business or contractual relationship with the Fund Manager or any sub-Fund manager or custodian of that fund. • Being a senior executive during the past two years for the Fund Manager or its affiliate. • Being a first-degree relative to any of the Board Directors or senior executives working for the Fund Manager or any of its affiliates. • Being the owner of controlling stakes with the Fund Manager or any of its affiliates during the past two years. • Owning (5%) or more of the Fund's units or of the units of another Fund under the management of the same Fund Manager, or being a first-degree relative to the person who owns this percentage. • Being a representative of a legal person who owns (5%) or more of the units of the Fund or of the units of another Fund under the management of the same Fund Manager. • Being a representative of a legal person who owns (5%) or more of the shares of the Fund Manager or affiliated to the Fund Manager, custodian or affiliated to the custodian. • Being a first-degree relative to any of the Board Directors of that Fund or any other Fund under the management of the same Fund Manager. • Being a first-degree relative to any party related to the Fund. • Is working or have worked, during the past two years, for the Fund Manager or any party related to the Fund, or being the owner of controlling stakes with any of those parties during the past two years. • Receiving sums of money from the Fund in addition to the Board remuneration.
Property manager	An entity or several entities appointed by the Fund manager to manage the real estate subject of the Fund's investment and are responsible for all services related to real estate management, including, for example: management, operation and maintenance of real estate, leasing services and the collection of rent amounts.

Compliance Officer	The compliance officer at Alinma Investment Company who is appointed in accordance with the Capital Market Institutions Regulations.
Fund	Means the Alinma Retail REIT Fund.
Fund Term	Refers to the fund's term is 99 years starting from the date of listing the units in Tadawul, renewable for similar periods at the discretion of the Fund manager and after obtaining the approval of the Capital Market Authority.
Fund management fee	Refers to compensation, expenses and fees paid to the Fund manager for the Fund management.
Subscriptions	Refers to what the subscriber offers in cash or in kind for the purpose of investing in the Fund in accordance with the Fund's terms and conditions.
Unit	The share of the owners in any investment Fund consisting of units, including parts of the unit, and each unit is treated as representing a common share in the assets of the investment fund.
"Unit owner" or "units owner"	Terms are synonymous, and each is used to refer to the person who owns units in the fund.
Fundamental changes	<ul style="list-style-type: none"> • Refer to any of the following cases: • Significant change in the objectives, nature or category of the fund. • A change that has a negative and material impact on Unitholders or on their rights in relation to the fund. • A change that has an impact on the risk position of the fund. • Voluntary withdrawal of the Fund Manager from his position. • Any change that normally causes unitholders to reconsider their subscription to the Fund. • Any change that leads to an increase in payments from the Fund's assets to the Fund Manager or any member of the Fund Board or any affiliate to any of them. • Any change that introduces a new type of payment to be made from the Fund assets. • Any change that significantly increases the types of other payments made from the fund's assets. • Change in the date of maturity or termination of the Fund. • Increasing the total value of the Fund assets by accepting contributions in cash or in kind or both. • Any other cases that the Authority deems to be a fundamental change and is reported to the Fund manager.
Offering	Refers to the public offering of units in accordance with these terms and conditions.
Total value of fund's assets	It means the value of the fund's assets that are evaluated according to the method of asset valuation mentioned in the terms and conditions.
Net fund's assets	Means total value of investment fund's assets net of liabilities
Net assets for each unit	The value of a unit based on the net asset value divided by the total number of outstanding units.
Valuation day	Refers to the day on which the net assets of the Fund shall be calculated. Valuation shall be made each six months on 30 June and 31 December of each calendar year.
"Riyal" or "SR"	Refers to the Saudi Riyal, the official currency of Saudi Arabia.
Money market funds	Refers to the investment funds whose sole purpose is to invest in short-term securities and money market transactions, in accordance with investment funds regulation.
fiscal year	Refers to the calendar year and the period of time at the beginning of which all the financial transactions of the Fund are documented and recorded, at the end of which the financial statements are prepared, which consist of 12 calendar months.
Quarter	Refers to a period of three months of every fiscal year ending on the last day of the months (March/ June/ September/ December) of each year.
Business day	Refers to the official business day when banks are open for business in Saudi Arabia.
Net profit of the fund	Refers to the total revenue of the Fund including rental income after deducting the total expenses incurred by the fund.

Related party	Refers to any of the following: <ol style="list-style-type: none"> 1. Fund Manager or Sub-Fund Manager. 2. Custodian or Sub-custodian. 3. Developer and Engineering Office. 4. Property Manager. 5. Accredited Valuers. 6. Auditor. 7. Board of Directors of the Fund. 8. Members of the Board of Directors or any of the Executive Managers or employees of any of the related parties. 9. A unitholder whose percentage of ownership exceeds (5%) of net assets 10. Any affiliate or controlling person over the above-mentioned persons
Senior unitholders	A person who owns %5 or more of Fund units
Tadawul	Refers to the Saudi Stock Exchange.
Markets	Refer to any capital market operating in Saudi Arabia (or will be licensed later), including, for example, Saudi Capital Market (Tadawul)
Fund assets	Refer to any assets owned by the fund, whether liquid or non-liquid, including the real estate assets shown in the introductory summary of real estate assets.
Public	Anyone who owns a unit in the fund, except <ol style="list-style-type: none"> 1. Senior unitholder 2. The Fund manager and their affiliates 3. Members of the Fund's Board of Directors
Usufruct contract	Means the purchase of the usufruct of the asset for a specified period of time, and the purchase of the right of usufruct does not result in the acquisition of full ownership of the asset so that the property stays with its primary owner.
Operating expenses	Refer to all operating expenses, direct and indirect, incurred in connection with the activities of the assets, including property management expenses, land lease, expenses for operating and maintaining assets, and general administrative expenses, including without limitation utility costs, service costs, repair and maintenance costs, costs of spare parts, inventory and supply costs, sales and marketing expenses, the cost paid for anyone providing services (including security and consulting services) or permits and regulatory approvals fees, investment insurance expenses, and green spaces expenses, all taxes related to the operation of real estate assets, communication expenses and costs, and any other costs usually accepted as operating expenses.
Sharia Supervisory Board	Means the Sharia Supervisory Committee of Alinma Investment Company.
Special Purpose Company	Means the Saudi Limited Liability Company incorporated and owned by the Custodian to retain ownership of the Fund's assets.
Accredited Valuer	A natural or legal person who is licensed to practice the valuation profession in accordance with the Law of Accredited Valuers issued by Royal Decree (M/43) dated 09/07/1433 H and its Implementing Regulations (Real Estate Valuation Branch).
Value Added Tax "VAT"	It is an indirect tax imposed on all goods and services purchased and sold by establishments, with some exceptions. In accordance with the VAT Law issued by Royal Decree No. (M/113) dated 02/11/1438H and its Implementing Regulations, and any proposed amendments thereto.
Real estate Transaction Tax	Means the tax imposed on all real estate transactions that include sale, will, finance leasing, closed-end leasing, and long-term usufruct contracts of more than (50) years. This tax is calculated based on the value of the property in accordance with what is agreed upon between the seller and the buyer, and the real estate transaction tax was imposed according to Royal Order No. (A/84) dated 14/02/1442 H, as of Sunday.
Ordinary fund decision	Means a decision require unitholders approve which their ownership represent more than %50 from total units that their owners attend unitholders meeting whether they attend in person, on behalf or by means of modern technology
special fund decision	Means any decision requires unitholders approve which their ownership represents %75 or more from total units that their owners attend unitholders meeting whether they attend in person, on behalf or by means of modern technology.

3. Fund Handbook

<p>Fund Manager</p>	<p>Alinma Investment Company Al-Anoud Tower II, Floor 20 King Fahd Road P. O. Box 55560, Riyadh 11544 Kingdom Saudi Arabia www.alinmainvestment.com</p>	<p>الإئماء للاستثمار alinma investment </p>
<p>Custodian</p>	<p>Albilad Capital Company Smart Tower - first floor Intersection of Tahlia Street with King Fahd Road PO Box 140 Riyadh 11411 Saudi Arabia www.albilad-capital.com</p>	<p>البلاد المالية Albilad Capital </p>
<p>Auditor</p>	<p>Alluhaid & Alyahya Chartered Accountants Al-Taawon - Abu Bakr Al-Siddiq Road Riyadh Saudi Arabia Tel.: 966112694419 Fax: 966112693516 www.aca.com.sa</p>	<p> Alliance Chartered Accountants الائحد والائحد محاسبون قانونيون</p>
<p>Property Manager</p>	<p>Retail Real Estate Company PO Box 91220 Riyadh 11633 Saudi Arabia www.rrc.sa</p>	<p>RRC شركة عقارات التجزئة RETAIL REAL ESTATE CO</p>
<p>Legal Advisor</p>	<p>AIDhabaan & Partners in association with Eversheds Sutherland (International) LLP Home Offices, 4th floor Home Offices, Al Urubah Rd Riyadh 12334 Saudi Arabia</p>	<p>الظبعان وشركاه إيفرشيدس سذرلاند المشورة القانوني</p>
<p>First real estate evaluator</p>	<p>Abaad – Real Estate Valuation Services As Salamah- Muhammad Masud St Jeddah Saudi Arabia http://www.sa-abaad.com</p>	<p> أبعاد للتقييم العقاري</p>
<p>Second real estate evaluator</p>	<p>Value Expert for Real Estate Valuation An Narjis- Abi Bakr As Siddiq Road Riyadh Saudi Arabia /https://valuexperts.net</p>	<p> 7 Experts VALUE للتقييم العقاري</p>
<p>Organizers</p>	<p>Capital Market Authority King Fahd Road P.O. Box 87171 Riyadh 11642 Website: www.cma.org.sa E-mail: info@cma.org.sa</p>	<p>هيئة السوق المالية Capital Market Authority </p>

4. Offering Summary

Fund Type	Public-Offered Closed-End Real Estate Investment Fund whose units are traded in the market in compliance with the provisions of Islamic Sharia. It was established in Saudi Arabia according to the REITs Regulations and the Instructions for Publicly Traded REITs.
Fund Currency	Saudi Riyal.
Fund Terms	99 years starting from the date of listing units on Tadawul, renewable for similar periods at the discretion of the Fund manager and after obtaining the approval of the Capital Market Authority.
The Fund's Investment Objectives	The Fund aims to invest in income-generating real estate assets within the Kingdom of Saudi Arabia, with a minimum distribution of 90% of the net profits of the Fund annually. The Fund may also invest in real estate development projects as secondary assets, provided that the invested assets in developed real estate generating recurring income do not fall below 75% of the total assets of the Fund based on the latest audited financial statements. The Fund does not invest its assets in undeveloped lands.
Fund Size	SAR 1,180,000,000.
Unit Price	SAR 10.
The Risk Degree	Medium to high (please refer to Article "10" of these Terms and Conditions for details about the risks associated with investing in the Fund).
The Minimum Subscription Amount	SAR 500 plus the subscription fee (please refer to Article "11" of these Terms and Conditions).
Dividend Policy	Dividends will be distributed to unitholders (if achieved) of not less than ninety percent (90%) of the Fund's net profits.
Number of Valuation Times	Twice per year, every six months of the Fund's fiscal year (June 30 and December 31 of each Gregorian Year).
Trading units	Unites shall be traded through "Tadawul" system when listed, using the same way of trading the listed companies' shares and real-estate investment traded funds units within the Saudi CMA (Tadawul).

5. Fund Name and Type

The name of the Fund is Alinma Retail REIT Fund, which is a Public-Offered Closed Real Estate Investment Fund whose units are traded in the market, in compliance with the provisions of Islamic Sharia provisions established in Saudi Arabia according to the REITs Regulations.

6. The Fund Manager's Registered Address and Website:

Name Alinma Investment Company
Address Al-Anoud Tower II, Floor No. 20, King Fahd Road, Olaya District, P.O. Box: 55560 Riyadh 11544, Kingdom of Saudi Arabia
Tel. +96612185999
Fax +966112185900
Website www.alinmainvestment.com

7. Fund Term:

The Fund's term shall be 99 years starting from the date of listing the units in Tadawul. This Term shall be renewable for similar periods at the discretion of the Fund Manager and upon obtaining the approval of the CMA.

8. Description of the Fund's Purpose and Investment Objectives with a Statement of Profit Dividend Policy:

The main investment objective of the Fund is to provide annual periodic income for unitholders through investing in structurally developed real estate assets capable of achieving rental and periodic income and are mainly located in Saudi Arabia, so that, at least 90% of the Fund's net profits are distributed to unitholders semi-annually. Moreover, the Fund Manager may conduct additional distributions during the year. The remaining net cash from the investment Fund after the distributions may be reinvested by the Fund Manager in accordance with the Terms and conditions of the Fund.

9. Summary of Fund Strategies to followed to achieve its objectives:

- Fund Investment Areas:

Investment Type	Fund minimum total asset value as per the latest audited financial statements	Fund maximum total asset value as per the latest audited financial statements
Constructed developed real estate qualified to generate periodic and rental income	75%	100%
Real estate development, whether or not owned by the Fund	0%	25%
Real estate renovation and redevelopment	0%	25%
Property repurchasing agreements	0%	25%
Cash and cash equivalent (including exchange market trades conducted with entities governed and licensed by SAMA or similar regulatory entities in the country of origin), units of investment funds licensed by the Authority (whether managed by the Fund Manager or by other managers), and real-estate companies	0%	25%
Debt instruments and treasury units exported from entities licensed by SAMA or similar regulatory entities in the country of origin		
Leasehold rights	0%	25%
Constructed developed real estate qualified to generate periodic and rental income outside KSA	0%	25%

*The Fund invests in debt instruments rated with 88 at least, as well, the Fund Manager shall analyze the debt instruments unrated in terms of returns and risks to ensure generating the best possible return while maintaining the lowest possible level of risk, with the maximum investment in unrated debt instruments not exceeding 5% of the total value of the Fund's assets according to the latest audited financial statement.

- Description of sectors that the Fund invests in:

The Fund aims to form a real estate investment portfolio capable of generating periodic rental income, which is expected to generate returns on the invested capital in line with the Fund's investment strategy. The Fund's initial investments are concentrated in the commercial centers sector within Saudi Arabia (except for the cities of Makka and Medina). Despite this, the Fund may, in the future, diversify the real estate investment portfolio by fully or partially owning real estate assets, directly by acquiring real estate assets, or indirectly by investing in income-generating real estate funds, general real estate funds, or investment in real estate companies that owns real estate assets, through a private-purpose company, in other sectors such as the residential sector, the industrial sector, and the hospitality sector within Saudi Arabia (except for the cities of Mekka and Medina). The Fund may secondarily invest its assets in real estate development projects.

- **Detailed Description on Assets to be owned:**


Description /Value	Number /Value
The number of real-estates whose ownership is to be fully acquired	3
The number of properties whose usufruct is to be acquired	1
Number of fully developed real estates	4
The number of properties under construction	0
The ratio of income-generating real estate to total assets	100%
The percentage of real estate under construction of total assets	0
The total cost of purchasing real estate of usufruct contract (SAR)	1,013,184,062
Total cost of purchasing the usufruct contract (SAR)*	166,815,938
Total Fund Size (SAR)	1,180,000,000

All figures shown above are according to the latest updated numbers dated 15 November 2017.

- **Real estate Information:**

First Property: Al -Makan Mall - Hafar Al-Batin Governorate

- **Property Description**


Most Prominent Elements	DESCRIPTION	
Property Name:	Al-Makan Mall - Hafar Al-Batin	
Property Owners:	Wabel Al Arabia for Investment Company Abdulaziz bin Khalif bin Abdullah Al-Bani Abdullah bin Khalif bin Abdullah Al-Bani Mansour bin Khalif bin Abdullah Al-Bani Miteb bin Khalif bin Abdullah Al-Bani Abdulilah bin Khalif bin Abdullah Al-Bani	Turki bin Khalif bin Abdullah Al-Bani Haifa bint Khalif bin Abdullah Al-Bani Hala bint Khalif bin Abdullah Al-Bani Ghada bint Khalif bin Abdullah Al-Bani Salma bint Mohammed bin Khalif Al-Mutairi Sultan bin Khalif bin Abdullah Al-Bani
Property Type	Commercial	
City/ Country	Hafar Al-Batin Governorate – Kingdom of Saudi Arabia	
District/ Street	Ar Rayyan – King Abdulaziz Road	
Location Sketch		
Land Plot Area	About 126,700 sqm	
Building Areas	About 127,594 sqm	
Number of floors	(1) floor and (3) mezzanine floors	
Type and Number of Units	231 units, divided into retail stores and food courts	
Occupancy Rate of the Property Space as of November 15, 2017	97,46%	
Construction Completion Date	The construction of the building complex was completed in June 2016 AD	
Property Purchase Cost	SR. 470,205,991	
An Overview of the Lease Contracts (Until November 15, 2017 *)	Due to the nature of this property and the diversity of its lessees, and due to the large number of its contracts, a summary of the contracts was made according to the contract period, as shown below:	
Last Three Years Revenues	Kindly refer to paragraph “f” of this Article (previous rental yield for each property/utility)	

<p>An Overview of the Real Estate Asset Acquisition Process</p>	<p>It shall be noted that Al-Makan Mall, located in Hafar Al-Batin Governorate, was built on two adjacent lands registered with two independent instruments, one of which is only registered in the name of Wabel Al Arabia for Investment Company, and The Wabel Al Arabia for Investment Company has leased the land adjacent to its land to establish the commercial complex (Al-Makan Mall).</p> <p>Based on the aforementioned ownership structure, the previous Fund manager has concluded two independent agreements, one of which is with Wabel Al Arabia for Investment Company to purchase the land owned by Wabel Al Arabia for Investment Company, in addition to the building erected on the land owned thereby, the land leased thereby and the right to its usufruct. The Fund manager signed an agreement to buy and sell the leased land by Wabel Al Arabia for Investment Company, which is owned by the following persons:</p> <ul style="list-style-type: none"> - Abdulaziz bin Khalif bin Abdullah Al-Bani - Abdullah bin Khalif bin Abdullah Al-Bani - Mansour bin Khalif bin Abdullah Al-Bani - Miteb bin Khalif bin Abdullah Al-Bani - Abdulilah bin Khalif bin Abdullah Al-Bani - Sultan bin Khalif bin Abdullah Al-Bani - Turki bin Khalif bin Abdullah Al-Bani - Haifa bint Khalif bin Abdullah Al-Bani - Hala bint Khalif bin Abdullah Al-Bani - Ghada bint Khalif bin Abdullah Al-Bani - Salma bint Mohammed bin Khalif Al-Mutairi
<p>Most Important Terms of the Real Estate Asset Acquisition Agreement</p>	<p>The sale and purchase agreement concluded between the former Fund manager and Wabel Al Arabia for Investment Company included terms and conditions, the most important of which are:</p> <ul style="list-style-type: none"> • The purchase price of Al-Makan Mall -Hafar Al-Batin Governorate (it includes the purchase price of the value of the land registered in the name of Wabel Al Arabia for Investment Company and the value of the building based on the land owned thereby, the land leased thereby and the right to its usufruct): SAR 390,205,991. The price is paid as follows: <ul style="list-style-type: none"> a. Cash amount equal to SAR 131,167,977 b. Allocating units in the Fund as a subscription in kind by the seller at an amount of SAR 259,038,014 (For more information on the number of units and the mechanism of allocating the same to the seller of real estate assets, please refer to Article (11) of these Terms and Conditions) • The agreement included the sale and purchase of land leased by Wabel Al Arabia for Investment Company and commonly owned by number of people on the terms and conditions, the most important of which are: <ul style="list-style-type: none"> • Land purchase price: SAR 80,000,000, to be paid as follows: <ul style="list-style-type: none"> a. Cash amount equal to SAR 24,000,000, to be paid to the sellers, each according to his common share in the land b. Allocating units in the Fund as a subscription in kind by the seller at an amount of SAR 56,000,000 for sellers, each according to their common share in the land (For more information on the number of units and the mechanism of allocating the same to the seller of real estate assets, please refer to Article (11) of these Terms and Conditions)
<p>Any Additional Information</p>	<ul style="list-style-type: none"> • This real estate asset will be managed by Retail Real Estate Company appointed in accordance with the terms and conditions of the fund.
<p>Disclosure</p>	<ul style="list-style-type: none"> • It shall be noted that Mr. Faisal Al Abdulkarim and Mr. Muhammad Al-Nimr are direct and indirect partners (respectively) in Wabel Al Arabia for Investment Company, which is the seller of some of the initial real estate assets of the fund, and therefore their business may conflict from time to time with the activities and interests of the fund. • Except as stated above and what has been disclosed in these terms and conditions, the Fund manager confirms that there is no conflict of interests between sellers of real estate assets or Fund manager or property manager with the Fund manager with respect to this real estate asset. The Fund manager also confirms that there is no conflict of interests of the Fund manager with the interests of any lessee of real estate assets whose returns constitute 10% or more of the annual rental returns for this real estate asset.
<p>Operating Expenses</p>	<ul style="list-style-type: none"> • Expenses to run Al-Makan Mall - in Hafar Al-Batin Governorate in 2019 amounted to SAR 9,800,000. • Actual operating expenses may change from expected expenses, and this will be disclosed in the Fund's annual financial reports

*The rents were calculated based on the lease contracts currently concluded up to November 15, 2017. Second property: Al -Makan Mall - Riyadh

Second property: Al -Makan Mall - Hafar Al-Batin

- Property Description

Most prominent Elements	DESCRIPTION																		
Property Name	Al-Makan Mall																		
Property Owners	Wabel Al Arabia for Investment Company																		
Property Type	Commercial																		
City/ Country	Riyadh – Kingdom of Saudi Arabia																		
District/ Street	Al Malqa district – Prince Muhammad bin Saad bin Abdulaziz Road																		
Location Sketch																			
Land Plot Area	About 37,293 sqm																		
Building Areas	About 43,178 sqm																		
Number of floors	3																		
Type and Number of Units	74 units, divided into retail stores and food courts																		
Occupancy Rate of the Property Space as of November 15, 2017	93,14%																		
Construction Completion Date	The construction of the building complex was completed in December 2016 AD.																		
Property Purchase Cost	SAR 323,560,874																		
An Overview of the Lease Contracts (Until November 15, 2017 *)	<p>Due to the nature of this property and the diversity of its lessees, and due to the large number of its contracts, a summary of the contracts was made according to the contract period, as shown below:</p> <table border="1"> <thead> <tr> <th>DURATION OF THE CURRENT CONTRACTS</th> <th>ANNUAL RENT *2017</th> <th>NUMBER OF CONTRACTS</th> </tr> </thead> <tbody> <tr> <td>10 YEARS OR MORE</td> <td>13,550,525</td> <td>26</td> </tr> <tr> <td>5 - 9 YEARS</td> <td>9,776,645</td> <td>26</td> </tr> <tr> <td>3 - 4 YEARS</td> <td>17,902,052</td> <td>87</td> </tr> <tr> <td>LESS THAN 3 YEARS</td> <td>10,142,000</td> <td>32</td> </tr> <tr> <td>TOTAL</td> <td>51,371,222</td> <td>171</td> </tr> </tbody> </table>	DURATION OF THE CURRENT CONTRACTS	ANNUAL RENT *2017	NUMBER OF CONTRACTS	10 YEARS OR MORE	13,550,525	26	5 - 9 YEARS	9,776,645	26	3 - 4 YEARS	17,902,052	87	LESS THAN 3 YEARS	10,142,000	32	TOTAL	51,371,222	171
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3 - 4 YEARS	17,902,052	87																	
LESS THAN 3 YEARS	10,142,000	32																	
TOTAL	51,371,222	171																	
Last Three Years Revenues	Kindly refer to paragraph “f” of this Article (previous rental yield for each property/utility)																		
Most Important Terms of the Real Estate Asset Acquisition Agreement	<p>The sale and purchase agreement concluded between the former Fund manager and Wabel Al Arabia for Investment Company included terms and conditions, the most important of which are:</p> <ul style="list-style-type: none"> Al-Makan Mall purchase price - Riyadh city: SAR 323,560,874.2. The price is paid as follows: <ul style="list-style-type: none"> a. Cash amount equal to SAR 106,775,088 b. Allocating units in the Fund as a subscription in kind by the seller at an amount of SAR 216,785,786 (For more information on the number of units and the mechanism of allocating the same to the seller of real estate assets, please refer to Article 11 of these Terms and Conditions) 																		
Property	Transfer of ownership right																		
Any Additional Information	This real estate asset will be managed by Retail Real Estate Company, which is appointed in accordance with the terms and conditions of the fund.																		

Disclosure	<p>It shall be noted that Mr. Faisal Al Abdulkarim and Mr. Muhammad Al-Nimr are direct and indirect partners (respectively) in Wabel Al Arabia for Investment Company is the seller of some of the initial real estate assets of the fund, and therefore their activities may conflict from time to time with the activities and interests of the fund.</p> <p>Except as stated above and what has been disclosed in these terms and conditions, the Fund manager confirms that there is no conflict of interests between sellers of real estate assets or Fund manager or property manager with the Fund manager with respect to this real estate asset. The Fund manager also confirms that there is no conflict of interests of the Fund manager with the interests of any lessee of real estate assets whose returns constitute 10% or more of the annual rental returns for this real estate asset.</p>
Operating Expenses	<p>The operating expenses of Al-Makan Mall - Riyadh in 2019 amounted to SAR 4,700,000. Actual operating expenses may change from expected expenses, and this will be disclosed in the fund's annual financial reports</p>

*The rents were calculated based on the lease contracts currently concluded up to November 15, 2017

Third Property: Al -Makan Mall – Tabuk Property Description


Term of the Current Contracts	Current Annual Rent - 2017	Number of Contracts
10 Years or More	7,579,650	14
5-9 Years	3,097,450	15
3-4 Years	5,447,895	30
Less Than 3 Years	5,062,000	16
Total	21,186,995	75

Key Terms of the Real Estate Asset Acquisition Agreement	<p>The sale and purchase agreement made between the previous Fund manager and Wabel Al Arabia for Investment Company includes terms and conditions; the key terms and conditions of such agreement includes, but not limited to:</p> <ul style="list-style-type: none"> • The purchase price of Al-Makan Mall - Tabuk (the purchase price includes the value of the existing building leased shall be SAR 69,417,197. The price shall be paid as follows: <ul style="list-style-type: none"> a. Cash amount equals to SAR 27,407,675. b. Allocating units in the Fund as in-kind subscription by the seller at an amount of SAR 42,009,522 (For more information on the number of units and the mechanism of allocating the same to the seller of real-estate assets, refer to Article (11) of these Terms and Conditions). <p>The sale and purchase agreement between the previous Fund manager and Al Awael Real Estate Investment Company includes terms and conditions; the key terms and conditions of such agreement includes, but not limited to:</p> <ul style="list-style-type: none"> • Land purchase price shall be SAR 150,000,000 to be paid as follows: <ul style="list-style-type: none"> a. Cash amount equals to SAR 45,000,000. b. Allocating units in the Fund as in-kind subscription by the seller at an amount of SAR 105,000,000 (For more information on the number of units and the mechanism of allocating the same to the seller of the land, refer to Article (11) of these Terms and Conditions).
Disclosure	<p>It shall be noted that Mr. Faisal Al Abdulkarim and Mr. Muhammad al-Nimr are direct and indirect partners (respectively) in Wabel Al Arabia for Investment Company, the seller of some of the initial real estate assets to the fund; therefore, their activities may conflict, from time to time, with the activities and interests of the fund.</p> <p>Except as stated above and what set out in this Article of these Terms and Conditions, the Fund manager confirms that there is no conflict of interests of sellers of real estate assets, Fund manager or property manager with the Fund manager with respect to this real estate asset. The Fund manager also confirms that there is no conflict of interests of the Fund manager with the interests of any lessee of real estate assets whose returns constitute 10% or more of the annual rental returns of this real estate asset.</p>
Operating Expenses	<p>The operating expenses of Al-Makan Mall - Tabuk amounted to SAR 3,670,000 in 2019. Actual operating expenses may be different from the expected expenses, and this will be set out in the Fund's annual financial reports.</p>

* The rents were calculated based on the lease contracts made until November 15, 2017

Fourth Property: Usufruct Contract of Al-Makan Mall - Dawadmi Governorate

- Property Description

Most prominent Elements	Description												
Property Name	Al-Makan Mall - Dawadmi Governorate												
Property Owners	The property is based on a usufruct contract. The usufruct is accorded to Wabel Al Arabia for Investment Company, and the property is owned by the Municipality of Dawadmi.												
Property Type	Commercial												
City/ Country	Dawadmi Governorate- Kingdom of Saudi Arabia												
District/ Street	Al-Rayyan- King Abdulaziz Road												
Location Sketch													
Land Plot Area	Approx. 72,678 sqm												
Building Area	Approx. 36,380 sqm												
Type and Number of Units	123 Units divided into retail stores and food court												
Number of Floors	(1) floor and (2) mezzanine floors												
Type and Number of Units	114 Units (Retail Stores & Food Court)												
Occupancy Rate	97.25%												
Construction Completion Date	The construction of the complex was completed in November 2015												
Property Purchasing Cost (Usufruct Contract)	SAR 166,815,938												
Last Three Years Revenues	Refer to Paragraph "F" of this Article (Previous Rental Returns for each Property/Usufruct)												
An Overview of the Current Lease Contracts (until November 15, 2017)	<p>Due to the nature of this property and the diversity of lessees, as well as the large number of its contracts, a summary of the contracts was made based on the contract term, as shown below:</p> <table border="1"> <thead> <tr> <th>Most prominent Elements</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>Property Name</td> <td>Al-Makan Mall - Tabuk</td> </tr> <tr> <td>Property Owners</td> <td>Wabel Al Arabia for Investment Company Al Awael Real Estate Investment Company</td> </tr> <tr> <td>Property Type</td> <td>Commercial</td> </tr> <tr> <td>City/ Country</td> <td>Tabuk- Kingdom of Saudi Arabia</td> </tr> <tr> <td>District/ Street</td> <td>Al-Faisaliah District- King Khalid Road</td> </tr> </tbody> </table>	Most prominent Elements	Description	Property Name	Al-Makan Mall - Tabuk	Property Owners	Wabel Al Arabia for Investment Company Al Awael Real Estate Investment Company	Property Type	Commercial	City/ Country	Tabuk- Kingdom of Saudi Arabia	District/ Street	Al-Faisaliah District- King Khalid Road
Most prominent Elements	Description												
Property Name	Al-Makan Mall - Tabuk												
Property Owners	Wabel Al Arabia for Investment Company Al Awael Real Estate Investment Company												
Property Type	Commercial												
City/ Country	Tabuk- Kingdom of Saudi Arabia												
District/ Street	Al-Faisaliah District- King Khalid Road												
Most important Terms of the Real Estate Asset Acquisition Agreement	<p>The sale and purchase agreement made between the Fund manager and Wabel Al Arabia for Investment Company includes terms and conditions; the key terms and conditions of such agreement includes, but not limited to:</p> <p>The purchase price of the usufruct contract for Al-Makan Mall -Dawadmi Governorate shall be SAR 166,815,938. The price shall be paid as follows:</p> <p>Cash amount equals to SAR 55,049,260.</p> <p>Allocating units in the Fund as in-kind subscription by the seller at an amount of SAR 111,766,678 (For more information on the number of units and the mechanism of allocating the same to the seller of real estate assets, refer to Article (11) of these Terms and Conditions)</p> <p>Usufruct period is 25 years starts from the date 1/11/1443H and ends in 1/11/1458H</p>												
Additional Notes	This real estate asset will be managed by Retail Real Estate Company appointed in accordance with the terms and conditions of the fund.												

Disclosure	It shall be noted that Mr. Faisal Al Abdulkarim and Mr. Muhammad Al-Nimr are direct and indirect partners (respectively) in Wabel Al Arabia for Investment Company, the seller of some of the initial real estate assets to the fund; therefore, their activities may conflict, from time to time, with the activities and interests of the fund. Except as stated above and what set out in these terms and conditions, the Fund manager confirms that there is no conflict of interests of the sellers of real estate assets, Fund manager or property manager with the Fund manager with respect to this real estate asset. The Fund manager also confirms that there is no conflict of interests of the Fund manager with the interests of any lessee of real estate assets whose returns constitute 10% or more of the annual rental returns of this real estate asset.
Operating Expenses	Operating expenses of Al-Makan Mall - Dawadmi amounted to approx. SAR 6,420,000 in 2019. Actual operating expenses may be different from the expected expenses, and this will be set out in the Fund's annual financial reports.

*The current rents were calculated based on the lease contracts made until November 15, 2017.

It should be noted that the data set out in "Property Info" is based on the data available at the time of real estate property acquisition.

- Investment Focus Policies**

The Fund currently invests in a group of real estate assets geographically distributed inside Saudi Arabia (except Makka and Medina); these assets are concentrated in retail sector.

- Title Deeds**

Asset	Deed S.N.	Deed Date
Al-Makan Mall- Hafar Al-Batin Governorate	432509022899	05/06/1444H
	332509022898	05/06/1444H
Al-Makan Mall-Riyadh	293523006267	02/06/1444H
Al-Makan Mall-Tabuk	650117003543	17/06/1444H

Al-Makan Mall- Al Duwadimi town/ lessee under usufruct contract. So, above clause not applicable

- Previous and Target Rental Returns for each Property/ Usufruct**

Property	2016 *		2017 *		2018 **		2019**		2020 **		Fund Average Target Rental Returns (2018-2020) (Million/ SR)
	Rental Returns (Million/ SR)	Ratio (Rental yield / Total rents for the same year)	Rental Returns (Million/ SR)	Ratio (Rental yield / Total rents for the same year)	Target rental returns (Million/ SR)	Ratio (Rental yield/ total rents for the same year)	Target rental returns (Million/ SR)	Ratio (Rental yield / Total rents for the same year)	Target rental returns (Million/ SR)	Ratio (Rental yield / Total rents for the same year)	
Al-Makan Mall - Hafar Al-Batin Governorate	29.5	52.70%	41,86	42.17%	42,79	41.98 %	44,65	41.85%	45	41.43%	44,15
Al-Makan Mall - Riyadh	1.6	2.90%	18,88	19.02%	19,92	19.54 %	21.08	19.76%	21,73	20.01%	20,91
Al-Makan Mall - Tabuk	6.375	11.40%	17,49	17.63%	17,82	17.48 %	18,53	17.37%	19.07	17.56%	18,48
Al-Makan Mall - Dawadmi Governorate	18,525	33.10%	21.02	21.18%	21,39	20.99 %	22,42	21.01%	22,80	20.99%	22,20
Total	56	100%	99,26	100%	101,92	100%	106,68	100%	108,60	100%	105,74
Target Total Return ***					9.04%		9.20%		8.96%		8.96%
Fund Management Fees					0.75%		0.75%		0.75%		0.75%
Other Fees and Costs					0.15%		0.15%		0.15%		0.15%
Ratio of Fund Fees to Fund's Total Assets					0.9%		0.9%		0.9%		0.9%
Target Net Return ****					8.14%		8.30%		8.06%		8.06%

The difference between 2016 returns and 2017 returns is due to the non-completion and non-operation of Al-Makan Mall building in Riyadh until the end of 2016 as well as the non-completion non-operation of Al-Makan Mall building in Tabuk after the first quarter of 2016.

The target returns of 2017 were calculated based on the existing lease contracts in addition to the promissory note of 18 million Saudi Riyals that Wabel Al Arabia for Investment Company provided to cover any deficiencies in the total rental returns targeted for 2018 and 2019 (according to the above table) and the expected operating cost of 20%; the operating costs of the real estate assets, until the end of the first half of 2017, amount to about 18% of the real estate assets' returns.

** The target returns were calculated based on the lease contracts and based on growth estimates by the feasibility study advisor.

*** Target Total Return:

The total return has been calculated on the basis of the target price of the unit, i.e., SAR 10 per unit, as per the Fund's assets value, i.e., SAR 1,180,000,000. The total returns mentioned in the above table were calculated before deducting all fees and expenses of the fund.

Some of the returns and rents related to the Fund and its assets mentioned in the above table may change during the Fund term, which results in a change in the target total return.

**** Target net return:

The net returns mentioned in the above table were calculated after deducting all cash fees and expenses of the fund, but the non-cash expenses such as depreciation allocations of fixed assets were not deducted.

Some fees and cash expenses related to the Fund may be changed during the Fund term, resulting in change of the target net return. Also, we can see the rental returns achieved through periodic reports and financial statements.

- **Fund's Borrowing Power and the Fund Manager's Policy in Exercising this Power:**

The Fund manager may, on behalf of the Fund, obtain financing compliant with Sharia principles and controls, and the percentage of the obtained financing shall not exceed (50%) of the total value of the Fund's assets, according to the latest audited financial statements and after obtaining the approval of the Fund's board to finance the costs of real estate assets acquisition and Fund expenses.

The approval to the mechanism of using and the feasibility of obtaining the financing depends on special considerations pertaining to the arrangement of financing and the prevailing market conditions. The Fund will bear all costs incurred in financing. The Fund shall have the right, directly or through a special purpose company, to conclude financing contracts with entities licensed to engage in financing activity (banks and finance companies), in order to obtain any financing when needed to provide the necessary cash to complete the acquisitions of existing or additional real estate assets in the future, or to pay any of the Fund's obligations, or for any other reason deemed necessary by the Fund Manager and approved by the Fund Board.

It should be noted that the Fund's assets may be mortgaged in favor of any of the Fund's financiers (banks and finance companies) for the purpose of obtaining any financing when needed as a guarantee for such financing in accordance with the terms of the financing agreement and the relevant laws.

It should also be noted that the fund, through the special purpose company, has the right to sign promissory notes in favor of the Fund's financiers (banks and finance companies), and to provide guarantees for financing, including mortgaging real estate assets and/or real estate instruments in favor of the financiers, as well as waiving income or rents in favor of financing entities, and opening aggregate accounts for the benefit of the financiers to deposit the forfeited income and revenues.

Whereas the Fund manager is a subsidiary of Alinma Bank and wholly owned thereby, if the financier is Alinma Bank, the financing terms will be negotiated on an independent basis and will be approved by the Fund's board.

- **Means and Methods of Fund's Cash Investment**

The Fund manager may invest the cash available in the Fund in short-term operations and units of investment funds licensed by the Authority (whether managed by the Fund manager or by other managers) that are compliant with Sharia principles and controls, and at a rate not exceeding (25%) of the total value of the Fund's assets according to the latest audited financial statements, taking into account that the Fund manager will select such funds based on a plenty of factors such as the Fund managers' experiences, investment strategies and past performance of each target fund.

- **Offering Proceeds:**

The usage of cash proceeds of the Fund's unit offering during the IPO period to pay the cash portion of the purchase price of the initial real estate assets as per the following table:

Real Estate Asset	Value of Cash Portion of Purchase Price (SR)
Al-Makan Mall -Hafar Al-Batin Governorate	141, 061, 797
Al-Makan Mall – Riyadh	97,068,262
Al-Makan Mall – Tabuk	65,825,159
Usufruct Contract for Al-Makan Mall -Dawadmi Governorate	50, 044, 781
Total	354,000,000

Unitholders and Ratio of in-kind Subscriptions to the Fund's Total Assets Value

Subscribers	Number of Units	Units Value (SR)	Ratio to the Fund's Total Assets Value	Subscription Type
Wabel Al Arabia for Investment Company	62,960,000	629,600,000	53.36%	In kind
Al Awael Real Estate Investment Company	10,500,000	105,000,000	8.90%	In kind
Abdulaziz bin Khalif bin Abdullah Al-Bani	576,470	5,764,698	0.49%	In kind
Abdullah bin Khalif bin Abdullah Al -Bani	576,470	5,764,698	0.49%	In kind
Mansour bin Khalif bin Abdullah Al-Bani	576,470	5,764,698	0.49%	In kind
Heirs of Miteb bin Khalif bin Abdullah Al-Bani	576,470	5,764,698	0.49%	In kind
Abdulelah bin Khalif bin Abdullah Al-Bani	576,470	5,764,698	0.49%	In kind
Sultan bin Khalif bin Abdullah Al-Bani	576,470	5,764,698	0.49%	In kind
Turki bin Khalif bin Abdullah Al-Bani	576,470	5,764,698	0.49%	In kind
Haifa bint Khalif bin Abdullah Al-Bani	288,235	2,882,349	0.24%	In kind
Hala bint Khalif bin Abdullah Al-Bani	288,235	2,882,349	0.24%	In kind
Ghada bint Khalif bin Abdullah Al-Bani	288,235	2,882,349	0.24%	In kind
Salma bint Mohammed bin Khalif Al-Mutairi	700,007	7,000,070	0.59%	In kind
SWICORP	3,540,000	35,400,000	3.00%	Cash
Public	35,400,000	354,000,000	30.00%	Cash
Total	118,000,000	1,180,000,000	100%	

10. Risks of Investment in the Fund

Fund-Related Risks:

- **The Fund's Investments Concentrate on Commercial Centers Sector**

Upon incorporation of the fund, the Fund's investments will be concentrated on retail sector through possession of three real estate assets and one usufruct contract for commercial complexes. Accordingly, the Fund's revenue and net income will be associated with the demand for commercial space in the cities in which these assets are located; any decline in demand for commercial spaces in those cities may have negative impact on the performance of the Fund and the value of its units more than if the Fund's investments in real estate assets were distributed across different sectors.

- **No History of Fund Operation**

The Fund was newly established without a previous operation history that enables potential investors to predict the future performance of the fund. Also, the previous results of similar funds or the previous performance of real estate assets subject of the Fund's acquisition are not necessarily indicative of the Fund's future performance. Accordingly, the Fund's recent inception may have a negative impact on the Fund manager's expectations and the unit returns as well.

- **Reliance on Fund Manager's Key Personnel**

The Fund will rely on management and consulting services provided by the Fund manager's personnel. It can be difficult to replace some key personnel, especially for the Fund manager's senior management. In case that one of such employees leaves work and the Fund manager is not able to find a suitable replacement for him/ her, the performance of the Fund's business may be adversely affected.

- **Liquidity**

The investors usually retain their investments and rely on the returns on invested capital. In other cases, some investors seek to liquidate their investments for many factors, including the revenues, value of real estate assets, the general performance of the Fund and the market of similar investment instruments. Given that the amount of liquidity for the REIT units may be less than that for the traded companies' shares, the investor in the Fund's units may face difficulty for exiting and liquidating its Fund units at the price offered by such investor, which may result in the investor exit at a value less than the market value of the Fund's assets.

- **Trading at Price Lower Than the Market Value**

Trading of units may be exposed to factors that lead to fluctuations of value, including those negatively affecting the local and international stock markets, the prevailing and expected economic conditions, interest rates, financing costs, investor trends, general economic conditions and large sales of the Fund's units. Accordingly, the purchase of units is appropriate only for investors who can bear the risks associated with these investments, as such risks may result in facing difficulty for the exiting the Fund or exiting at a value less than the market value of the Fund's assets.

- **Fund's Capital Increase**

In case the Fund manager and the unitholders decide to increase the Fund's capital by issuing new units, whether in return for in-kind or cash subscriptions, will lead to a slight reduction in the relative shares of unitholders in the fund, if the Fund's capital is increased through the issuance of new units against contributions in kind, and if the Fund's capital is increased through the issuance of new units against cash contributions, this could result in a reduction in the relative shares of Unitholders in the Fund at that time. Unless the unitholders exercise their rights in new units. The increase in capital may negatively affect the value of the units, adversely affecting the investments of unitholders.

- **Failure to generate Returns on Investment**

There will be no guarantee that the operating business of the Fund's assets will generate dividends, or that the Fund will succeed in avoiding losses. In general, the Fund will not have any source of funds to pay dividends therefrom to unitholders other than the rent and capital returns that may be generated from sale of some or all of its assets. Accordingly, there is no guarantee that the Fund will generate returns on the unitholders' investments in the Fund and the investors in the Fund may lose all or some of their capital invested in the fund.

- **Conflict of Interest**

There may be cases where the interests of the fund, Fund manager or board members conflict with the Fund or related parties, which may negatively affect the Fund's investments, returns and distributions.

- **Appointment of a replacement Fund Manager:**

A decision was issued by the unitholders and CMA on 25/02/1443 AH corresponding to 30/11/2021 AD to dismiss the former Fund manager and appoint Alinma Investment Company as a replacement Fund manager. The replacement Fund manager may face difficulty in making some decisions due to the lack of all the previous information or the inaccuracy and efficiency of the information and data provided by the former manager, which may affect its ability to make a decision with regard to the management of the fund. The replacement Fund manager shall not be responsible for the decisions or actions taken from the date of establishment of the Fund until the dismissal date of the former Fund manager with the consequent losses and risks

- **Risks Related to the Fund's Assets**

- **General Risks of Real Estate Investment**

The return on real estate investments is subject to many interrelated factors, including negative changes in local, regional or international economic conditions, negative conditions in the local market, financial positions of real estate lessees, buyers and sellers, changes in operating expenses, environmental laws and regulations, governmental laws and financial policies, energy prices, changes in the relative demand for different types and sites of real estate, and the risks resulting from dependence on cash flows, operational problems, as well as force majeure, uninsurable losses, and other factors beyond the control of the Fund manager. Any of such factors may cause material risks that negatively affect the value of the Fund's assets and the Fund's ability to generate any returns on investments.

- **Risks of Variations in Real Estate Value and Lack of Liquidity**

Real estate is a low liquidity asset, and the degree of liquidity varies according to the demand of this type of investment. If the Fund needs to liquidate its real estate investments or part of it at an inappropriate time, the selling price may be less than the book value. Accordingly, any delay or difficulty that the Fund may encounter in disposal of its assets may negatively and significantly affect the dividends, if any, that the unitholders receive.

- **Risks of Possibility of appealing against Fund's Ownership of Real Estate Assets**

The title deeds do not represent the full rights for disposition of property and such deeds may be appealed. So, the real estate assets acquired by the Fund may be subject to any legal disputes related to the ownership of such assets, which may impair the Fund's ability to dispose or transfer the real estate assets in a manner free of foreclosure and restrictions. In some cases, this may result in the Fund's loss of the ownership of the real estate assets that acquisition thereof supposed to be legal. Such disputes and conflicts on ownership may also significantly affect the value of real estate assets and the value of Fund units as well.

- **Risks of Competitive Nature of Retail and Commercial Center Sectors in the Kingdom**

Some of the initial real estate assets, in the retail sector in general and in the commercial center sector in particular, are located in highly competitive areas. In addition, commercial centers may be developed and established near real estate assets, creating direct competition with real estate assets. As such, the returns and market value of real estate assets will depend on the ability of real estate assets to compete for attracting lessees. Accordingly, the success of other competitors in attracting and retaining lessees may affect the returns of the Fund's real estate assets, which have a substantial negative impact on the Fund's business, financial position, cash flows and operating results.

- Risks of Fund's Future Rental Returns Dependence on the Ability to Attract and Retain Suitable Lessees and Effective Management of Real Estate Assets**

There is no guarantee that the Fund will be able to attract and retain suitable lessees according to its terms and conditions. In addition, the financial stability of the Fund lessees may affect the Fund financial performance. Also, the financial stability of lessees may change over time as a result of reasons directly related to lessees or the economy of the Kingdom of Saudi Arabia, which may affect their ability to pay rent. Furthermore, the Fund may incur costs for retaining existing lessees and attracting new lessees, as well as the costs and time required to enforce the rights stipulated in the lease agreement with the defaulting lessee, including eviction and re-letting costs, which may be high. Failure to attract and retain suitable lessees may have a substantial negative impact on the Fund's business, financial position, cash flows and operating results, and may also adversely affect value of the real estate assets.
- Risks of Loss of Principal Lessees of the Real Estate Assets**

In case that some or all of principal lessees decide neither to continue nor to renew their lease contracts, this may lead to vacancy of large rental spaces, which may cause delay for finding an alternative lessee to occupy such spaces. Accordingly, the termination or non-renewal of the contracts of any of the principal lessees may adversely affect the financial position, cash flows and operating results, and may also adversely affect value of the real estate assets.
- Risks of Failure to Guarantee Maintenance of the Rental Prices as per the Prevailing Market Prices**

Rental prices for real estate assets depend on several factors, including but not limited to, the prevailing conditions of supply and demand and the quality and designs of the real estate assets. There is no guarantee that the Fund manager (through the property manager) will be able to attract new lease contracts or renew existing contracts as per the prevailing rental prices. Accordingly, the failure of the Fund manager (through the property manager) to do so may have a substantial negative impact on the Fund's business, financial position and operating results.
- Risks of Possibility of the Fund being subject to some Fixed Costs that will not decrease if Revenue decreases**

The rents and operating income that the Fund receive may decrease as a result of the various negative changes that affect either the real estate assets or the Fund's lessees. It should be noted that some of the Fund's main expenses, including management fees, maintenance and operating costs of real estate assets will not decrease as a result of the revenue decrease. Accordingly, if rents and operating income decreased while costs remain the same, the Fund's revenue and funds available for distribution to unitholders may decrease or no.
- Risks of some Real Estate Assets Reliance on Rented Generators**

Some of real estate assets are not linked to the electricity network of the Saudi Electricity Company (SEC), as these assets are supplied with electrical energy through leased generators from a company licensed by the Electricity & Cogeneration Regulatory Authority (ECRA) to generate electricity from mobile units. It should be noted that in case the generator lease agreement is terminated, the Fund manager (through the property manager) shall find an alternative generator provider. Accordingly, the delay or failure of the Fund manager (through the property manager) to find an alternative provider of generators may affect the operation of real estate assets, which may adversely affect the financial position, cash flows and operating results of the fund.
- Risks of Fund's Reliance on Property Manager's Substantial Operational Support**

The real estate assets will be managed by Retail Real Estate Company in accordance with a real estate management and operation agreement signed between the Fund and Retail Real Estate Company. The delay or failure of Retail Real Estate Company to fulfill its obligations may have a substantial negative impact on the Fund's business, financial position and operating results.

- Risks of Negative Impact of Lack or Non-Compliance with Regulatory Approvals and Licensing Requirements of Real Estate Assets**

All regulatory approvals and licenses for operation of commercial centers shall be obtained. It is not possible to guarantee that all regulatory approvals for real estate assets will be obtained or renewed in a timely manner. In addition, violation of the terms of any of these regulatory approvals may result in cancellation, withdrawal, suspension or imposition of financial penalties by the relevant regulatory authorities. Any amendments to existing laws and regulations may impose unexpected and more expensive requirements and the Fund's compliance with such laws or regulations will result in incurring large capital expenses, or other obligations or responsibilities, which may have a substantial negative impact on the Fund's business, financial position, cash flows and operating results.
- Risks of Possibility of Substantial Damage to Real Estate Assets due to Natural Disasters and other events beyond Control of the Fund Manager for which Insurance, if any, may not be Sufficient**

Real estate assets may be exposed to substantial damage caused by fire, storms, earthquakes, or other natural disasters, or for other reasons such as political unrest. In case of any such event, the Fund may lose the capital invested in the real estate assets, as well as the expected revenues. No guarantee can be given that the resulting losses, including the loss of rental income, may be fully compensated under the insurance cover, if any. There are certain types of risks and losses (e.g., losses result from political unrest, war or some natural disasters) that may not be covered economically or in general. In case any of such events occurs, it may have a substantial negative impact on the Fund's business, financial position, cash flows and operating results.
- Risks of Real Estate Assets Expropriation**

The government shall be entitled to compulsorily take possession of a property for the public benefit (e.g., construction of roads and public utilities). Despite compensation may be paid for expropriation, there is a risk that the compensation value will not be sufficient compared to the size of the investment, lost profits, or the increase in investment value. In case expropriation is made, the value of distributions to unitholders, and the value and trading price of units may decrease, and unitholders may lose all or part of the invested capital.
- Government Policy Risks**

Any future reduction of subsidies for electricity and water in the Kingdom, changes in value-added tax, real estate transactions tax or imposing any new taxes may reduce disposable income and may reduce the levels of demand for the Fund's real estate assets, and therefore cash dividends and the market value of the Fund units as well.
- Risks relating to Compliance with Sharia Controls**

Whereas the Fund will invest in investment opportunities compliant with Sharia Controls as determined by the Fund's Sharia Board, including compliance with Sharia principles determined by the Fund's Sharia Board with regard to management and financing operations and all aspects related to the fund. Accordingly, this could limit ability of the Fund from making certain investments, which may result in loss of some non-Sharia-compliant opportunities. Although the Fund seeks to ensure that all investments are in compliance with Sharia principles, there is no guarantee on the principles accepted by the Sharia Board, as the principles differ from one Sharia advisor to another.
- Risks of E-commerce Impact on the Competitive Environment of Traditional Retail Businesses**

The store lessees of the initial real estate assets depend mainly on the traditional sales through the outlets located in the commercial markets. These traditional businesses may be negatively affected by the high increase in the online e-stores, which raises a great demand from consumers and retailers, as this may reduce the number of traditional store clients and mall visitors, which could have a negative impact on the Fund's business, financial position and operating results.

- **Real Estate Development Risks**

The development and marketing of a new real estate project entails several risks, including but not limited to: delay in completion of works on schedule, cost overruns, poor business quality, inability to achieve sales, and force majeure. Starting a new project also entails other risks, including delay in obtaining governmental approvals and permits required for development, and other governmental approvals and permits required. Given that investment in the Fund units is an indirect investment in any real estate development project in which the Fund invests, any development of a real estate project, if any, will have a direct and substantial impact on value of the Fund's units.

- **Financing Risks:**

It is possible for the Fund to obtain bank financing to finance the development of its assets, and acquisition of additional property which involves a high degree of risk, and may expose the Fund and its investments to other factors such as the high cost of financing (The cost of financing obtained by the Fund may increase in the event of an increase in the prices of financing profits, which negatively affects its performance). Moreover, the assets of the Fund may be mortgaged to donors for financing, and the financing bank may claim the assets in the event of any default from the Fund, which also depends on the terms of that financing.

- **Money Market Fund Risks**

It is all the risks similar to the risks of investing in money market funds which the Fund may invest, which is the failure of any debtor to the Monetary Fund to fulfill its contractual obligations with the agreed party which may cause the Fund to lose all or part of the amount invested in these transactions, which in turn may negatively affect the performance of the Fund.

- **Distribution Volatility Risks**

Although, according to the Real Estate Investment Funds Regulations issued by the Board of the CMA, the Fund is required to distribute at least 90% of its net profits to unitholders on an annual basis. There is no guarantee about the actual amounts distributed by the Fund. The Fund may be unable to make any distributions due to unforeseen events that lead to an increase in costs, including capital expenditures in the event of urgent or sudden large-scale and costly renewal work or a decrease in revenue. Likewise, in the case of low annual rent collection, in case the tenant delays paying the rent on time or is unable to pay the rent for any reason beyond his control or will.

- **Uninsured Losses Risks**

The Fund will maintain commercial liability insurance, title insurance and other types of insurance covering all property owned and managed by the Fund of such type and limits as it believes to be sufficient and appropriate given the relative risks applicable to the property and at the appropriate cost of coverage. With the application of good industry practices, it is also possible to insure against certain losses, subject to certain contracts, including policy restrictions. Therefore, the Fund may incur material losses that exceed the insurance proceeds and may be unable to continue to obtain insurance coverage at commercially reasonable rates. If the Fund experiences an uninsured loss or a loss that exceeds its insurance limits in relation to the ownership of one or more properties, the Fund is likely to lose the capital invested in the affected property as well as the expected future returns from these properties. Certainly, any such loss is likely to adversely affect the financial condition of the Fund, the results of its operations and the resulting cash flows, and thus the Fund's ability to provide financial distributions to unitholders.

- **Other risks**

- **The Risks of the Fund's Dependence on Saudi Arabia's Economy and Its Position in The Global Market**

The results of the Fund and its financial position will be affected by the state of the economy in Saudi Arabia and the global economic conditions that affect Saudi Arabia's economy. Despite its growth in other sectors, the Saudi economy is still dependent on the price of oil and gas in the global markets. Therefore, the decline in oil and gas prices may slow down or disrupt the Saudi economy. Moreover, the resulting impact on cash flow could negatively affect demand in Real estate sector. In addition, any adverse change in one or more of macroeconomic factors, such as exchange rate, commissions prices, inflation, wage levels, unemployment, foreign investment and international trade, may have a substantially negative impact on the Fund's business, financial position and operating results.

- **The Risks of constant changes in political, economic and legal environments**

The political, economic and legal environments in Saudi Arabia are subject to continuous developments. The negative social, economic and political developments in Saudi Arabia and the neighboring countries or others in the region may have a negative and material impact on the Fund's business, financial position, cash flows and operating results.

- **Litigation with Third Parties Risks**

The activities of the Fund's assets are likely to be exposed to the risks of entering into legal disputes with third parties, and the Fund will bear the costs of defending against third party claims, settlement amounts or judgments, which would affect the Fund's assets and reduce potential dividends.

- **Suitability of Investments**

Units may not be a suitable investment for all investors. Each prospective investor in units must determine the suitability of this investment in light of his or her own circumstances. In particular, every prospective unit owner shall have the following:

- Sufficient knowledge and experience to conduct a true valuation of the units, the advantages and risks of investing in the units, and the information contained in these Terms and Conditions.
- Access to and knowledge of appropriate analytical tools for valuation, in the context of their own financial position, investment in units and the impact of units on the investment portfolio as a whole.
- Sufficient financial resources and cash flow to bear all the risks of investing in the units.
- Accurate understanding of the Terms and Conditions and familiarity with the nature of the relevant financial indicators and markets.
- Ability to evaluate (either alone or by taking advice from a licensed financial advisor from the Capital Market Authority) possible scenarios of economic and other factors that may affect the investment, and his ability to bear applicable risks.

- **Future Data**

These Terms and Conditions have been prepared on the basis of certain assumptions that have been used by the former Fund manager based on his experience in the markets and sectors in which it operates, in addition to publicly available market information. Future operating conditions may differ from the previous assumptions used, and accordingly, there is no guarantee or obligation regarding the accuracy or completeness of any of these assumptions.

Some of the representations contained in these Terms and Conditions constitute or may be considered to constitute “future statements”. It is possible that these future statements may be inferred through the use of some future words such as “intends,” “assesses,” “believes,” “expects,” “anticipates,” “aims,” or “targeted,” “it is possible,” or “it will be.” or “shall” or “expected” or wordings that negate these vocabulary and other vocabulary words close thereto or similar thereto semantically. These future statements reflect the current view of the Fund manager regarding future events, but are not a guarantee of future performance. There are many factors that may lead to a significant difference from the actual results, actual performance, or actual accomplishments achieved by the Fund manager, from what was expressly or implicitly expected. The article “10” contains the risk of investing in the Fund) of these terms and conditions on a more detailed description of some of the risks and factors that could lead to such effect. If one or more of these risks or uncertainties are realized or if any of the assumptions are proven incorrect or inaccurate, the actual results of the Fund may differ materially from the results mentioned in these terms and conditions as estimated, believed, expected or planned. Therefore, prospective investors shall examine all future statements in light of these interpretations, without relying primarily on such statements.

- **Warning about Investment in The Fund:**

Investment in the Fund does not mean a guarantee of profit or non-loss, and the nature of the investment of unitholders in the Fund is by participation. That is, achieving profits or bearing losses will be according to the percentage of participation of each unitholder in the Fund (proportionately). Accordingly, the Fund Manager does not provide any guarantees for the Fund to achieve its investment objectives, and there will be no guarantees for the unitholders to recover the value of their original investment upon selling their units or upon the termination of the Fund.

The performance of real estate assets and other real estate investment funds in the KSA is neither an indicator of the success of the Fund nor a guarantee of it. Rather, the returns achieved by real estate assets and other real estate investment funds in the KSA can vary greatly. As each real estate asset is affected by special factors, including but not limited to: demographics, timing, environmental factors, design and contractors. Also, there is no guarantee, confirmation or statement on the part of the Fund Manager that the real estate assets of the Fund will achieve the same or similar results as those achieved by real estate assets or similar real estate investment funds implemented in the KSA. The success of similar projects or funds is not indicative of any future returns.

Unitholders shall bear full responsibility for any financial loss that may result from investing in the Fund, except in cases where the loss is the result of gross negligence or willful default of the Fund Manager.

The Fund Manager may act as a manager of other funds that have the same objectives as the Fund, and from here it may result that the Fund Manager may have, in the course of its work, cases of conflict of responsibilities or interests between the Fund and other funds. In this case, the Fund Manager will endeavor to resolve this conflict of interest on a fair and equitable basis for all related funds, and the Fund Manager will disclose any potential conflict of interest to the Fund Board and obtain their approval.

11. Subscription

a. Subscription starting and ending date:

The former Fund Manager offered 35,400,000 units at a price of SAR 10 per unit and has succeeded to collect the cash amount of SAR 354,000,000 during the IPO period. The IPO period started on: 02/07/1439 AH, corresponding 19/03/2018 AD, till: 22/07/1439 AH, corresponding 08/04/2018 AD.

The cash proceeds from the Fund units offering during the IPO period used to pay the cash portion of the purchase price of the initial real estate assets according to the following table:

Real estate asset	The value of the cash portion of the purchase price (SR)
Al-Makan Mall - Hafar Al-Batin Governorate	141,061,797
Al-Makan Mall – Riyadh	97,068,262
Al-Makan Mall – Tabuk	65,825,159
Usufruct contract for Al-Makan Mall - Dawadmi Governorate	50,044,781
Total	354,000,000

b. Information and ownership ratios of the Property Owners who subscribed in kind in the Fund (these data are at the date of subscription)

Seller	Number of units	Unit's value (SR)	Percentage of each subscriber's ownership of the Fund upon incorporation	Real estate / utility wherein the seller subscribes in kind in the fund
Wabel Al Arabia for Investment Company	62,960,000	629,600,000	53.36%	Al-Makan Mall - Riyadh Al-Makan Mall - Tabuk City Al-Makan Mall - Hafar Al-Batin Governorate Al-Makan Mall - Dawadmi Governorate
Al Awael Real Estate Investment Company	10500000	105000000	8.90%	- The entire land of Al - Makan Mall in Tabuk city
Abdulaziz bin Khalif bin Abdullah Al-Bani	576,470	5,764,698	0.49%	- A common share in the entire land adjacent to the land owned by Wabel Al Arabia for Investment Company, on which part of Al Makan Mall is located in Hafar Al-Batin Governorate.
Abdullah bin Khalif bin Abdullah Al-Bani	576,470	5,764,698	0.49%	
Mansour bin Khalif bin Abdullah Al-Bani	576,470	5,764,698	0.49%	
Heirs of Miteb bin Khalif bin Abdullah Al-Bani	576,470	5,764,698	0.49%	
Abdullah bin Khalif bin Abdullah Al-Bani	576,470	5,764,698	0.49%	
Sultan bin Khalif bin Abdullah Al-Bani	576,470	5,764,698	0.49%	
Turki bin Khalif bin Abdullah Al-Ban	576,470	5,764,698	0.49%	
Haifa bint Khalif bin Abdullah Al-Bani	288,235	2,882,349	0.24%	
Hala bint Khalif bin Abdullah Al-Bani	288,235	2,882,349	0.24%	
Ghada bint Khalif bin Abdullah Al-Bani	288,235	2,882,349	0.24%	
Salma bint Mohammed bin Khalif Al-Mutairi	700,007	7,000,070	0.59%	
Total	79,060,000	790,600,000	67%	

It shall be noted that Wabel Al Arabia for Investment Company - a limited liability company - is owned by the following partners:

Partner's name	Ownership percentage
1. Nawa Arabia Investment Company	20%
2. Al Rugaib Holding Company	20%
3. Moroud Real Estate Company	14.4%
4. Aaj Real Estate Investment Company	11,2%
5. Partner Sulaiman Abdullah Al Dahayan	8.6%
6. Partner Mohammed Abdul Mohsen Al Abdulkarim	8%
7. partner Muhammad Abdullah Al-Nimr	8%
8. partner Mohammed Abdulrahman Al-Khudair	3.92%
9. Partner Fahd Muhammad Al-Muqbel	3,48%
10. Al Nimr Commercial Investment Holding Company	2,4%

Al Awael Real Estate Investment Company - a limited liability company - is owned by the following partners:

Partner's name	ownership percentage
1. HRH Prince Nayef bin Sultan bin Abdulaziz Al Saud	66%
2. HRH Prince Mansour bin Sultan bin Abdulaziz Al Saud	34%

Ownership details of all subscribers:

Subscribers	number of units	Units value SR.	percentage of the Fund's total asset value
Wabel Al Arabia for Investment Company	62,960,000	629,600,000	53.36%
Al Awael Real Estate Investment Company	10,500,000	105,000,000	8.90%
Abdulaziz bin Khalif bin Abdullah Al-Bani	576,470	5,764,698	0.49%
Abdullah bin Khalif bin Abdullah Al - Bani	576,470	5,764,698	0.49%
Mansour bin Khalif bin Abdullah Al-Bani	576,470	5,764,698	0.49%
Heirs of Miteb bin Khalif bin Abdullah Al-Bani	576,470	5,764,698	0.49%
Abdullah bin Khalif bin Abdullah Al-Bani	576,470	5,764,698	0.49%
Sultan bin Khalif bin Abdullah Al-Bani	576,470	5,764,698	0.49%
Turki bin Khalif bin Abdullah Al-Bani	576,470	5,764,698	0.49%
Haifa bint Khalif bin Abdullah Al-Bani	288,235	2,882,349	0.24%
Hala bint Khalif bin Abdullah Al-Bani	288,235	2,882,349	0.24%
Ghada bint Khalif bin Abdullah Al-Bani	288,235	2,882,349	0.24%
Salma bint Mohammed bin Khalif Al-Mutairi	700,007	7,000,070	0.59%
SWICORP Company	3,540,000	35,400,000	3.00%
Public	35,400,000	354,000,000	30.00%
Total	118,000,000	1,180,000,000	100%

c. A detailed statement of the Fund Manager's subscription value in the Fund during the Offering Period:

The Former Fund Manager subscribed in the Fund during the IPO period with a value of SAR 35,400,000, while the current Fund Manager, Alinma Investment Company, did not subscribe in the Fund during the IPO period. The current Fund Manager is also entitled to subscribe in any offering of additional units within the process of increasing the total value of the Fund's assets when it is decided to do so in accordance with the regulatory requirements in this regard.

d. Law of Real Estate Ownership and Investment by Non-Saudis:

The Fund Manager shall at all times comply with the regulations and laws governing the ownership of real estate in the KSA, including the Law of Real Estate Ownership and Investment by Non-Saudis.

e. Minimum and Maximum Subscription:

The minimum subscription is SAR 500, in addition to allocating an amount less than the minimum subscription in the event that the number of subscribers from the public exceeds 708,000 subscribers, so that in this case, units less than the minimum subscription are allocated on a pro-rata basis to each subscriber in relation to the value of his initial subscription, without prejudice to the subscription fees deducted based on the actual subscription value, and if you want to subscribe for an amount higher than the minimum subscription, this increase over the minimum subscription must be in multiples of SAR 100 in addition to the subscription fee amount.

Moreover, the maximum allocation for one investor from the public will also be 5,900,000 units of the Fund, with a value of SAR 59,000,000 (which is equal to a maximum of 5% of the Fund's units).

f. Subscription Application Method:

An application for subscription in the Fund shall be submitted by the Fund Manager or the receiving entities according to the following:

1. Individuals

This includes natural persons who hold Saudi nationality and citizens of the Gulf Cooperation Council (GCC), without prejudice to the property ownership system for non-Saudis, in addition to foreigners residing in the KSA.

- Documents required for individuals:

- A valid national ID.
- Availability of an active investment portfolio with a capital market institution.
- Availability of an IBAN bank account number registered in the name of the subscriber who wishes to subscribe in the Fund, provided that the subscriber transfers the subscription value from him and retrieves the surplus (if any) to him after allocation.
- Submitting complete subscription documents (signed terms and conditions, fully filled out and signed subscription form, bank transfer copy, and a copy of the national identity signed by the investor).

2. Entities (Legal Persons)

This includes institutions, companies, investment funds, government agencies and other legal entities based in the KSA and Gulf investors with legal personality, in addition to qualified foreign investors under the rules regulating the investment of qualified foreign financial institutions in securities issued by the CMA.

- **Documents required for companies:**

- A copy of the commercial registration certificate.
- A copy of the Memorandum of Association and Articles of Association (if any).
- The decision of the Board of Directors or the decision of the partners regarding the approval of opening the investment account and granting the powers delegated to them to operate the investment account.
- A list of the persons authorized to operate the investment account.
- A list of board members and senior administrators.

- **Documents required for investment funds:**
 - A copy of the commercial registration of the Fund Manager.
 - A copy of the memorandum of Association and Articles of Association of the Fund Manager.
 - A copy of the license to business practice for the Fund Manager.
 - A copy of the fund's terms and conditions.
 - A copy of the CMA's approval notice for the Fund's offering.
 - A Copy of the Authorized Signatory's identity and decision to approve the opening of the investment account and to give powers to the Authorized persons.
 - **Documents required for investment portfolios:**
 - A copy of the identity of the owner of the investment portfolio.
 - A copy of the Portfolio Manager's C.R. certificate.
 - A copy of the Memorandum of Association and Articles of Association of the Portfolio Manager.
 - A copy of the license to business practice of the Portfolio Manager.
 - A copy of the investment portfolio management agreement.
 - A copy of the identity of the authorized signatory.
- g. Detailed explanation of How to Subscribe:
- 1. Step One - Get the Terms and Conditions**
Subscribers wishing to participate are required to obtain a copy of these terms and conditions by visiting the Fund Manager's website, the CMA's website, the Market's website, or by visiting the Fund Manager's Head Office or through the receiving entities.
 - 2. Step Two - Filling out the Subscription Form**
The subscriber fills out the full subscription form by visiting the Fund Manager's website or manually filling out the subscription form by visiting the Fund Manager's Head Office or through the receiving entities.
 - 3. Step Three - Agree to the Terms and Conditions**
In the event that the subscription is through the electronic channels of the Fund Manager, the terms and conditions shall be electronically approved, as it is considered an acknowledgment of reading and understanding them and agreeing to what is stated therein.

If the subscription is through the Fund Manager's company Head Office, the terms and conditions are manually signed and submitted with the Fund Manager's subscription form.

In the event that the subscription is through the receiving entities, the terms and conditions are signed manually and submitted with the subscription form to the receiving entity or electronically as indicated below (subscribing to the Fund through the receiving entities).
 - 4. Step Four - Transferring Subscription Amount**
A temporary "IBAN" bank account number for each subscriber will be sent by the Fund Manager, whether the subscription was electronically or through the Fund Manager's Head Office or through the receiving entities. Then the subscriber transfers the full amount of the subscription to be subscribed, as the last date for the transfer is before the end of the offering period at a maximum at (5) pm local time in the KSA.

5. Step Five - Confirm Receipt of the Subscription Application

The Fund Manager will send a confirmation of the Subscription Application in the Fund to the subscriber via a text message to the mobile number or via e-mail.

6. Step Six - Accepting the Subscription Application

The Subscription Application shall be reviewed within three (3) working days from the date of confirmation of receipt of the Subscription Application, and in the event that the Subscription Application is not fully completed or there are any notes, the subscriber will be notified by text message or e-mail to complete the Applications within one working day of the subscriber's notification. If the application is complete, the subscriber will be notified of the acceptance of the subscription application. The Fund Manager shall have the right to accept or reject the Subscription Application. In the event that a subscriber's subscription amount is rejected, the subscription amount will be refunded to the subscriber's investment portfolio within ten (10) working days from the end of the offering period.

7. Step Seven - Allocation Notice

After the end date of the offering period and acceptance of subscriptions, units will be allocated to subscribers in accordance with the allocation mechanism specified in these Terms and Conditions. The CMA will be notified and the results of the final offering and unit allocation will be announced through the Fund Manager's website, within ten (10) working days from the expiry date of the offering period.

8. Step Eight - Surplus Refunding and Listing

After the final allocation is announced, the surplus will be refunded to the subscribers without any deduction, after deducting the value of the units allocated to the subscription, provided that the allocated units are included in the subscribers' investment portfolios at a capital market institution, within (10) ten working days from the end of the offering period.

9. Fund Subscription through the Receiving Entities

The investor may subscribe, provided that it has a bank account with one of the receiving entities and an active investment portfolio with a capital market institution authorized by the CMA. The investor will subscribe through the electronic channels of the receiving entities after agreeing to the terms and conditions, or through the branches of the receiving entities after submitting a signed copy of the terms and conditions.

- Having a current account in the name of the main subscriber with the receiving entities (in the absence of an account, a current account shall be opened with the receiving entities).
- Having an investment portfolio in the name of the main subscriber in any capital market institution authorized by the CMA.
- Viewing and agreeing to the Fund's terms and conditions through the receiving entity's website.
- Submitting a Subscription Application (subscription) to the Fund (as of the beginning of the subscription period), through the website of the receiving entities, through the subscription page of the "Alinma Retail REIT Fund" and filling out the form of subscription in the Fund during the offering period.

- In the event that the subscription is through the branches, it is required to attach the national ID of individuals or the Family Registry if the subscription includes relatives.
- In the event that the subscription is through the website, it is not required to attach the national identity of individuals or the Family Registry if the subscription includes relatives.
- The customer will not be able to modify the data contained in the subscription form after filling it out, but can cancel the subscription by communicating with the receiving entity before the end of the offering period at a maximum at (5) pm.

h. Explanation of how dependents and minors subscribe in the Fund:

Subscriptions of dependents and minors to the Fund are accepted according to the following:

1. Subscription of dependents to the Fund:

It is sufficient to fill out one subscription form for each main subscriber who subscribes for himself and his family members who are registered in the family record, if the family members will participate in the same number of units that the main contributor applies for, and this entails the following:

- All units allocated to the main subscriber and relative investors are registered in the name of the main subscriber.
- Surplus amounts (if any) for the unallocated units shall be returned to the main subscriber and the relative subscribers.
- The main subscriber gets all the profits of the units distributed on the units allocated to the main subscriber and to the relative subscribers (in case the units are not sold or their ownership transferred).

2. Subscription of minors and incompetents in the Fund:

The following documents shall be attached:

- A copy of the national ID for Saudis or citizens of the GCC, or a copy of a valid resident ID for residents, for minors whose ages range from (15) Hijri years old to (18) Hijri years old, or the family registry for those under (15) Hijri years old.
- A copy of the national ID for Saudis or citizens of the GCC, or a copy of a valid resident ID of the guardian.
- In the event that the guardian is not the minor's father, the guardianship deed shall be attached.
- A separate bank transfer must be carried out for each individual minor from the same bank account of the minor's guardian in the event that the minor does not have a bank account or portfolio.
- Detail of some subscription cases for minor individuals: It is permissible to subscribe for those under the age of (18) Hijri years to subscribe through a guardian or trustee, according to the following:
 - A minor who is under (18) Hijri years old may obtain a copy of the ID of the minor, along with the ID of the guardian or trustee.
 - If the client is a Saudi national and less than (15) Hijri years, the family registry in which the minor is added and the national ID of the guardian or trustee must be attached.
 - If the client is under (18) Hijri years under guardianship, a copy of the guardianship deed issued by the competent court must be attached.
 - The incompetent may subscribe through the guardian or trustee, provided that the incompetent client has an investment portfolio with a capital market institution.
 - A Saudi woman who is divorced or widowed and who has minor children from a non-Saudi husband may subscribe in the names of her children for her benefit, provided that she submits evidence that she is divorced or widowed, and proof of her motherhood to minor children.

i. Mechanism for allocating units:

Investors, who have submitted requests to subscribe to the Fund, will be notified within (10) working days from the date of the end of the IPO period to accept or reject the subscription request, whether in whole or in part (i.e., the surplus part in the event that the subscription request exceeds the allocated part). Confirmations are sent to subscribers that include the approved subscription amount, in the event that the subscription request is accepted. In the event of subscription rejection, whether in whole or in part, the unacceptable part or the surplus of the subscription and the relevant subscription fees will be refunded to the investor's bank account within (10) working days from the date of announcing the status of the allocation of units to the subscribers in the Fund (and the bank transfer fees or currency exchange fees will be deducted). Moreover, the Fund manager shall notify the CMA of the results of the offering and the allocation of units within (10) working days from the date of the end of the IPO period.

Furthermore, 67% of the Fund's total 83,080,000 units shall be allocated to initial real estate vendors in return for their in-kind subscription in the Fund.

Upon completion of the in-kind subscription requirements, the Fund Manager will deal with public investors' subscriptions as follows: allocation of units upon the end of the initial offering period as follows:

1. If the total subscription amount provided by the public investors is less than SAR 354,000,000, the offer will be cancelled and all subscription amounts will be refunded to investors (without any expenses, profits or interest other than bank transfer fees or currency exchange fees) within (10) working days from the date of the announcement of the status of allocation of units to the subscribers in the Fund.
2. If the total amount of subscription provided by the public investors exceeds SAR 354,000,000, the units will be allocated to the public as follows:
 - a) If there are fewer than 708,000 subscribers: in this case 50 units shall be allocated to each public subscriber, and any additional units (if any) shall be allocated on a pro-rata basis with the subscription value.
 - b) If there are 708,000 subscribers: 50 units shall be allocated to each public subscriber and the surplus amounts of public subscription shall be refunded within (10) working days from the date of the announcement of the status of the unit allocation to the subscribers in the Fund.
 - c) If there are more than 708,000 subscribers: in this case units are equally quoted to all public subscribers and therefore, the Fund Manager does not guarantee the allocation of a minimum subscription of 50 units.

In any event, the maximum allocation to one public investor will be 5,900,000 units of the Fund with a value of SAR 59,000,000 (equals a maximum of 5% of the Fund's units).

j. Mechanism of Increasing the Total Value of the Fund's Assets:

In the event that the Fund Manager decides to increase the Fund's capital (after obtaining the approval of the CMA and the Unitholders), the Fund Manager may do so by accepting cash subscriptions and will adhere to controls and mechanisms mentioned in regulations and instructions issued by the CMA. The Fund Manager may also increase its capital (after obtaining the approval of the CMA and Unitholders) through in-kind contributions.

- k. The following is a timetable showing the expected periods of time from the date of the commencement of the units' offering until the commencement of trading the units:

Procedure	The expected time period
The IPO period	[15] working days
Extension of the IPO period (in case the extension is made after obtaining the approval of the CMA)	[10] working days
Issuing a statement of the offering results to the CMA	[10] Working days from the end of the IPO period or any extension thereof
Announcing the status of allocation of units to subscribers	[10] Working days from the end of the IPO period or any extension thereof
Refund of surplus, rejected subscriptions, and subscribers' funds in the event that the required minimum is not collected	10 working days after the allocation announcement
Conveying the real estate assets deeds and transferring the usufruct contract to the Fund (through the custodian) after collecting a minimum amount of cash to complete the acquisition of the real estate assets.	45 working days after allocation announcement
The start of trading the fund's units in the Saudi Stock Exchange (Tadawul)	During the second quarter of 2018

12. Trading Fund Units

a. The Method of Trading Units in The Fund

Fund units shall be traded through the market by using an integrated mechanism that covers the entire trading process, starting from the execution of the deal and ending with its settlement, without the need to refer to the Fund Manager. Therefore, the acquisition by Unitholders of any unit of the Fund shall constitute an acknowledgement of access to and approval of the Terms and Conditions of the Fund, in accordance with the provisions of the Real Estate Investment Fund Regulation. Unitholders and investors may trade during the trading hours announced by the market. Transactions shall be settled automatically during the day. That is, the transfer of ownership of the units shall take place immediately after the transaction is executed.

b. Cases Where the Fund shall be Suspended and/or De-listed:

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

1. If it deems this necessary to protect investors or to maintain an organized market.
2. If the Fund Manager or custodian fails, as the CMA deems it essential, to comply with the law and its implementing regulations.
3. If it considers that the Fund, its business, the level of its operations, or its assets are no longer suitable for the continued listing of its units in the market.
4. If it considers that the custodian or the market maker (as applicable) has failed, which the CMA deems to be fundamental, to comply with the Law, its implementing regulations and market rules.
5. When the Fund expires.
6. If the liquidity requirements specified in the listing rules are not met.
7. The Fund Manager may request the CMA in writing to temporarily suspend or de-list the trading of the Fund's units, provided that the request includes the specific reasons for the request for suspension or cancellation. The CMA may accept or reject, or accept the request with conditions and restrictions as it deems appropriate.

8. The market may suspend the trading of the Fund's units in any of the following cases
 - a. When the Fund does not meet the deadlines for the disclosure of its periodic financial information in accordance with the relevant implementing regulations.
 - b. when the auditor's report contains an opposing opinion or omission on the Fund's financial statements.

Excluding of article (8) above, Lifting of trading suspension subject to following considerations:

1. Sufficiently address conditions that lead to suspension, and there is no need for continued suspension to protect investors.
2. It is more likely that lifting of suspension does not affect the normal activity of the market.

The market may lift the suspension indicated in article (8) above after one trading session followed by absence of suspension reason.

13.Dividend Distribution Policy:

The Fund Manager aims to provide dividend distributions at a rate of no less than 90% of the Fund's net profits to unitholders semi-annually, the Fund Manager may conduct additional distributions during the year.

14. Fund Termination and Liquidation:

- Cases that lead to termination of the Fund:
 - In the event of the expiry of the Fund's basic or extended term.
 - In the event of any change to the laws, regulations, relevant government decisions or other regulatory requirements or fundamental changes negatively affecting the real estate market conditions in the KSA, and the Fund Manager considered this as a justifiable reason to terminate the Fund, taking into account all the regulatory requirements in this regard.
 - In the event of disposing of all the Fund's assets and all proceeds from these disposals were distributed to investors, taking into account all the regulatory requirements in this regard.
 - In the event that the Fund Manager wishes to terminate the Fund in cases other than those indicated in these terms and conditions, taking into account all the legal requirements in this regard.
 - The Fund Manager will exert the necessary effort to complete the process of selling the assets and distributing the entitlements of the unitholders before the end of the Fund term. Moreover, the Fund Manager may extend the Fund's term to complete the asset sale phase or any other circumstance, taking into account all the regulatory requirements in this regard.
- The Procedures Followed to Terminate and Liquidate the Fund and the Time Plan for Liquidation
 - The Fund Manager will prepare a plan and procedures for ending the Fund in the interest of the unitholders, and obtain the approval of the Fund's Board on the proposed plan.
 - Details of the Fund's termination plan and procedures shall be announced on the Fund Manager's website and the Market's website no less than (21) days in from the date on which the Fund is to be terminated and without prejudice to the terms and conditions of the Fund, it will comply with the plan and procedures for the termination of the Fund approved by the Fund's Board.
 - The expiry of the Fund will be announced on the Fund Manager's website and the Market's website within (10) days from the end of the Fund's term.

- In the event that the Fund expires based on any of the cases mentioned in Article 14 (a) of these Terms and Conditions, an announcement will be made on the Fund Manager's website and the Market's website within (5) days from the occurrence of the specific event that requires the termination of the Fund.
- The Fund Manager may extend the Fund's term in order to complete the asset sale phase or for any other circumstance in accordance with the statutory provisions in this regard.
- In the event that the Fund's term expires (basic and specific) and the Fund Manager has not completed the sale of the Fund's assets during its term, the Fund Manager shall liquidate the assets and distribute the entitlements of the unitholders to them within a period not exceeding (6) months from the date of expiry of the Fund's term.
- The Fund Manager shall obtain the approval of the Fund's Board on the Fund's liquidation plan and procedures before taking any action in this regard, and the Fund Manager shall also abide by the Fund's liquidation plan and procedures approved by the Fund's Board.
- The Fund Manager shall announce on its website and the Market Tadawul's website the completion of liquidation of the Fund within (10) days from the end of liquidation of the Fund in accordance with the statutory requirements in this regard.
- The Fund Manager shall deal with all unitholders equally during the termination and liquidation of the Fund.
- The entitlements of the unitholders shall be distributed to them immediately upon the expiry of the Fund's term or its liquidation without delay in a manner consistent with the interest of the unitholders and the terms and conditions of the Fund.
- The Fund termination report shall be announced on the Fund Manager's website and the Market's website within (70) days from the date of completing the termination or liquidation of the Fund in accordance with the provisions of the Real Estate Investment Funds Regulations, attached to the audited final financial statements.
- The CMA may dismiss the Fund Manager from the liquidation process in the event that a special decision is issued for the Fund by the unitholders, provided that a replacement liquidator is appointed at the same meeting in which the vote was taken to dismiss the Fund Manager from the liquidation process.
- In the event that the Fund Manager is dismissed from the liquidation process, he must cooperate to transfer the responsibilities to the replacement liquidator and all documents related to the Fund which makes him able to continue the liquidation process within (20) days from the issuance of the decision to dismiss the Fund Manager.
- An announcement will be made on the Fund Manager's website and the Market's website in the event that the Authority issues a decision to dismiss the Fund Manager and appoint a replacement liquidator. In addition, any material developments will be announced immediately on the Fund Manager's website and the Market's website during the Fund's liquidation period.

15. Fees, Service Charges, Commissions and Management Fees

Fees incurred by the Fund

The Fund shall bear all below fees and expenses, some of which fall under operating expenses, and shall be borne accordingly by the unitholders, as follows:

1. Board members' fees and expenses	
Board members' fees	The Fund shall bear all actual travel and accommodation costs incurred by each of the members in order to attend the meetings, and also the attendance bonus limited to the independent members of the Fund's Board of Directors amounted to a maximum of SAR 5,000 per meeting. Total costs (for all members) total bonuses (for independent members) shall not exceed SAR 100,000 annually (which represent 0.008% of the target Fund size and the percentage may vary according to the Fund's total assets under management). Board members of the Fund Manager will not receive any allowances or rewards for their membership in the Fund's Board of Directors. The Fund Manager shall bear the remuneration of the non-independent board members
2. Fees that unitholders pay when subscribing to the fund	
Subscription fees	The subscription fees shall be deducted from the total subscription amount and after the allocation of units, and at 1% of the total subscription amount. The Fund manager will waive / fully deduct subscription fees for sellers of real estate assets (in-kind subscription) whose details are mentioned in article "11" of these Terms and Conditions.
3. Fees payable to the Fund manager from the fund's assets for management	
Management fees	Management fees shall be calculated on the basis of 0.75% of the net asset value of the Fund Based on Fair value per annum, provided that the management fee does not exceed 12% of net cash flow from operating activities, which is calculated based on the performance of each year separately, and is paid on a quarterly basis to the Fund manager.
4. Consideration for the services provided by the custodian	
Custody fees	Annual fees maximum 520.0% of the net value of the Fund 's assets, payable per annum (which represents 0.025% of the target fund. The percentage may vary depending on the Fund's total assets under management).
5. Consideration for the services provided by the chartered auditor	
Chartered Auditor Fees	The Fund pays the Auditor annual fees not exceeding SAR 70,000, (which represents 0.006% of the target fund. The percentage may vary according to the Fund's total assets under management), which may change from time to time, so that this change is disclosed in the reports submitted to unitholders in accordance with Article 21 of these terms and conditions.
6. Commissions generated from financing	
Finance expenses	The Fund bears all financing costs, fees, expenditures and expenses related to arranging and structuring the financing of the Fund (if any) that are paid to the funder and according to the prevailing market price, given that the Fund financing will not exceed 50% of the total value of the Fund's assets, according to the latest audited financial statements.
Arrangement fees	In addition to the financing expenses, the Fund bears arrangement fees equivalent to 1% of the net value of the financing that will be received by the Fund, which will be paid to the Fund manager in exchange for arranging sharia-compliant financing to the Fund to be used to cover the costs of acquisition, development, operation of the Fund and payment of any distributions to Unitholders.
7. Registration fees and other administrative services	
Listing and Registration Fees	The Fund will assume costs for the services provided by the Saudi Stock Exchange (Tadawul). Such fees shall be as follows: Registration Fees: Register of Unitholders creation: an amount of SAR 50,000 in addition to SAR 2 for each investor, up to a maximum of SAR 500,000. Annual fee for register of unitholders management service: an amount of SAR 400,000 paid annually. Such fees may change from time to time according to the value of the Fund capital. Listing Fees: Initial listing service for the Fund units: SAR 50,000 Annual fees for listing the Fund units: an amount of 03.0% of the market value of the Fund, with a minimum of SAR 50,000 and a maximum of SAR 300,000.

Regulatory fees payable to the Capital Market Authority	A lump sum payment of SAR 7,500 per annum. The fees will be divided proportionally into the number of days of the year, and the due fees will be paid every 12 months (which represents 0.0006% of the target fund. The percentage may vary according to the Fund's total assets under management).
Fees for publishing information on Tadawul website	Paying a lump sum of SAR 5,000 per annum for publishing the information on Tadawul website. The fees will be divided proportionally into the number of days of the year, and the due fees will be paid every 12 months (which represents 0.0004% of the target fund. The percentage may vary according to the Fund's total assets under management).
Administrative Fee	The Fund shall periodically pay fees for administrative services related to the Fund. Such fees shall be deemed part of the other expenses clause, and therefore, these fees may not exceed the limit mentioned in the "other expenses" clause. Moreover, Alinma Investment Co. may provide part or all administrative services for fee equal to the prevailing fees in the market.
8. Property Manager Fees	
Property manger's fees	The property manager and/or property managers will manage all real estate assets, including asset management services, leasing services and rent collection. The Fund will pay the real estate asset management expenses to the property manager/s, not exceeding 10% of the total annual revenues of real estate assets. (The aforementioned limit shall not include the incentive fees paid to the property manager in return for its success in extending the contracts of existing tenants and attracting new tenants).
9. Other expenses to be paid by unitholder or deducted from the Fund assets	
Transaction fees	The Fund Manager gets 1% of the selling price of every real estate asset sold by the Fund. Moreover, the Fund Manager obtains 1% of the purchase price of each real estate asset purchased by the Fund, in exchange for the Fund Manager conducting the necessary investigation, negotiating the terms of the purchase or sale, and completing the transaction. The transaction fees shall be due for payment upon the completion of the purchase or sale of each real estate asset and transaction fees shall not be applied to the purchase of Fund's initial assets.
Transaction Costs	In addition to the transaction fees, the Fund shall assume all direct and indirect transaction expenses and costs, incurred for the purpose of selling, buying and acquiring any assets or units in its investment funds not managed by the Fund Manager, paid to service providers other than the Fund Manager, including, but not limited to, associated consulting and legal costs, valuation expenses, due diligence expenses, all initial and related expenses, in addition to travel costs and all expenses deemed necessary in this regard, given that such expenses and transaction costs shall not exceed 1% of the transaction price (whether it is the purchase or sale of a real estate asset by the Fund or the purchase or sale of units in investment funds not managed by the Fund manager), noting that no transaction costs will be applied to the purchase of the initial assets of the Fund.
Development fee	In the event that the Fund invests in real estate development projects, the developer will receive its fees in return for supervising/working on the project development in the form of a percentage of the project's construction costs, according to the prevailing market price, up to a maximum of 7% of the project construction costs, which includes but not limited to, construction costs, administrative costs, costs associated with utilities, market studies, study fees, design fees and all other costs that may be incurred to develop the assets.
Independent real estate Valuers fees	The Fund bears all the costs of the real estate valuers according to the prevailing market price, and in all cases, only the actual expenses and fees will be deducted.
Technical and consulting engineering service providers fees	The Fund shall bear the actual expenses related to technical and engineering services (if any) that the Fund Manager may need to verify the works of the property manager / developer / or any of the contracting parties, for example, without limitation: verifying the progress of project, the quality of implementing the works, claims, ... etc. In all cases, only the actual fees and expenses will be deducted, according to the prevailing market price.
Sharia Supervisory Committee Fees	The Fund shall pay to the Sharia Supervisory Committee annual fees of SAR 37,500 (representing 0.003% of the target fund, and this percentage may vary according to the Fund's total assets under management). Such fees may be paid to Alinma Investment Co. if it pays the fees of the Sharia Supervisory Committee on behalf of the fund.
Real estate broker fees	The Fund pays up to (a maximum) of 2.5% of the value of any real estate investment acquired, and this value shall be paid to the broker in exchange for bringing opportunities. Such fees shall be due on the real estate to be acquired in the future and paid directly after transfer of the property or when investing in real estate assets or as it is agreed upon between the parties. These expenses (if any) will be disclosed in the financial disclosure summary at the end of each year.

Other expenses	Without prejudice to the fees, charges and costs expressly mentioned in these Terms and Conditions, the Fund bears all fees, charges and costs related to the activities and investments of the Fund, and it also bears the expenses and fees resulting from transactions and services provided by third parties or from related parties such as legal and other advisory services, related real estate consultants and any professional, technical or other technical services, including those related to fees for transferring between bank or investment accounts, in addition to any taxes or fees (if any) or any other out-of-pocket expenses (which include, without limitation, the expenses and costs of establishing the Fund, and the expenses related to the printing and distribution of the annual reports of the Fund and any other expenses or fees owed to persons who deal with the Fund in relation to management and operation services, and the expenses of meetings of the Unitholders). It is expected that these costs will not exceed 0.5% of the total value of the Fund's assets per annum. In all cases, only the actual expenses and fees will be deducted. And may these fees to be paid to Alinma Investment Co. in case the company paid these expenses or part of it.
Zakat	The Fund manager is committed to the regulations for collecting zakat from investors in investment funds, and in order to achieve this, the fund will be registered with the Zakat, Tax and customs Authority "ZATCA" for the purposes of zakat, and a declaration of information will be submitted according to what is stated in the regulations for collecting zakat from investors. Noting that the burden of calculating and paying zakat falls on the taxpayers who are unit holders in the fund, The Fund Manager also undertakes to provide ZATCA with all reports and requirements regarding zakat declarations. The Fund Manager will also provide unit holders with zakat declarations upon request in accordance with the regulations, and the assigned investors subject to the provisions of these regulations who own investment units in the Fund are required to calculate and pay the zakat on these investments. ZATCA regulations can also be Reach at https://zatca.gov.sa/ar/Pages/default.aspx
Government fees / taxes	The aforementioned fees, commissions and expenses due to Alinma Investment Co. or other parties shall not include government fees / taxes, as well the Fund will bear government fees / taxes separately in accordance with relevant legislation and implementing regulations, including, for example, the value-added tax or real estate tax.
Operating expenses	The Fund shall bear the actual expenses related to the operation of the assets. In any event, only actual fees and expenses shall be deducted and according to prevailing market price.

10. Ratio of the Fund costs to the total value of the Fund assets

This clause shall not be addressed, as part of the fees is a specific sum and the other part is a percentage paid from the Fund net assets or from the Fund total assets. Furthermore, the total value of the Fund assets changes periodically and part of the mentioned fees are linked to the occurrence of specific events that may not be realized.

- Cases or situations in which the Fund Manager may waive or deduct any of the aforementioned dues:
The Fund Manager does not expect any waiver or deduction of any dues or fees owed to it by the Fund. In no event, the Fund Manager may settle or waive its fees or part of them whenever it wants to.

- Fees calculation shall be conducted at the date of these Terms and Conditions:

Fees	Imposed Ratio	Imposed Amount (SAR)	Calculation Method	Fee payment Recurring
Board members' remuneration			The Fund shall assume all actual travel and accommodation costs incurred by each of the members in order to attend the meetings and the Fund shall also assume the attendance bonus, which is limited to independent members of the Fund's Board up to a maximum of SAR 5,000 per meeting. The total of these costs (for all members) and bonuses (for independent members) shall not exceed SAR 100,000 annually (which represents %0.008 of the targeted Fund and the percentage may differ by Fund's total managed assets). They shall be paid after the meeting or when they become due. Such expenses shall be disclosed in the financial disclosure summary at the end of the year.	
Subscription fees	1%	-	The subscription fees shall be deducted from the total subscription amount (Total subscription amount and after allocation of units × percentage)	Paid once upon subscription
Fund Management fees	0.75%	-	Calculated quarterly from the Fund's net fair value of assets (net fair value of assets × the rate) provided that management fees do not exceed 12% of net cash flow from operating activities.	Paid quarterly
Custody fees	0.025%	-	Calculated quarterly, by dividing the fees proportionally on the number of days of the year	Paid per annum
Auditor Fees	-	70.000	Lump-sum payment for issuance of initial financial statements and audited annual financial statements	Paid per annum
Borrowing expenses			According to the prevailing market price and paid periodically every 3 or 6 months, and those expenses will be disclosed in the Summary of Financial Disclosure at the end of the year, if any	
Arrangement fees	1%	-	Arrangement fees shall be calculated when the Fund obtains financing (the net amount of financing that the Fund receives × Percentage)	Paid once upon obtaining financing
Listing fees	0.03%	-	The market value of the Fund × percentage	Paid per annum
Listing fees upon incorporation	-	50.000	It shall be paid in advance by Unitholders	Paid once upon incorporation
Fees for publishing information on Tadawul website	-	5.000	It shall be paid as lump-sum	Paid per annum
Regulatory fees payable to the CMA	-	7.500	It shall be paid as lump-sum	Paid per annum
Administrative Fees			The Fund shall periodically pay fees in return for administrative services related to the Fund. Such fees shall be deemed part of the clause of "Other Expenses". Accordingly, these fees will not exceed the limit mentioned in the "Other Expenses" clause.	
Property Manager Fees	10%	-	Total Revenue for Real Estate Asset Contracts X Percentage	paid annually
Transaction costs	1%	-	The transaction costs shall be calculated when purchasing or selling any real estate asset or units in real estate funds (the total purchase or sale price of each real estate asset × percentage)	Paid once when purchasing or selling
Transaction costs	1% max.	-	The transaction costs shall be calculated when purchasing or selling any real estate asset (the total purchase or sale price of each real estate asset × percentage)	Paid once when purchasing or selling
Development fees			According to development agreements, these fees are usually paid during the development period	
Independent real estate valuers' fees			Half of the fees shall be paid before the valuation is prepared and the remaining fees shall be paid after the completion thereof.	
Technical and consulting engineering service providers Fees			Half of the fees shall be paid in advance, and the remaining shall be paid following the completion.	

Fees of the Sharia Supervisory Committee	-	37,500	It shall be calculated daily, by dividing the fees proportionally on the number of days of the year	paid annually
Real estate broker expenses	2.5% (maximum) of the purchase value of any real estate investment will be paid			
Other expenses	0.5% of the total value of the fund's assets annually, to be paid at maturity			

The expenses charged to the Fund based on the default subscription amount and assuming the Fund size of SAR1,180 million.

Fund size	SAR 1,180,000,000
Default subscription amount	SAR 1,000,000
Management Fees 0.75%	SAR 7,500
Custody fees 0,025%	SAR 250
The remuneration of the members of the Board of Directors shall be SAR 100,000 at maximum	SAR 81
The Sharia Supervisory Committee remuneration shall be SAR 37,500	SAR 30
Fees for listing and registration in Tadawul	SAR 645
Supervisory fees shall be SAR 7,500	SAR 6
Other fees shall be 0,05%	SAR 590
Operating Expenses shall be 18,548,840	15,720
Total annual recurring fees and expenses	SAR 24,822

All fees and expenses shall not include any taxes or government charges imposed, including VAT, RETT, etc. The amount of tax or fees will be calculated as determined by the system from time to time.

The Fund Manager acknowledges that the fees mentioned in this paragraph represent all fees imposed on the Fund and that the Fund Manager will bear any fees not mentioned.

16. Insurance:

Asset	Insurance Details	Insurance Coverage
Al-Makan Mall - Hafar Al-Batin Governorate	Covers against the main risks as per the insurance policy, which includes, but is not limited to: <ul style="list-style-type: none"> • Building • Chillers and cooling systems • Fire equipment and systems – revenues losses Duration of insurance coverage: From 25/12/2021 to 24/12/2022	SAR 348,000.000
Al-Makan Mall - Riyadh	Covers against the main risks as per the insurance policy, which includes, but is not limited to: <ul style="list-style-type: none"> • Building • Chillers and cooling systems • Fire equipment and systems • Revenues losses Duration of insurance coverage: From 29/12/2021 to 28/12/2022	SAR 156,000.000
Al-Makan Mall - Dawadmi Governorate	Covers against the main risks as per the insurance policy, which includes, but is not limited to: <ul style="list-style-type: none"> • Building • Chillers and cooling systems • Fire equipment and systems • Revenues losses Duration of insurance coverage: From 14/07/2021 to 13/07/2023	SAR 108,000.000
Al-Makan Mall – Tabuk City	Covers against the main risks as per the insurance policy, which includes, but is not limited to: <ul style="list-style-type: none"> • Building • Chillers and cooling systems • Fire equipment and systems • Revenues losses Duration of insurance coverage: From 29/12/2021 to 28/12/2022	SAR 143,000.000

** Insurance expenses are subject to change from time to time, and included in other expenses provisions mentioned in item (15)

17. Fund Assets

(a) The mechanism for registering the assets of the Fund:

1. The Fund's assets shall be registered in the name of the special purpose company (established by the custodian for the purpose of keeping and owning the Fund's assets).
2. The assets can be mortgaged as a guarantee of the amount of financing, according to the Terms and Conditions of the financing agreement with the financing entity, and in line with the regulatory requirements of the Central Bank and the CMA.
3. The Fund assets are owned to all unitholders (common property), the Fund Manager or sub-manager, custodian or sub-custodian, counsellors or distributor has no interest in Fund's assets or any claim. Except if he Fund Manager or sub-manager, custodian or sub-custodian, counsellors or distributor owns Fund's units within the limits of his ownership, or these claims was allowed according to the provisions of the real estate investment Fund Regulation and disclosed in the Fund's Terms and Conditions. Also, creditors of Fund Manager or sub-manager, custodian or sub-custodian, counsellors or distributor has no right in any claims or receivables in the Fund's money and assets.

(b) Valuation of the Fund's Assets:

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

First Valuer	Second Valuer
Abaad – Real Estate Valuation Services	Value Experts for Valuation & Consulting
Website: http://www.sa-abaad.com/?lang=arhttps	Website: https://valuexperts.net

*Valuers above may be changed during the next assessment period and their names shall be updated in the upcoming updates to the Terms and Conditions of the Fund.

2. Methodology of Valuation of Fund's Assets

The Fund Manager shall value the Fund's assets by obtaining an average valuation prepared by two independent valuers approved by the Saudi Authority for Accredited Valuers (Taqeem) once every six months at least, provided that the valuers' report includes, at minimum, the following:

- a. Valuation technique, method, and the assumptions whereon valuation is based.
- b. Analysis of variables related to the real estate market such as supply, demand and market trend.
- c. Details of real estate assets and the descriptions thereof.
- d. Risks related to real estate assets.

3. Valuation Value for each Real Estate Assets to be invested:

Property / utility	Approved Purchase Value
Al-Makan Mall - Hafar AlBatin Governorate	470,205.991
Al-Makan Mall - Riyadh	323,560.874
Al-Makan Mall - Tabuk City	219,417.197
Al-Makan Mall - Dawadmi Governorate	166,815.938
Total	1,180,000.000

4. Number of Valuations and Timing Thereof

The Fund's assets shall be valued at least twice per annum, specifically on June 30 and December 31 of each calendar year, by two independent Valuers approved by the Saudi Authority for Accredited Valuers (Taqeem). The authorized evaluators reports shall be published on the Fund manager website and Tadawul website within a period not exceeding (15) days after the issuance of such reports, the reports shall include an assessment of market rental (where applicable) and, if there are more than two authorized evaluators, the Fund Manager shall publish all authorized evaluators reports.

(c) Announcement of the net asset value per unit

The Fund Manager shall announce the net asset through periodic reports. Such information shall be announced through the website of the Saudi Stock Exchange (Tadawul) and the website of the Fund Manager.

The Fund's investment net value shall be calculated by subtracting the Fund's total liabilities from the Fund's total assets and dividing the result by the number of Fund units for the same period. Moreover, the Fund Manager shall not rely on any valuation report that has been prepared for more than three months when purchasing or selling any of the Fund's assets. The Fund Manager may change valuers as he deems appropriate and in the interest of the Fund and its investors.

The Fund's total liabilities represent any obligations arising from the Fund's financing (if any) or any fees and expenses on the Fund that shall be due and unpaid during the calculation period, and the lump sum amounts shall be deducted first, followed by the variable liabilities according to the Fund's net asset value.

Total assets represent the sum of all real estate assets, cash amounts, as well as all debit balances and the market value of all investments in addition to any other assets owned by the Fund, given that the units of the invested investment funds (if any) will be evaluated according to the last announced price of the investment unit before the valuation day of the fund. The Fund Manager will exercise his reasonable discretion with regard to determining the value of assets and liabilities, provided that the Fund manager's estimate is issued bona fides and is in the interest of the fund.

(d) Details of the valuation of the real estate subject of the acquisition:

Property/Utility	Barcode Company		BUSSMA Company		Valuation Rate	Approved Purchase Value
	Valuation	Date of Valuation Report	Valuation	Date of Valuation Report		
Al-Makan Mall - Hafar Al-Batin Governorate	504,458,434	10/10/2017	515,953,548	01/11/2017	510,205,991	470,205,991
Al-Makan Mall - Hafar Al-Batin Governorate	504,458,434	10/10/2017	515,953,548	01/11/2017	510,205,991	470,205,991
Al-Makan Mall - Riyadh	325,640,788	10/10/2017	321,480,960	01/11/2017	323,560,874	323,560,874
Al-Makan Mall - Dawadmi Governorate	212,492,888	10/10/2017	224,359,430	01/11/2017	218,426,159	219,417,197
Al-Makan Mall - Tabuk City	191,754,565	10/10/2017	181,877,311	01/11/2017	186,815,938	166,815,938
Total	1,234,346,675		1,243,671,249		1,239,008,962	1,180,000,000

18. Fund Board of Directors

The Fund shall be supervised by a board of directors appointed by the Fund Manager. The Fund's board of directors is composed of 8 members whose number is not less than two or a third of the number of board members, whichever is greater. The Fund's Board shall carry out its duties from the date of its appointment. The term of the Fund's Board is one year, which is automatically renewed.

The Fund Manager acknowledges that all members of the Fund's Board meet the qualification requirements stipulated in the regulations and rules of the CMA, and that independent members of the Board meet the definition of an independent Fund board member contained in the REITs Regulations. Board members are also obligated to inform the Board about their direct or indirect personal interests in the works and contracts that are made for the account of the fund, provided that it is recorded in the minutes of the Fund's Board meeting. The interested member(s) will not participate in any vote on the decisions issued in this regard.

18.1 Composition of the fund's board of directors

- a. The Fund's Board shall consist of 8 members appointed by the Fund Manager, including 3 independent members, and they are:

Mr. Mazen Bin Fawaz Baghdadi - Chairman and dependent Board Member

Mazen Bin Fawaz is the CEO and MD of Alinma Investment Company with over than 20 years of comprehensive experience in investment and financial field. He held many leading positions, the latest is the Chairman of Investments at Alinma Investment Company. Mr. Baghdadi holds a Bachelor's degree in Finance from King Fahd University of Petroleum and Minerals (KFUPM) 2000 G. Further, he has a wide and various experience in the banking and investment field, including portfolios management, investment funds management and stock markets analysis in the KSA, countries of the GCC and the US.

Mr. Sultan Tawfik al-Qusayr - Dependent Board Member

Sultan Tawfik holds a Bachelor's degree in Finance, Real Estate, and Economics from Villanova University in the US. His career spans more than 10 years of varied experience in investment funds and investment portfolios. He is the Chief Alternative Investments Officer of Alinma Investment Co. Prior to joining Alinma Investment, Sultan served as Investment Funds Manager for SWICORP, BLOMINVEST and NAHO. He has a wide knowledge of the financial structuring and securities legislations.

Mr. Mohammed Saleiman Al Eisa - Dependent Board Member

Mohammed Saleiman holds a Master's degree in business administration in the specialization of finance and banking from Bangor University in the United Kingdom. Mr. Saleiman's experience spans (11) years in the financing, investment funds and investment portfolios field. Currently, he is a Unit Manager of Alternative Investments Department of Alinma Investment Company. Prior to joining Alinma Investment, Mr. Saleiman served in the Corporates Financing Department of the Arab National Bank. He has a wide knowledge of the financial structuring and securities legislations.

Mr. Faisal Mohammed Al Abdulkarim - Dependent member

Faisal Al Abdulkarim has 20 years of experience specializing in working in the field of retail trade, developing centers and brands, in addition to his experience in the field of investment and institutional development in several areas, including the areas of entertainment and hospitality. He is currently a member of the executive board of directors and the board of directors of Wabel Al Arabia for Investment Company, and a member of the boards of each of M. A. Al Abdulkarim Holding Company and Mohamed Abdul Mohsin Al Abdul Karim & Partners

Trading Company and M. A. Al Abdulkarim & Partners Real Estate Investment Company, Akeed Leasing & Marketing, Asateer Entertainment Co., and Hospitality Board Holding Co., in addition to the position of Managing Director of M. A. Al Abdulkarim & Partners Trading Company and CEO of Wharf International Investment Ltd. Previously, Faisal worked in the Saudi Industrial Development Fund (SIDF) for 11 years as a finance advisor. Faisal holds a Bachelor's degree in Information Systems Management (ISM) from King Saud University, in addition to 35 advanced courses from the United Kingdom in the fields of management, investment and planning.

Mr. Fahed Suleiman Almutaw - Dependent member

Fahed Suleiman Almutaw has experience in retail sector where he held the position of general manager of market sector in Othaim Markets in addition to general manager in Anwal United Trading Co. which is agent of several international brands for women's and children's clothes and others. He also held the position of general manager in Wabel Alarabai for Inv Co. where he founded and established the company for real estate which specialized in establishment and management of commercial complexes in the Kingdom. He is currently serving as executive director in Othaim Real Estate Investment & Dev Co.

Mr. Muhammed Abdullah Al-Nimr- Dependent member

He is a founding businessman of several companies working in different sectors and responsible for their management He is currently the executive director of Morood Investment Company in addition to participating in the Board of Directors of a number of local and international affiliated with Morood Investment company operating in the entertainment, food and real estate sector, as previously worked at the SABB Bank and he has Master in Management from CASS Business School in London

Mr. Haitham bin Hussein Hakeem - Independent Member

Holds a bachelor's degree in Business Administration from October 6 University, Egypt, 2003 G. He holds a. master's degree in Quality Management in 2009. He has experience in the real. estate sector and with all kinds of instruments and quality laws and their application. He has taken several professional courses in assets assessment, financial. analysis and project management. He held several positions and memberships as he. was a real estate advisor for the Custodian of the Two Holy Mosques King. Abdullah bin Abdulaziz Foundation for Humanitarian Works, co-founder of Rekal. Real Estate Co., a member of the Real Estate Valuation Authority, a member of. the office of the heirs of Prince Muhammad bin Saud Al Kabeer, a member of the. Nawami Agricultural Company, and he is the CEO and a member of the BoD of the Rasan Holding Co.

Eng. Sulaiman Bin Abdullah Alwutaid - Independent Member

Sulaiman Bin Abdullah holds a Master's degree in architecture from the University of Colorado Denver 2002 G and a Bachelor's degree in architecture from King Saud University 1987 G. since 1414 H to date, he has been a senior architect at the Saudi Fund for Development. Since 1415 H to date, he has been the General Manager of the Architecture Art Office Engineering Consultations. Eng. Sulaiman provides consultations with regard to designs, supervision and studies for all various engineering projects such as private, investment and government buildings. He has attended various training courses inside and outside KSA.

Mr. Moaaz Bin Ibrahim Al Hussein - Dependent Member

Holds a BSc in Shariah (Islamic Law) from Imam Muhammad ibn Saud Islamic. University, a BSc in Law from Southern Methodist University, and a Master's. Degree in Law from the University of Richmond. He is also highly experienced. due to his career in National Water Company, SABIC, and AlRaedah Finance; and. is currently holding a position of Legal Affairs Manager at Riyadh Airports Company.

a. Fees of the Fund Board of Directors

The Fund assumes all the actual travel and accommodation costs incurred by each member in order to attend the meetings, and the Fund also bears attendance reward, which is limited to independent members of the Fund's board of directors, at a maximum of SAR 5,000 per meeting, and the sum of these costs (for all members) and bonuses shall not exceed (for independent members) SAR 100,000 per annum. Board members will not receive from the Fund manager's employees any allowances or remuneration for their membership in the Fund's Board.

(e) Services provided by members of the Fund's Board:

Approving all contracts, decisions and material reports to which the Fund is a party, including but not limited to approving contracts for providing management services to the Fund, and contracts for providing custody services, excluding concluded contracts in accordance with investment decisions regarding any investments made by the Fund or to be made in the future.

- Adopting a written policy regarding voting rights related to the Fund's assets.
- Supervising and, when appropriate, approving or authenticating any conflict of interest disclosed by the Fund Manager.
- Conducting meetings at least twice annually with the Compliance Committee of the Fund Manager or its Compliance Officer to review the Fund's compliance with all relevant regulations and laws, including, but not limited to, the requirements provided by the Real Estate Investment Funds Regulations.
- Approving all changes stipulated in the Real Estate Investment Funds Regulations, before the Fund Manager obtains the approval of the Unitholders and the CMA or notifies them (where applicable).
- Ensuring the completeness and accuracy of the terms and conditions of the Fund and any other document (whether a contract or otherwise) that includes disclosures related to the Fund, the Fund Manager and its management of the Fund, in addition to ensuring that the foregoing conforms to the provisions of the Real Estate Investment Funds Regulations.
- Ensuring that the Fund Manager carries out his responsibilities in the interest of the Unitholders in accordance with the provisions of the Real Estate Investment Funds Regulations and the terms and conditions of the Fund.
- Acting with honesty, good faith, interest, skill, care and diligence in the interest of Unitholders.
- Recording the minutes of the meetings, which include all the minutes of the meetings and the decisions taken by the Board of Directors of the Fund.
- Reviewing the report that includes all evaluation of performance and quality of services provided from parties involved to provide essential services to the Fund that pointed in subparagraph (6) from paragraph (c) of article 19 related to this terms and conditions in order to ensure that the Fund Manager carries out its responsibilities in the interest of Unitholders in accordance with the terms and conditions of the Fund and the provisions of the Real Estate Investment Funds Regulations.
- Valuating the Fund Manager's mechanism in dealing with risks related to the Fund's assets in accordance with the Fund Manager's policies and procedures regarding monitoring risks related to the Fund and how to deal with them.
- Reviewing the report that includes all complaints and measures taken pointed in subparagraph (12) from paragraph (c) of article 19 related to this terms and conditions in order to ensure that the Fund Manager carries out its responsibilities in the interest of Unitholders in accordance with the terms and conditions of the Fund and the provisions of the Real Estate Investment Funds Regulations.

(f) Other funds managed by of the Fund's Board members

Board members of Alinma Retail Fund do not hold any position in other investment funds.

Fund	Fund Type	Mr/ Mazen Baghdadi	Mr/ Sultan Al-Qusayr	Eng/ Sulaiman Alwutaid	Mr/ Mohammed Al Eisa	Mr/ Haitham Hakeem	Mr/ Moaaz Al Hussein
Alinma Real Estate Fund	Private Offering	non-independent member	-----	independent member	-----	-----	-----
Dania Makkah Fund	Private Offering	non-independent member	-----	independent member	-----	-----	-----
Alinma Althoraya Real Estate Fund	Private Offering	non-independent member	-----	independent member	-----	-----	-----
Al Qairawan Logistic Fund	Private Offering	non-independent member	-----	-----	-----	-----	-----
Alinma First income-generating Fund	Private Offering	non-independent member	-----	-----	-----	-----	-----
Dhahiat Sumou Real Estate Fund	Private Offering	non-independent member	-----	-----	-----	-----	-----
Alinma Masharif Al Awali Fund	Private Offering	non-independent member	non-independent member	-----	-----	-----	-----
Alinma - Alinma Logistic District Fund	Private Offering	non-independent member	non-independent member	-----	-----	-----	independent member
Alinma Makkah 1st development fund	Private Offering	non-independent member	non-independent member	-----	-----	-----	-----
Alinma Makkah 2nd development fund	Private Offering	non-independent member	non-independent member	-----	-----	-----	-----
Alinma Almohamadia RE Fund	Private Offering	non-independent member	non-independent member	-----	-----	-----	-----
Alinma Logistic Park Fund	Private Offering	non-independent member	non-independent member	-----	-----	-----	-----
Alinma Riyadh View Fund	Private Offering	non-independent member	non-independent member	-----	-----	-----	-----
Alinma Wareef Endowment Fund	General Offering	non-independent member	-----	-----	-----	independent member	-----

Fund	Fund Type	Mr/ Mazen Al-Baghdadi	Mr/ Sultan Al-Qusayr	Eng/ Suleiman Al-Wateed	Mohammed Al-Issa	Mr/Haitham Hakim	Mr/ Moaz Al Hakim
Alinma Enayah WAQAF Fund	General Offering	non-independent member	-----	-----	-----	-----	-----
Bir Al-Riyadh WAQAF Fund	General Offering	non-independent member	-----	-----	-----	independent member	-----
Alinma Orphan Care WAQAF Fund	General Offering	non-independent member	-----	-----	-----	-----	-----
Alinma Multi-assets Balanced Fund	General Offering	non-independent member	-----	-----	-----	-----	-----
Alinma Saudi Riyal Liquidity Fund	General Offering	non-independent member	-----	-----	-----	-----	-----
Alinma Saudi Equity Fund	General Offering	non-independent member	-----	-----	-----	-----	-----
Alinma IPO Fund	General Offering	non-independent member	-----	-----	-----	-----	-----
Alinma Al-Jazerah 1st Fund	Private Offering	non-independent member	non-independent member	-----	-----	independent member	-----
Alinma Saudi Government Sukuk ETF Fund - Short Maturity	General Offering	non-independent member	-----	-----	-----	-----	-----
Investment in Hajj and Umrah Fund	Private Offering	non-independent member	-----	independent member	independent member	-----	-----
Alinma Mosque WAQAF Fund	General Offering	non-independent member	-----	-----	-----	-----	-----
Alima Dhahiat Al-Riyadh RE Fund	Private Offering	non-independent member	-----	-----	-----	-----	-----
Alinma Equity Private Fund-1	Private Offering	non-independent member	-----	-----	-----	-----	-----
Family Private Fund	Private Offering	non-independent member	-----	-----	-----	-----	-----
Alinma Oasis RE Fund	Private Offering	non-independent member	non-independent member	-----	-----	-----	-----
Dhahban RE Fund	Private Offering	non-independent member	non-independent member	non-independent member	-----	-----	-----
Alinma Wadi Alhada Fund	Private Offering	non-independent member	non-independent member	non-independent member	-----	-----	-----
Alinma Income Generating Opportunities Fund	Private Offering	non-independent member	-----	-----	-----	-----	-----

Alinma AlMadinah RE Fund	Private Offering	non-independent member	non-independent member	-----	-----	-----	-----
Alinma AlTaif RE Fund	Private Offering	non-independent member	non-independent member	-----	-----	-----	-----
Alinma Residential Fund	Private Offering	non-independent member	-----	-----	-----	-----	-----
Alinma Hospitality Reit Fund	General Offering	non-independent member	non-independent member	-----	-----	-----	-----
Alinma AlKhubar RE Fund	Private Offering	non-independent member	non-independent member	-----	-----	-----	-----
Alinma Diversified Opportunities Private Fund							
Alinma Ajyad RE Fund	Private Offering	non-independent member	non-independent member	-----	-----	-----	-----
IKRAAM ENDOWMENT FUND	Private Offering	non-independent member	-----	-----	-----	-----	-----

(g) Fund's Board of Directors Eligibility

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

1. shall not be bankrupt or subject to any bankruptcy or insolvency lawsuits.
2. has never committed an offense involving fraud or dishonesty.
3. have the necessary skills and experience.

(h) Acknowledgment by the Fund Manager regarding the Independent Directors

The Fund Manager acknowledges that the Independent Directors meet the definition of "Independent Fund Board Member" contained in the list of terms used in the regulations and rules of the CMA.

19. Fund Manager

a. Fund Manager Name and Address

Alinma Investment Company

Al-Anoud Tower II, Floor No. 20, King Fahd Road, Olaya District, P.O. Box: 55560 Riyadh 11544, Kingdom of Saudi Arabia

Website www.alinmainvestment.com

b. Fund Manager License

Alinma Investment Company, a Saudi closed joint stock company, registered under Commercial Registration Certificate No. (1010269764), and licensed by the CMA as a financial market institution under the Capital Market Institutions Regulations, under CMA license No. (0913437-) dated 23/06/1430 H to engage in the activity of transaction, custody and management (investment management and Fund operation), arranging and advising in securities business.

c. Duties, Roles and Responsibilities of the Fund Manager:

The Fund Manager duties and are summarized as follows

1. Establishing decision-making procedures to be followed to implement the technical and administrative aspects of the Fund's projects and works.
2. Complying with all laws, regulations, and instructions applicable in the KSA related to the Fund's activities.
3. Applying the Fund's compliance monitoring program, and providing the CMA with the results of the application upon its request.
4. Developing policies and procedures to monitor the risks affecting the investments of the Fund, and ensuring speedy handling of them, provided that these policies and procedures include carrying out a risk assessment process at least annually.
5. Cooperating with all persons concerned with performing tasks for the Fund, including the custodian and auditor, and providing them with all necessary to perform their duties and tasks in accordance with the Real Estate Investment Funds Regulations.
6. Preparing an annual report including an assessment of the performance and quality of services provided by the parties concerned with providing essential services to the Fund, including the custodian, developer and property manager, as applicable - and the Fund Manager must submit the report referred to in this paragraph to the Fund's Board.
7. Managing the Fund's assets in a manner that achieves the interest of the Unitholders in accordance with the Terms and Conditions of the Fund.
8. Ensuring the regularity and integrity of contracts concluded for the benefit of the Fund.
9. Complying with the provisions of the Real Estate Investment Funds Regulations, whether it has performed its responsibilities and duties directly or assigned to a third party under the provisions of the Real Estate Investment Funds Regulations and the Capital Market Institutions Regulations.
10. Committing to the provisions of the Real Estate Investment Funds Regulations when submitting applications for approval or notices to the Authority.
11. Complying with these terms and conditions.
12. Preparing an annual report that includes all complaints and the actions taken regarding such complaints and actions. The Fund Manager must submit the report referred to in this paragraph to the Fund's Board of Directors.
13. Committing to the provisions of the instructions for investment Fund announcements.
14. Maintaining the Fund's books and records.
15. Maintaining at all times a record of all issued and canceled units, and an updated record showing the balance of the Fund's existing units.
16. Maintaining all books and records as stipulated in the Real Estate Investment Funds Regulations for a period of ten (10) years unless otherwise specified by the CMA, and in the event of a lawsuit or claim (including any existing or threatened lawsuit) or any existing investigation procedures related to those books and records for a longer period until the end of that lawsuit, claim or existing investigation procedures.

17. Managing the Fund's real estate assets and other assets for the benefit of the Unitholders in accordance with these Terms and Conditions.
18. Implementing the investment strategies described within these Terms and Conditions.
19. Arranging, negotiating, and implementing financing according to Sharia standards and controls, on behalf and for the benefit of the Fund.
20. Obtaining the approval of the Sharia Supervisory Committee regarding the compliance of these terms and conditions and all the Fund's contracts, documents and dealings with Sharia standards and controls.
21. Appointing an auditor and other professional service providers to the Fund, including the legal advisor.
22. Supervising the performance of property managers.
23. Arranging the sale and/or liquidation of the Fund at the end of the Fund's term.
24. Preparing and submitting reports to unitholders in accordance with the Real Estate Investment Funds Regulations.
25. Informing Unitholders of any material facts or developments that may affect the Fund's business in accordance with the requirements of the Real Estate Investment Funds Regulations.
26. Get approval of the CMA and unitholders for essential changes to the Fund in accordance with the requirements of the Real Estate Investment Funds Regulations
27. Consulting with members of the Fund's Board from time to time to ensure compliance with the regulations of the Saudi CMA and the Terms and Conditions.

d. Provisions regulating Fund Manager's Dismissal or Replacement:

- A. The CMA may dismiss the Fund manager in relation to the Fund and take any action it deems appropriate to appoint a replacement Fund manager for the Fund or take any other measure it deems appropriate, in the event of any of the following cases:
 1. The Fund Manager ceasing to carry out the activity of managing investments and operating funds without notifying the Authority of such ceasing in accordance with the Capital Market Institutions Regulations.
 2. Cancellation of the Fund Manager's license to practice the activity of managing investment and operating funds, or withdrawing or suspending such license by the Authority.
 3. Submission of a request to the Authority by the Fund manager to cancel its license to practice the activity of managing investments and operating funds.
 4. If the Authority considers that the Fund manager has materially breached the law or its implementing regulations.
 5. The death, disability or resignation of the investment portfolio manager who manages the Fund's assets, with no other person registered with the Fund manager capable of managing the Fund's assets that were managed by the investment portfolio manager.
 6. Issuance of a special resolution for the Fund by the Fund unitholders requesting the Authority to dismiss the Fund manager.
 7. Any other case that the CMA deems, on reasonable grounds, to be of fundamental importance.

- B. The Fund Manager has to notify the CMA with any cases mentioned in subparagraph (5) from subparagraph (A) from paragraph (D) of this article with 2 days from the date it happens.
- C. When the Fund Manager get dismissed according to cases provided in subparagraph (1) (2) (3) (4) (5) (7) from subparagraph (A) from paragraph (D) of this article, the CMA guide the dismissed Fund manager to call a meeting for unitholders with (15) days from the date of dismissed resolution; so, the custodian or any other party, through Ordinary Fund decision, to Search and negotiate with a new Fund manager and limiting the duration of research and negotiate.
- D. When the Fund Manager get dismissed according to cases provided in subparagraph (6) from subparagraph from paragraph (D) of this article, the Fund manager has to make an ordinary Fund decision at the same meeting that unitholders voted on the request to dismiss the Fund manager; so, the custodian or any other party, through Ordinary Fund decision, to Search and negotiate with a new Fund manager and limiting the duration of research and negotiate.
- E. In the event of the two cases provided in subparagraphs (C) and (D) of paragraph (D) of this article, the Fund manager has to inform the Authority with results of the unitholders meeting within 2 days from its date.
- F. If the CMA exercises any of its powers in accordance with the provisions of this Paragraph, the Fund Manager shall fully cooperate in order to facilitate the smooth transfer of responsibilities to the replacement Fund Manager within the first (60) days of the appointment of the replacement Fund manager. The dismissed Fund Manager shall, where necessary and appropriate and at the sole discretion of the Authority, transfer to the replacement Fund manager all contracts relating to the fund.
- G. Unitholders may request Fund liquidation though special Fund decision if not appointing an alternative Fund Manager during the period determined for searching and negotiating as mentioned in subparagraphs (C) and (D) of paragraph (D) of this article.
- e. **Any business activity or other important interest of the members of the board of directors or the Fund manager** that may conflict with the interests of the fund

The Fund's Board will oversee the resolution and settlement of any conflict of interest of any member of the Fund's Board of Directors or the Fund Manager; Any member of the Fund's Board or the Fund manager may have interests associated with a wide range of real estate and other commercial activities. From time to time, these activities may conflict with the interests of the Fund.

It should also be noted that the member of the Fund's board of directors, Mr. Faisal Mohammed Abdulmohsen Al Abdulkarim, Mr. Fahed Almutaw and Mr. Muhammed Al-Nimr own or fall under their ownership and management of some companies that may be tenants of part of the assets of the Fund's investment.

The members of the Fund's Board of Directors have duties towards investors under the responsibilities set out in these terms and conditions and will make all efforts to resolve and settle all conflicts of interest through their assessment in bona fides, including the obligation of those members of the Fund's Board of Directors who are related to the conflict to abstain from voting on any matter involving a conflict of interest.

f. Description of any fundamental Conflict of Interest that would affect the Fund Manager's Performance of his duties towards the Fund:

The Fund may enter into transactions with the Fund manager, its subsidiaries or companies that were previously affiliated therewith, or with other entities in which Alinma Investment Company has direct or indirect rights. For example, Alinma Investment Company or some of its subsidiaries may provide certain services to the fund. In particular, the Investment Banking team at Alinma Investment Company may provide advisory services regarding arranging financing for the fund, and will receive fees due to the Fund when executing any financing transaction, and all transactions that contains conflict of interests, to name a few, transactions that take place between the Fund and the Fund manager and its subsidiaries and entities in which Alinma Investment Company has direct or indirect rights will be disclosed to the Fund's board.

The Fund's Board will supervise the resolution and settlement of any conflict of interest for any of the Fund manager, and will make all efforts to resolve all cases of conflict of interest through their good faith judgment.

It should be noted that some cases of conflict of interest that may be achieved:

1. Projects similar to those of the Alinma Investment Company

Alinma Investment Company manages and is expected to continue to manage its own accounts and investments in addition to those with similar objectives to the Fund, including other group investment programs that can be managed or sponsored by SWICORP, in which Alinma Investment Company or one of its affiliates may own a share of the capital.

In addition, in accordance with the limitations set out in these terms and conditions, SWICORP and its future affiliates may act as Fund managers, investment managers or general partners in other investment funds, and one or more of them may invest in projects similar to those developed by the Fund.

2. Alinma Bank:

The Fund may obtain financing in accordance with what is stated in these terms and conditions, and this financing may be provided through Alinma Bank, Alinma Bank may be one of the lessees. Accordingly, it should be noted that Alinma Investment Company (Fund Manager) is wholly possessed by Alinma Bank. However, any transactions between the Fund manager and Alinma Bank will take place and will be conducted on an independent and commercial basis after being approved by the Fund board of directors.

g. Assignment of Third Parties

The Fund Manager can identify, change and reassign service providers, for example: Property Manager, Contractor, Consultants, Custodian and Chartered Accountants of the Fund, in the interest of Unitholders.

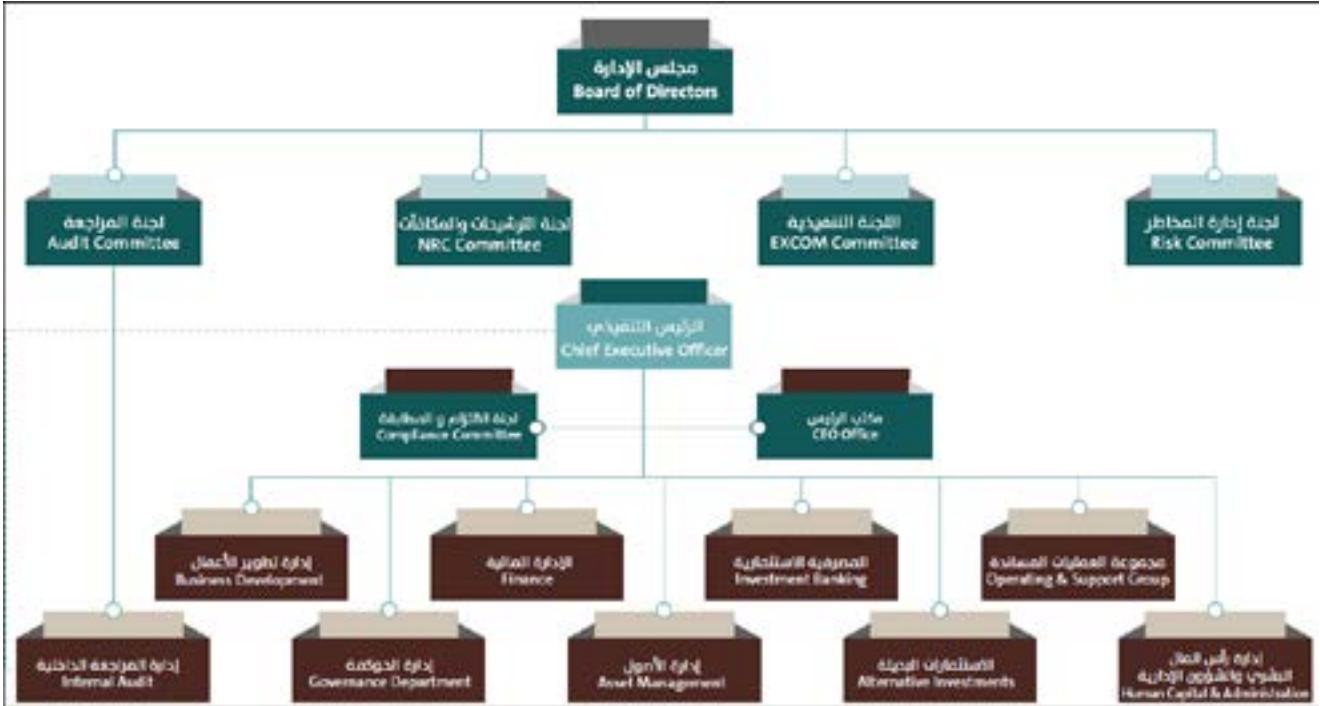
h. The Fund Manager's investment in the Fund Units and the value of these investments:

The Fund was subscribed to by the previous Fund manager during the initial offering period with a value of SAR 35,400,000, and the current Fund Manager, Alinma Investment Company, did not participate in the Fund during the initial offering period, and the current Fund Manager has the right to participate in any offering for the additional units within the process increasing the total Fund assets value or purchase through market whenever decided in accordance with the regular requirements in this regards. The Fund manager will disclose his investments in Fund's units the end of each quarter on his website and reports prepared by Fund manager according to article 25 of the Real Estate Investment Funds Regulations.

1. Brief about the Fund Manager:

Alinma Investment Company, a Saudi closed joint-stock company, registered under Commercial Registration Certificate No. (1010269764), and licensed by the CMA as a financial market institution under the Capital Market Institutions Regulations, under CMA license No. (3709134-) dated 231430/06/H to engage in the activity of dealing, custody and management (investment management and Fund operation), arranging and advising in securities business.

2. Structure of Fund Manager and Assets Management:



SAR 68,152,000,000 approximately	Total value of assets under management
12 funds	Public Funds Number
SAR 18.941.000.000 approximately	Public Funds Size
40 employees	Number of Asset Management and replacement Investments

20. Legal Advisor:

Name: Al Dhabaan & Partners (current legal advisor)

Home Offices

Al Urubah Rd

Address: P.O. Box 12334

Riyadh, Kingdom Saudi Arabia

Website: www.aldhabaan-es.com

21. Custodian

a) Name, Address and License of the Custodian:

Name	Albilad Financial Company
Address Smart	Tower - First Floor King Fahd Road P.O. Box 140 Riyadh, Saudi Arabia
Website	www.albilad-capital.com

Custodian License

Albilad Capital is a company licensed by the Capital Market Authority, license No. (08100- 37).

b) The Custodian's Roles, Duties and Responsibilities:

1. The custodian shall be responsible for his obligations in accordance with the provisions of the Real Estate Investment Funds Regulations, whether it performs its responsibilities directly or assigns them to a third party in accordance with the provisions of the Real Estate Investment Funds Regulations and the Capital Market Institutions Regulations. Moreover, the custodian shall be responsible to the Fund Manager, Unitholders and the Fund's Board for the Fund's losses resulting from its fraud, negligence, misconduct or willful negligence.
2. The custodian will register the ownership of assets subject to the investment of the Fund through the special purpose company established to preserve and mortgage the assets of the Fund with the financing bank as a guarantee of the financing that will be provided to the Fund (when applicable).
3. The custodian shall be responsible for preserving and protecting the assets of the Fund for the benefit of the Unitholders through policy made by Fund manager, and shall be also responsible for taking all necessary administrative procedures in relation to the custody of the Fund's assets.
4. Separating the assets of the Fund from its assets, the assets of the Fund Manager and the assets of its clients, and define these assets independently by registering these assets in the name of the custodian for the benefit of the Fund.
5. Opening a separate account with a local bank in its name and indicating in the name of the account that it is for the benefit of the Fund.
6. Conducting professional due diligence when providing custody services.
7. Depositing all Fund's monetary in the Fund's bank account. Also, all amounts used to finance investments and cover the Fund management and operations expenses in accordance with the Real Estate Investment Funds Regulations and the terms and conditions received by the custodian from the Fund Manager and the contract under which it was appointed to carry out his work shall also be deducted from that account.
8. Maintaining all documents related to the Fund, including but not limited to: (deeds of ownership of real estate assets, investment decisions, all essential contracts of the Fund, evaluation reports).
9. Fund's net assets shall be owned to all unitholders gathered and custodian shall not have any interest or claim only if he owns units in the Fund or if he invested with these claims which is disclosed in the terms and conditions of the fund, also creditors of custodian or sub custodian, if exist, have no right in any claims or receivables in the Fund's assets or money, except Fund's units that owned to custodian or sub custodian

c) Tasks assigned to a third party by the Custodian in relation to the Fund:

The custodian may assign one or more third parties or any of its affiliates to act as a sub-custodian of the Fund that is responsible for preserving its assets. The custodian shall pay the fees and expenses of any sub-custodian from its own resources, and remain responsible for its obligations in accordance with the provisions of the implementing regulations issued by the Authority and the terms and conditions and his appointment contract, whether it performs its responsibilities and duties directly stated therein or assigns them to a third party.

d) Provisions regulating the Dismissal and Replacement of the Custodian:

1. The CMA may dismiss the custodian appointed by the Fund Manager or take any measure it deems appropriate in the event of any of the following cases:
 - The custodian ceases to engage in custodian activity without notifying the CMA of that in accordance with the Capital Market Institutions Regulations.
 - Revocation, withdrawal or suspension of the custodian's license to practice custody activity by the CMA.
 - The custodian's request to the CMA to cancel its license regarding the practicing of its activity.
 - If the CMA considers the custodian has breached – materially - the Law or the Implementing Regulations.
 - Any other case that the CMA deems - on reasonable grounds - to be of fundamental importance.
 - It is the powers of the CMA to dismiss and replace the custodian or to take any action it deems appropriate in the event of any of the cases mentioned in the paragraphs mentioned above.
2. If the CMA exercises any of its powers in accordance with paragraph (1) above, the concerned Fund Manager shall cooperate fully in order to help facilitate the smooth transfer of responsibilities to the replacement custodian within the first sixty (60) days from the appointment of the replacement custodian. The displaced custodian shall, where necessary and appropriate at the sole discretion of the CMA, transfer to the replacement custodian all contracts associated with the Fund.
3. The Custodian may be dismissed by the Fund Manager in the following cases:
 - The Fund Manager may dismiss its appointed custodian under a written notice if he reasonably considers that the dismissal of the custodian is in the interest of the Unitholders, and the Fund Manager shall notify the CMA of such action immediately in writing.
 - If the Fund Manager dismisses the custodian, the Fund Manager shall appoint a replacement within thirty (30) days of the custodian receipt of the written notice issued in accordance with the above paragraph. Moreover, the displaced custodian shall cooperate fully with the Fund Manager to facilitate the smooth transfer of responsibilities to the replacement custodian. The displaced custodian shall transfer - where necessary and appropriate - to the replacement custodian all contracts related to the Fund.
 - The Fund Manager shall immediately disclose on its website, the Market's website or any other website available to the public, according to the regulations set by the CMA (where applicable), that it has appointed a replacement custodian for the Fund.

22. The Company that manages the Property Management

A. The name and address of the Company managing the property

Name: Retail Real Estate Company Address: P. O. Box 91220

Riyadh 11633 KSA

The Fund Manager may change the property manager of the Fund whenever the Manager deemed it appropriate, provided that the Fund Manager adheres to the relevant regulatory procedures.

B. Duties and Responsibilities of the Company that manages the Property Management:

1. The Property Manager responsibilities include but are not limited to the following:
2. Property management, maintenance, rental services, rent collection and dealing with lessees.
3. Submitting an annual work plan for the assets under management, including, but not limited to (the operational plan, pricing mechanism and marketing plan).
4. Submitting a detailed study of the assets under management, including, but not limited to, the annual forecasts of rental returns and the operating and capital expenses of the assets.
5. Ensuring that all statutory documents related to the assets are completed and reviewed according to the relevant regulations.
6. Maintaining books, records and lease contracts for assets.

C. Disclosure of whether the Company managing the property intends to invest in the Fund Units and the value of these investments:

The Retail Real Estate Company did not participate in the Fund during the initial offering period, and the current property manager has the right to participate in any offering of additional units within the process of increasing the total value of the Fund's assets or buy from market when it is decided to do so in accordance with the statutory requirements in this regard.

23. Auditor

A. Auditor Name and Address

Name Alluhaid & Alyahya Chartered Accountants Address
Al Taawun - Abu Bakr Al Siddik Road
Riyadh, Kingdom Saudi Arabia
Tel: 00966112694419
Fax: 00966112693516

B. Auditor Duties and Responsibilities:

Reviewing financial statements and comments about it in accordance with the accounting standards deliberate by the Saudi Organization for Certified Public Accountants (SOCPA), the provisions of the Real Estate Investment Funds Regulations, and the Fund's Terms and Conditions.

The Fund Manager may change the Fund's auditor whenever the manager deemed it appropriate, based on the approval of the Fund's Board, provided that the Fund Manager adheres to the relevant regulatory procedures.

24. Financial Statements

The financial year will start from January 1 through December 31 each year, with the exception of the first year of the Fund's establishment, in which the financial year will start on the date of the expiration of the initial offering period and end on December 31, 2018 AD.

Fund manager prepares financial Fund statements in Arabic, to be reviewed semi-annually and audited as per accounting standards deliberate by SOCPA. Moreover, additional copies may be prepared in other languages. In case of any inconsistency between these copies, the Arabic text shall be prevailed.

The financial statements shall be audited and reviewed by the Fund's auditor as per accounting standards deliberate by SOCPA, and made the initial financial statements available to public after the approval of the Capital Market Authority and made public to the unitholders (No fees) Immediately upon approval and (30) one day from the end of the period of financial statements through the website of Fund manager and Tadawul website.

Within (3) months from the end of the annual reports period covered by the audited annual financial statements (No fees) by posting them on the Fund Manager's website and (Tadawul) website.

25. Conflict of interest

The Fund's Manager, affiliates, any other entities that Alinma Investment, its directors, officials, staff, customers, directors, officials, employees and agents and members of the Fund's Board of Directors have direct or indirect rights, may subscribe in financial investments or other professional activities that may sometimes lead to conflicts of interest with the Fund, if the Fund Manager or any of the members of Fund's Board of Directors faces a fundamental conflict of interest with the Fund, the Fund Manager will make appropriate disclosure as soon as possible.

Since the Alinma Investment Company is wholly owned by the Alinma Bank, it should be noted that the Alinma Bank is one of the lessees in the Fund's assets, if the Alinma Bank is the Fund's financier, the funding terms will be negotiated on an independent basis and approved by the Fund's Board of directors.

It should also be noted that Mr. Muhammed Al-Nimr, Mr. Faisal Al Abdulkarim and Mr. Fahed Almutaw have or are under their management companies that have leased or may lease part of the Fund's assets, and the interests of these companies may from time-to-time conflict with the Fund's interests.

The Fund manager will seek to resolve any such conflict through the fair application of the Fund Manager's procedures, including the obligation of Fund's Board of Directors who are related to the conflict to abstain from voting on any matter involving a conflict of interest.

The policies and procedures that will be followed to address cases of conflict of interest and any potential and/or actual conflict will be provided upon request without charge.

(A) Transactions of related parties

From time to time, the Fund may enter into transactions with the relevant parties provided that the disclosure of a conflict of interest approved or adopted by the relevant Fund's Board is immediately disclosed on the Fund Manager's website and the Market's website or any other website available to the public and in the Fund reports prepared by the Fund Manager.

26. Reporting to the Unitholders

The Fund Manager shall submit unitholder's reports on the Fund Manager's website and the Market's website to disclose the following information

A. Disclosure of fundamental developments:

The Fund Manager is obliged to notify the CMA and disclose to the unitholders without delay about any fundamental developments falling within the framework of its activity that are not publicly available may affect the assets and liabilities of the Fund, its financial position, its overall course of operation, any change in the status of the Fund or lead to the voluntary withdrawal of the Fund Manager from the position of Fund Manager, and can reasonably or significantly change the price of the unit listed or have a significant impact on the ability of the Fund to meet its debt instrument obligations.

B. Disclosure of Certain Events

The Fund manager is obliged to notify the CMA and disclose to the unitholders without delay about any of the following developments (whether or not they are fundamental according to the above-mentioned paragraph (a) related to “disclosure of fundamental developments” above):

1. Any transaction to purchase, sell, rent, mortgage or lease assets at a price equal to or greater than (10%) of the total value of the assets of the Fund according to the latest annual audited financial statements or audited annual financial statements, whichever is more recent.
2. Any losses equal to or greater than (10%) of the net assets of the Fund according to the latest audited initial financial statements or audited annual financial statements, whichever is more recent.
3. Any dispute, including any lawsuit, arbitration or mediation, if the amount of the dispute or claim is equal to or greater than (5%) of the net assets of the Fund according to the latest audited initial financial statements or audited annual financial statements, whichever is more recent.
4. Increase and decrease in the net assets of the Fund equal to or greater than (10%) according to the latest audited initial financial statements or audited annual financial statements, whichever is more recent.
5. Increase and decrease in total Fund profits of more than (10%) according to the latest annual audited financial statements.
6. Any transaction between the Fund and a related party or arrangement whereby the Fund and the related party invest in or provide funding for any project or asset if such transaction or arrangement is equal to or greater than (1%) of the total income of the Fund in accordance with the latest annual audited financial statements.
7. Any interruption of any of the Fund's main activities is equal to or greater than (5%) of total Fund income according to the latest annual audited financial statements.
8. The issuance of a judgement, decision, declaration or order by a court or judicial authority, whether at first instance or in appeal, which may adversely affect the utilization by the Fund of any part of its assets whose total value greater than (5%) of the net assets of the Fund according to the latest audited initial financial statements or audited annual financial statements, whichever is more recent.
9. Any proposed change in total value of the Fund's assets.

The Fund Manager shall provide the Fund unitholders with quarterly reports, within a period not less than (10) days from the end of the relevant quarter, through its website, the Tadawul website or any other website available to the public according to the regulations set by the CMA (where applicable).

The Fund manager shall prepare annual reports and publish it in website of Fund Manager and Tadawul web-site

The Fund Manager shall make the preliminary statements available to the public after auditing them according to Real Estate Investment funds regulations with no charge within a period not less than (30) days from the end of the financial statements period.

The Fund Manager shall also make annual reports (including the audited annual financial statements) available within a period not less than (3) months from the end of the reporting period, this is done in the places and by the means specified in the terms and conditions of the Fund and on the Fund Manager's website and the Market's website or any other website available to the public according to the regulations set by the CMA.

27. Meeting of unitholders:

A. Circumstances in which a meeting of unitholders is called for:

1. The Fund Manager may, upon its own initiative, call for a meeting of unitholders, provided that the subject matter of the invitation does not conflict with the Fund Manager's responsibilities and duties under the Real Estate Investment Funds Regulations.
2. The Fund Manager shall call for a meeting of unitholders within 10 days of receiving a written request from the custodian.
3. The Fund Manager shall call for a meeting of unitholders within 10 days of receiving a written request from one or more-unitholders who collectively or separately own at least (25%) of the fund's unit value.

B. Procedures for convening a meeting of Unitholders:

1. The invitation to the meeting with the unitholders shall be made public on the website of the Fund Manager and the Saudi Stock Exchange (Tadawul) website, and any other website available to the public according to regulations set by the CMA, before no less than (10) days of meeting and (21) days prior to the meeting, the notice and publication will specify the date, place, time, agenda and proposed decisions of the meeting, and a copy of the notice will be sent to the CMA.
2. The Fund Manager shall, when preparing the agenda for the unitholders meeting, take into consideration the topics that the unitholders wish to include, and the unitholders who own at least (10%) of the value of the Fund's units have the right to add one or more topics to the agenda of the unitholders meeting, provided that the proposed subject does not interfere with the responsibilities and duties of the Fund manager under the provisions of the Real Estate Investment Funds Regulations.
3. The Fund Manager may amend the agenda of the unitholders' meeting during the announcement period referred to in paragraph (1) above, provided that it is announced on the Fund Manager's website, the Market's website and any other website available to the public according to the regulations set by the CMA, prior ten (10) days at least as of the meeting and no more than twenty-one (21) days before the meeting.
4. If any of the decisions proposed at the meeting of the unitholders are approved by the unitholders and these conditions and provisions have to be amended, the Fund manager shall amend them in accordance with the approved decision.
5. A meeting of unitholders is only valid if a number of unitholders collectively own at least (25%) of the Fund's unit value.
6. If the quorum described in Paragraph (5) above is not met, the Fund Manager shall call for a second meeting by announcing it on the Fund Manager's website, the Market's website and any other website available to the public according to the regulations set by the CMA, at least five (5) days before the date of the second meeting, and the second meeting is considered valid regardless of the ownership percentage of the units represented in the meeting.

C. Voting method for unitholders and voting rights at unitholders' meetings:

1. Each unitholder may appoint a legitimate representative to represent at the meeting of the unitholders.
2. Each unitholder may cast one vote at the meeting of the unitholders for each unit he owns at the time of the meeting.
3. Senior unitholders are not entitled to vote at the meeting of unitholders on the decision concerning the acquisition of real estate assets belonging to or beneficial to them.
4. The decision will come into force with the approval of unitholders whose ownership represent more than 50% or more than 75% (where applicable) of the total units whose owners are present at the meeting of the owners of the units, whether their presence is personal, on behalf or by modern technical means.
5. Meetings of the unitholders, subscription in their deliberations and voting on their decisions may be held through modern technical means in accordance with the regulations established by the CMA.

28. Rights of Unitholders:

1. Unitholders are entitled to exercise all of their rights under these Terms and Conditions, including:
2. Approval of the proposed basic change through an ordinary Fund decision in accordance with the provisions of the Real Estate Investment Funds Regulations.
3. Approval of the change in the maturity date or termination of the Fund through a special Fund decision in accordance with the provisions of the Real Estate Investment Funds Regulations.
4. Exercise all rights associated with units, including, but not limited to, the right to vote in meetings of unitholders.
5. The right to attend unitholders' meetings.
6. Obtaining distributions in accordance with these terms and conditions.
7. Obtaining annual reports and updates in accordance with the Real Estate Investment Funds Regulations and these terms and conditions.
8. Any other rights approved by the relevant regulations and instructions.

29. Other information:

a) Anti-money Laundering

Additional documents, information or documents may be required to comply with the Anti-Money Laundering Law and its regulations and verify the identity of investor, bearing in mind that this information shall be kept confidential. The Fund Manager reserves the right to request the necessary documents or additional information, and failure to provide identification documents to convince the Fund manager may result in a refusal to participate in the fund.

Thus, the unitholders acknowledge that the amounts used to participate in the Fund are not the result of suspicious or illegal sources. If the Fund Manager finds reason to suspect the legal source of the funds associated with the investor's investment transactions, so the manager will suspend the process or it shall be refused by the Fund Manager's Money Laundering and Terrorist Financing Reporting Officer, who in turn will review the circumstances of the case to determine justifications for suspect. Accordingly, it will be decided to report or not to report to the regulatory authority in the KSA concerned with combating money laundering and terrorist financing. It should also be noted that the Fund Manager is not allowed under the Anti-Money Laundering Law to inform unitholders of suspected and reported operations.

b) Confidentiality of Information:

The business of the Fund shall be managed with the utmost confidentiality at all times, and this should not be interpreted as limiting the access of the Fund's regulatory authority (CMA) and relevant government authorities to the records of the Fund for the purposes of regulatory supervision. The information necessary to open the investor's account, carry out its operations and abide by the applicable regulations to the necessary extent, will be shared between the Fund Manager and the other parties selected by the Fund Manager including the Fund's services providers as required for the implementation of the Fund's purposes and operations. The Unit holder also agrees that this information may be shared with the relevant regulatory authorities.

c) Complaints procedures:

If the investor has any complaint regarding the Fund, he shall send it to the following address:

Customer Care Department – Alinma Investment Company – Contact number: 8004413333, E-mail: info@alinmainvest.com, the subscriber may file his complaint with CMA – the Investors Complaints Department

– and the subscriber file his complaint with the Committee for the Resolution of Securities Disputes after a period of time (90) calendar days from the date on which the complaint is filed with CMA, unless CMA has notified the complainant that it may be deposited with the Committee before the expiration of the period.

d) Integrity of Information:

Subscribers are responsible for providing the Fund manager with necessary information and their mailing addresses and contact numbers, including the correct electronic mailing addresses at all times and notifying it immediately of any change in addresses. In the event the subscribers do not provide the Fund manager with the correct address or request the Fund manager not to send mail, including notices related to their investments in the fund, the subscribers hereby agree to protect the Fund manager and release it from any liability and waive their rights or claims against the Fund manager arising directly or indirectly from the failure to provide them with data, notices or any other information relating to the investment or arising from the inability to respond, verify the information, or correct any errors or purported errors in any of the statements or notices.

e) Disclaimer:

Any information, records or notices provided by the Fund manager are not intended to provide any advice or consultancy or any evaluation or any investment feasibility statement and shall not be considered as a recommendation to any subscriber or investor to invest in Fund's units. The Fund manager does not provide any advice to the subscriber regarding the Fund or investing in it. Each investor is responsible for making his own independent investigation and evaluation of the solvency of the Fund and of investing in it. The Fund manager also recommends that all potential investors seek advice from a licensed independent financial advisor.

f) Independency of provisions:

If any provision of these Terms and Conditions is found to be invalid or unenforceable according to any court, regulatory authority or otherwise, the invalidity or unenforceability of that clause or provision is limited only for it, and the validity of the remaining provisions will not be affected, and these terms and conditions continue to be enforced as if they do not contain any invalid or unenforceable provision or clause, if any conflict between these Terms and Conditions and others is found, the terms presented in these terms and conditions shall prevail.

30. Sharia Supervisory Committee

A. Members of Sharia Supervisory Committee and their Qualifications

- **Sheikh/ Muhammad bin Ali Al-Qari - Head of the Committee:**
A former professor of Islamic economics at King Abdulaziz University in Jeddah, and the former director of the Center for Islamic Economics Research, at the same university, he received a doctorate in economics from the University of California. Recipient of the International Prize in Islamic Banking and Financial Services from the Islamic Development Bank for the year 2004, a member of the Sharia Board of the Accounting and Auditing Organization for Islamic Financial Institutions “AAOIFI”, and a member of several Sharia Committees in a number of local and international banks and financial institutions.
- **Sheikh/ Yousef bin Abdullah Al-Shubaily – Member:**
Professor of Comparative Jurisprudence at the Higher Judicial Institute, obtained a doctorate in Comparative Jurisprudence from the Higher Judicial Institute, member of the Sharia Board of the Accounting and Auditing Organization for Islamic Financial Institutions “AAOIFI”, and a member of many Sharia Committees in a number of local and international banks and financial institutions.
- **Sheikh/ Yasser bin Abdulaziz Al-Murshidi – Member:**
Secretary-General of the Sharia Board and General Manager of Sharia Sector at Alinma Bank, and a member of the Sharia Standards Study Committee at the Accounting and Auditing Organization for Islamic Financial Institutions “AAOIFI”, and has more than twenty years of experience in the field of Islamic banking.

B. Sharia Supervisory Committee Roles and Responsibilities

The Sharia Supervisory Committee is specifically responsible for the following activities:

1. Studying and reviewing the fund's terms and conditions, the fund's investment objectives and policies, in addition to any contracts it wishes to deal with, to ensure that the Fund adheres to Sharia standards and controls.
2. Presenting the Sharia opinion to the Fund manager in relation to the Fund regarding compliance with the Sharia standards and controls.
3. Determining appropriate criteria for selecting operations that are compatible with Sharia standards and controls in which the Fund manager may invest the liquidity available for the Fund as short-term investments as stipulated in these Terms and Conditions.
4. Providing appropriate standards to the Fund manager regarding disposal deductions, if any.
5. Monitoring investments in the light of specific Sharia standards and controls.
6. Expressing the Sharia opinion regarding the fund's commitment to Sharia provisions for inclusion in the Fund's annual report.

C. Remunerations of Sharia Committee Members:

Members of the Sharia Supervisory Committee are entitled to annual fees of SAR (37,500) annually, and it is possible to pay these fees to the Alinma Investment Company if it undertakes the payment of the remuneration due to the members of the Sharia Supervisory Committee.

31. Characteristics of Units

The units in the Fund represent a proportional share in the net assets of the fund, all of which are of one category, equal in duties and rights, as each unit represents an equal common share in the Fund's assets.

32. Amendment of the Fund Terms and Conditions

- A. The Fund manager shall obtain the approval of the unitholders of the Fund for the proposed fundamental change through an ordinary Fund decision.
- B. The Fund manager shall obtain the approval of the unitholders in the Fund on the proposed fundamental change in the maturity or termination date of the Fund through a special Fund decision in accordance with the provisions of the Real Estate Investment Funds Regulations.
- C. The Fund manager shall, upon obtaining the approval of the unitholders in accordance with paragraphs (a) and (b) above, obtain the approval of the CMA on the proposed fundamental change for the Fund.
- D. The Fund manager shall obtain the approval of the Fund's Board before making any fundamental or non-fundamental change. Non-fundamental change means any change not included in paragraph (10) of Article (32).
- E. The Fund manager shall notify the unitholders and disclose the details of the basic changes on its website, the Market's website and any other website available to the public according to the controls set by the CMA (10) days before the change becomes effective.
- F. Details of the basic changes shall be stated in the Fund reports prepared by the Fund Manager in accordance with the provisions of the Real Estate Investment Funds Regulations.
- G. The Fund manager shall notify unitholders and disclose details of any non-basic changes on its website, Market website and any other website available to the public according to the controls set by the CMA (10) days before the change becomes effective.
- H. Details of the basic changes shall be stated in the Fund reports prepared by the Fund manager in accordance with the provisions of the Real Estate Investment Funds Regulations.

33. Fund Manager Declarations

In addition to the acknowledgments mentioned in these terms and conditions, the Fund manager acknowledges (as on the date of preparing these terms and conditions) the following, in accordance with the requirements of Annex No. (10) of the Real Estate Investment Funds Regulations:

1. The Fund manager acknowledges that the terms and conditions of Alinma REIT Fund of retail sector have been prepared in accordance with the Real Estate Investment Funds Regulations issued by the CMA.
2. The Fund manager, having conducted all reasonable inquiries, acknowledges that, to his knowledge and belief, there are no other facts that the failure to include in this document could make any statement contained therein misleading. The Saudi CMA and the Saudi Stock Exchange bear no responsibility for the content of these Terms and Conditions.
3. The Fund manager (the former) acknowledges that real estate assets are free from any disciplinary offences that prevent or may result in the non-utilization or operation of real estate assets and property, as well as in the technical integrity of real estate assets and the absence of any major engineering deficiencies that may prevent or cause the use or operation of real estate assets or may in turn cause costly major repairs and changes.

4. The Fund manager acknowledges that there is no direct/indirect conflict of interest, other than what is disclosed between any of the following:
 1. Fund manager.
 2. The manager (s) of the real estate associated with the Fund.
 3. The owner(s) of the real estate associated with the Fund.
 4. Tenants of real estate assets whose proceeds constitute (10%) or more of the Fund's annual lease revenue.
- 5- Accredited valuer.
 1. The Fund manager (the former) acknowledges that it has taken the due diligence to ensure that there is no direct/ indirect conflict of interest between the sellers of the real estate assets of the Fund and the accredited valuers.
 2. The Fund manager acknowledges that all members of the Fund's Board of Directors: They have not been subject to any bankruptcy, insolvency, bankruptcy or liquidation proceedings, they have never committed fraudulent, dishonest or fraudulent acts, they have not committed any violation involving fraud or conduct contrary to integrity and honesty, and they have the necessary skills and experience to be members of the Board of Directors of the fund.
 3. The Fund manager acknowledges that independent members are identical to the definition of "an independent member of the fund's Board of Directors" included in the list of terms used in CMA regulations and rules and that this will also apply to any independent member appointed by the Fund manager throughout the life of the fund.
 4. The Fund manager acknowledges that there are no significant business activities or other interests of the members of the Board of Directors of the Fund, that are likely to conflict with the interests of the fund.
 5. The Fund manager acknowledges that there are no conflicts of interest that would affect the Fund Manager in the performance of his duties towards the fund.
 6. The Fund Manager acknowledges that there are no fees other than those mentioned in the table of charges and fees mentioned in article (15) of these Terms and Conditions.
 7. The Fund manager (the former) acknowledges that the Fund will be included only upon completion of the transfer of ownership of the real assets for the Fund or transfer its beneficial, and if this is not completed after, completing offering period stated in article (11) of these terms and conditions, the full amount of the subscription will be returned to subscribers.
 8. The Fund manager acknowledges that no member of the Board of Directors has a direct or indirect interest in the business and contracts of the fund.
 9. The former Fund manager and current Fund manager, based on information it received when it was appointed, acknowledges that all contracts and agreements related to the Fund that may affect investor decisions to subscribe or trade in the Fund have been disclosed and that there are no contracts and agreements other than those mentioned in these terms and conditions.
 10. The Fund Manager acknowledges that unitholders may vote on issues raised by them at unitholders' meetings. In addition, the approval of a majority of unitholders with more than (50%) or more than (75%) (Where applicable) of the total unit whose owners are present, with respect to making any fundamental change to the fund, which includes:

1. Significant change in the objectives, nature or category of the fund.
 2. Change that may have a negative and fundamental impact on unitholders or their rights with respect to the fund.
 3. Change that may have an impact on the risk situation of the fund.
 4. Voluntary withdrawal of the Fund manager from the position of the Fund manager.
 5. Any change that normally leads to the unitholders reconsider their participation in the fund.
 6. A change that substantially increases the total payments made from the fund's assets.
 7. The change in the date of maturity or termination of the fund.
 8. Increasing the total value of the fund's assets by accepting cash or in-kind contributions or both. 9- Any other cases decided by the CMA from time to time and reported to the Fund manager.
11. The Fund Manager shall acknowledge that it will take all necessary steps in the interest of the unitholders, as it knows and believes with due and reasonable diligence. The Fund manager, managers, officials, staff, agents and advisors of the fund, the affiliates, the custodian, the Sharia Advisor and the Board of Directors of the Fund shall exercise care and reasonable effort and act in bona fides in the interests of unitholders, however, the Fund may be at risk of loss in any way due to any unintentional conduct by any of the parties in respect of their management of the fund. such parties would not be liable for such loss provided that they had acted in bona fides and had established bona fides in the absence of any conduct, decision or correspondence indicating prior knowledge of the negative consequences of such conduct and in a manner that was believed to be in the best interests of the Fund and that the conduct did not involve gross negligence, fraud or deliberate misconduct.
 12. The Fund manager acknowledges that it explained to the accredited valuers that the scope of evaluation reports shall meet the purpose of the Fund manager's request and shall be usable to be offered to the public, and the market rent shall be included if it different from the contractual rent in the lease contracts of real estate assets.

34. Applicable Law

The Real Estate Investment Traded (REIT) Fund and the Fund Manager are subject to the Capital Market Law and its implementing regulations and other relevant laws and regulations applicable in the KSA, and that the judicial authority competent to consider any dispute arising from investing in REIT funds is the Committee for the Resolution of Securities Disputes.

Signature:

Date:

God is the Arbiter of Success and Allah prays to our Prophet Mohammed and to his family and his companions.

الإِنماء للاستثمار
alinma investment 
شركة مضمونة
مرخصة من هيئة السوق المالية برقم 09134-37